

**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 2022**

## Contents

	<b>Page No</b>
Report of the Trustees	1-6
Strategic Report	7-8
Statement of Trustees Responsibilities	9
Auditors' Report	10-13
Statement of Financial Activities	14
Balance Sheet	15
Consolidated Cash Flow Statement	16
Notes to the Accounts	17-32

# THE JOHN BLACK CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES

### For the year ended 31 March 2022

The trustees present their report together with the financial statements of the company for the year ended 31 March 2022, 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  
6th Floor  
9 Appold Street  
London, EC2A 2AP

#### 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 charity 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 2022**

#### **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 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. 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 below.

#### **FINANCIAL REVIEW**

##### **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. The trustees considered that the valuations of the three major properties remained unchanged. The U.K. equity portfolio performed well and the Bond portfolio provided solid income. The trustees remain satisfied with the spread of the Foundation assets. During the year the Foundation received £1.43m from Fondation de France which related to an asset held by the late John Black which was sold in France.

##### **PRINCIPAL FUNDING SOURCES**

The Foundation continues to receive donations from its wholly owned subsidiaries. It also has an investment portfolio which generates investment returns. Last year we reported that the Foundation received the last legacy payment from the Estate of the late John Black. We are pleased to report that during the year we received a donation from Fondation de France which related to a French property owned by John Black. This finalises any funds the trustees expect to receive 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. The equity portfolio, also managed in-house had another very positive year. The trustees retain confidence in those investments.

# THE JOHN BLACK CHARITABLE FOUNDATION

## REPORT OF THE TRUSTEES

### For the year ended 31 March 2022

#### RESERVES POLICY

As seen on page 15 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.

#### GRANTS AND INVESTMENTS

The Trustees are pleased to report that since 2013 they have made Grants and Donations amounting to £29m. These include three ten-year professional 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 MRI Linac machine that uses pioneering technology to locate and deliver doses of radiation to moving tumours with accuracy. In the words of Professor Louise Richardson, Vice Chancellor of Oxford University *"the equipment has the potential to make a substantive difference both on the treatment of cancer and the furthering of significant research"*. The machine is being used to treat not just Prostate but 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 treatments. In recognition of this the scanner has been named *"The John Black Charitable Foundation 3T MRI Scanner"*.

Currently we have made a total of 105 research grants: 89 of these grants were for research into Prostate and Parkinson's; 16 other research grants towards Covid were made last year to meet the urgent need of research during the height of the pandemic. This year again many of our researchers have had their work published in quality medical journals and where appropriate we have provided follow-on finance. 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 in the USA, the Urological Foundation (TUF), The Cure Parkinson's Trust (CPT) and Rosetrees Trust (RT). These institutions provide the necessary peer review work required before JBCF makes any grant. We reported last year that we joined CPT and VAI in a tripartite agreement to fund the iLCT programme for repurposing drugs for Parkinson's disease. We are happy to report that in that regard Ambroxol has been chosen to move into a Phase III trial. JBCF first supported research into Ambroxol in 2015. Last year the laboratories were still affected by Covid and this had a knock-on effect on our efforts to make meaningful grants and donations. Despite this JBCF made grants of £3.92m (2021 £3.5m). 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 (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 2022

#### Science Report

##### Prostate Cancer

Professor Ian Mills, the JBCF Chair in Prostate cancer at Oxford, asked us to offer support to two clinical surgeons, Alastair Lamb and Richard Bryant. They had been awarded £1m from NIHR to carry out a randomised controlled trial of Transectal biopsy versus Local Anaesthetic Transperineal biopsy Evaluation (TRANSLATE) of potential clinically significant Prostate cancer.

All parties agreed that this would give rise to setting up a biopsy biobank, collecting valuable research samples from the TRANSLATE trial. We believe that it is a very important use of JBCF funds to allow biobanking of material which would otherwise be lost to future research. The bank will store samples from 1042 men, be based at Oxford and will provide a rich resource to Prostate cancer researchers nationwide. The tissue resource is thought to be the first of its kind in the world.

We were happy to support a new project for Professor Ian Mills. It is known that Prostate cancer is sustained by the androgen receptor. The cancer promoting influence of the androgen receptor is thought to be caused by its actions on a number of drivers. Ian has identified one such driver. The purpose of his project is to define the mechanism of action of this driver and uncover treatment combinations in cancers that depend on its activity.

We also supported an application from Ian to target a particular transcriptional kinase to trigger innate immune response in lethal Prostate cancer.

Dr Valentine Macaulay we first supported in 2016. She was working on Insulin-Like Growth Factors, (IGF) and the fact that it appeared that those with low levels of IGF seemed to be protected from Prostate cancer. As with many other projects the pandemic had affected progress, we were happy to make a further grant to help Val get the research to the level where she could access a far larger grant from other cancer institutions. The initial work has been published in Discover Oncology.

Subsequently we also supported Val in a two year follow-on project, where she is trying to make a new type of IGF blocker based on small cyclic peptides.

Professor Marcus Drake from Bristol University recently concluded a study named Planet, which developed an assessment and treatment plan for Nocturia, increased passing of urine at night, which can sometimes be linked to prostate issues. We have funded a follow-on project NET ImpACT which will seek to adapt the PLANET assessment and treatment plan for everyday practice, test it is practical and works for patients, and make it standard practice in the NHS.

It was pleasing to see that some of the early work carried out by Professor Johan de Bono at Royal Marsden was published in the prestigious Science magazine. This work was sponsored by us to investigate the microbiome and its interaction with cancers.

We have again supported two Young Investigator Awards through the Prostate Cancer Foundation. This award has helped many fine scientists on the road to building their reputation. In fact the JBCF Professor of Prostate cancer, Gert Attard, received this opportunity many years ago.

Dr Harveer Singh Dev at Cambridge. Among several other aims, Harveer hopes to define the functional network the androgen receptor in the DNA damage response; he wants to identify novel therapeutic targets for overcoming resistance to ADT.

Dr Emily Grist at UCL, will use repeated plasma sampling of subclonal and clonal genomic alterations detected in biopsies from advanced hormone sensitive Prostate cancer. She plans to identify and characterise the emergence of subclones in men starting ADT using the standard treatments of enzalutamide/abiraterone/apalutimide and PARP inhibitors.

## **THE JOHN BLACK CHARITABLE FOUNDATION REPORT OF THE TRUSTEES For the year ended 31 March 2022**

We were delighted to make a substantial grant to Professor Nick James at the ICR alongside the John Black Professor for Prostate cancer at UCL, Gert Attard. The grant will further examine benefits arising from the Stampede trial. This trial has included more than 10,000 men and started in 2005. It has been very successful in changing treatment and outcomes using a high-performance assay, optimized, and tested on another set of patients funded by JBCF. This new grant will seek answers on why some men benefit, from among other treatment, Radiotherapy at certain stages; it will create biomarkers to better select patients going forward. This grant leverages on the fantastic success of Stampede and previous grants made by JBCF and we see it as a vital step to bring this element of our work with Gert to a useful conclusion.

It was good to see that Nick Bullock (Cardiff University) who we funded in 2018 completed his project on enhancing the therapeutic efficacy of PARP inhibitors in Prostate cancer. We look forward to seeing if his work might pave the way for early clinical trials that may improve the outcomes for patients.

In 2018 we supported Dr Claire Fletcher at Imperial College. The work was to develop a blood-based biomarker that would identify patients who would respond better to various treatments.

This work has been published in Molecular Cancer. Claire discovered a link between miR-346 and NORAD that regulates DNA damage and repairing Prostate cancer. The plan now is to take miR-346 forward into pre-clinical investigations with a view to eventual clinical trials.

UCL has promoted a major new Prostate cancer trial named Re-IMAGINE. It will attempt to correct current errors such as over diagnosis, over treatment, missed diagnosis and poor risk stratification: for all the progress made to date in PC these issues still exist. The trial will collect blood, urine, and tissue for marker analysis. We have made a grant which will enable the trial to also collect fecal matter, which may also prove to be an invaluable source of information. The trial is supported by professor Mark Emberton and the JBCF chair at UCL professor Gert Attard.

### Parkinson's Disease

It is nice to be able to report that Ira Milosevic, the JBCF Chair in Parkinson's at Oxford, secured a prestigious Wellcome Investigator Award. This is a seven-year career defining award which will enable her to build critical mass.

In 2015 we supported an investigation into the utility of breath analysis in the diagnosis and staging of Parkinson's disease. The work was carried out between among others Dr Roger Barker at Cambridge and the Technion University in Israel. The work has been published in The Journal of Parkinson's Disorders and we look forward to it being a step forward.

Professor Shouqing Luo at the University of Plymouth wanted to investigate 'Lowering autophagosomal overload to mitigate synucleinopathies' Alpha-synuclein causes harmful aggregates in brain cells, contributing to Parkinson's Disease. The self-eating process called Autophagy can remove these harmful aggregates. Professor Luo hopes that the work could shed light on drug discovery for Parkinson's.

In early 2016 we supported a project by Professor David Rubinsztein who was looking to expand the pool of autophagy inducing drugs to lower the levels of harmful proteins known to be involved with Parkinson's disease. We were pleased last year to follow on from this work. David is looking at reducing both Alpha-synuclein and another protein Tau, which when mutated can be a driver of Parkinson's. To date David has focused on repurposing existing drugs in relation to autophagy, he is now exploring an alternative route, the Proteasome, and has a different existing drug to focus on. He plans to see whether he can achieve enhanced reductions of Alpha-synuclein and Tau by combining autophagy and proteasome induction.

We were happy to support Robin Cleveland from the Department of Engineering at Oxford. The project measures the effects of low-density ultrasound on Parkinson's patients who have had Deep Brain Stimulation (DBS) electrodes placed in the brain to help in cases of severe Parkinson's symptoms. Ultrasound is becoming a better understood tool and in the case of these DBS patients Robin hopes he will be able to monitor the brainwaves to establish the effects of the ultrasound.

The hope is that this work will then be translated into early Parkinson's sufferers and improve their symptoms. At the moment high doses of Ultrasound are given to patients to ablate the disease, which can be damaging.

**THE JOHN BLACK CHARITABLE FOUNDATION  
REPORT OF THE TRUSTEES  
For the year ended 31 March 2022**

We made a further grant to Professor Tom Foltynie; he is collecting blood samples while executing his Exanotide trial (funded by JBCF) on patients suffering specifically from Multiple System Atrophy-Parkinson's (MSA). He wants to test these samples and analyse how the proteins might change response to that treatment in patients with different types of Parkinson's, for example Progressive Supranuclear Palsy (PSP).

Sir John Bell, Regius Professor of Medicine at Oxford, asked us to support, among others, professor William James from the William Dunn School of Pathology in Oxford. It transpires that through past research into Parkinson's drugs, they have found that some will successfully inhibit the early stages of SARS-CoV-2. They believe that further research into a particular Protein Coding gene associated with Parkinson's could lead to a further drug being developed, which could be utilised in the fight against Covid and future coronavirus threats. We were happy to fund this work given it may further research into the Parkinson's aspect, while helping in the search for better remedies for Covid and beyond.

Last year we reported that JBCF had joined Cure Parkinson's Trust (CPT) and Van Andel Research Institute (VARI) of the USA, in committing a total \$6.75m towards the highly successful International Linked Clinical Trial programme (ILCT), which looks to research repurposing of existing drugs for use in Parkinson's disease. In 2015 JBCF first supported the research of Professor Shapira from UCL and the Royal Free Hospital, to repurpose Ambroxol, a cough linctus, to help patients with Parkinson's. In 2020 JBCF again supported further trials. It is exciting to note that Ambroxol will now enter a Phase III trial which will be funded equally by the three institutions from the money committed last year.

**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 reappointed will be put at a general meeting.

This report was approved by the Board of Trustees on 9-11-2022 and signed on its behalf by



**David Taglight**  
Trustee



# **THE JOHN BLACK CHARITABLE FOUNDATION**

## **STRATEGIC REPORT**

### **For the year ended 31 March 2022**

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 last year purchased a large building near Heathrow for £13.9m let to The First Secretary of State for Housing Communities and Local Government for 16 years.

During the year the trustees continued to monitor the group's other property interests. In the year under review with Covid restrictions being removed the directors are happy to report that all tenancies remain intact and decided that the carrying values after two years of small declines were correct and made no alterations in the year.

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. During the year the board made several rent concessions and deferrals, with a view to keeping tenants in place. We are happy to report that all tenants remain in place and are trading normally.

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. The company owns directly 13 flats which are let out on assured shorthold tenancies. Here again the board opted to keep rentals at the same level to preserve tenancies. All apartments directly owned by the Foundation remain fully let.

During the year the Charity received a donation of £1,431,614 from Fondation de France, representing the sale of a French asset from the Estate of the late John Black. Including this donation the net assets of the Foundation at 31 March 2022 stood at £83,553,366 (2021 £83,350,732). This was after making grants and donations of £3,615,975 (2021 £3,498,749).

The results of the Foundation and its subsidiaries for the year are set out in the Consolidated Statement of Financial Activities on page 14 of the financial statements.

For the first time since its inception the Foundation finds itself in a world where interest rates are ticking up. This has yet to lead banks meaningfully increasing their rates for savers. Last year we purchased the property close to Heathrow let to the Secretary of State for Housing and Communities for 16 years and we retain our confidence in that investment. We still actively manage a short-dated bond portfolio in quality names and again we are happy with the performance of those investments.

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.

#### **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.

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**STRATEGIC REPORT**  
**For the year ended 31 March 2022**

**PLANS FOR FUTURE PERIODS**

The Foundation continues to make research grants in the areas of Prostate cancer and Parkinson's disease. In the year under review we made a further 16 grants bringing the total number of projects to 105.

Included within that number were 16 grants made to fund Covid research projects in the previous year when there was a serious need and the laboratories serving our two main medical targets were partly closed due to the pandemic. 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, never increase our risk profile. The purchase of an office building for £13.9m near Heathrow let to The Secretary of State for Housing Communities last year gives us a significant boost to regular income. We continue to support the highest quality research for carefully peer reviewed projects, where the aims are better diagnosis, treatment and therapy in the areas of Prostate cancer and Parkinson's disease. The trustees strive to seek projects at major organisations to expand our 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..... 9-11-22

# THE JOHN BLACK CHARITABLE FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### For the year ended 31 March 2022

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: 09-11-22

# **Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2022**

## **Opinion**

We have audited the financial statements of The John Black Charitable Foundation for the year ended 31 March 2022 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 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 2022 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 contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

# **Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2022**

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.

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

# **Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2022**

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.

- 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 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 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 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.

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.

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

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.

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.

# **Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2022**

- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **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.



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

Date 9 November 2022

6<sup>th</sup> Floor  
9 Appold Street  
London  
EC2A 2AP

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 March 2022**

	Note	2022 Total Unrestricted Funds £	2021 Total Unrestricted Funds £
<b>Income from:</b>			
Donations and Legacies	2	1,431,614	1,679,975
Investments	3	3,455,755	2,826,152
Profit on sale of assets		-	434,140
Share of profit from joint venture	11	-	-
<b>Total income</b>		<b>4,887,369</b>	<b>4,940,267</b>
<b>Expenditure on:</b>	4		
Direct property costs		273,204	276,002
Other investment management and administrative costs		351,819	290,193
Deferred tax movement		612,518	34,173
Charitable activities	5	3,615,975	3,498,749
Share of loss from joint venture	11	-	34,080
<b>Total expenditure</b>		<b>4,853,516</b>	<b>4,133,197</b>
<b>Net gains / (losses) on investments</b>		<b>168,781</b>	<b>288,378</b>
<b>Net income / (expenditure)</b>		<b>202,634</b>	<b>1,095,448</b>
<b>Net movement in funds</b>		<b>202,634</b>	<b>1,095,448</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		83,350,732	82,255,284
<b>Total funds carried forward</b>		<b>83,553,366</b>	<b>83,350,732</b>

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 2022

		The group 2022	The charity 2022	The group 2021	The charity 2021
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	144,859	-	147,732	-
Investment in joint venture	11	1,958,890	-	1,958,890	-
Investment properties	12	39,263,217	15,263,217	39,263,217	15,263,217
Equity investments and bonds	9	13,706,768	32,644,648	10,634,669	30,060,860
Cash investments	9	400,688	400,688	150,202	150,202
		<u>55,474,422</u>	<u>48,308,553</u>	<u>52,154,710</u>	<u>45,474,279</u>
<b>Current assets</b>					
Stock - properties for sale		3,796,966	-	3,796,966	-
Debtors	14	8,309,740	23,204,123	9,528,400	24,073,972
Cash at bank and in hand		<u>21,497,106</u>	<u>16,357,303</u>	<u>22,983,871</u>	<u>18,211,839</u>
		33,603,812	39,561,426	36,309,237	42,285,811
<b>Liabilities</b>					
Creditors amounts due within one year	15	(837,943)	(337,597)	(1,175,152)	(776,157)
<b>Net current assets</b>		<u>32,765,869</u>	<u>39,223,829</u>	<u>35,134,085</u>	<u>41,509,654</u>
<b>Total assets less current liabilities</b>		88,240,291	87,532,382	87,288,795	86,983,933
Creditors amounts falling due after more than one year	16	(2,134,766)	(2,134,766)	(1,998,422)	(1,998,422)
Provision for liabilities	20	<u>(2,552,159)</u>	<u>-</u>	<u>(1,939,641)</u>	<u>-</u>
<b>Net assets</b>		<u>83,553,366</u>	<u>85,397,616</u>	<u>83,350,732</u>	<u>84,985,511</u>
<b>Funds</b>					
Unrestricted funds					
General funds		85,025,355	85,397,616	84,946,928	84,985,511
Non-charitable retained funds		<u>(1,471,989)</u>	<u>-</u>	<u>(1,596,196)</u>	<u>-</u>
<b>Total charity funds</b>		<u>83,553,366</u>	<u>85,397,616</u>	<u>83,350,732</u>	<u>84,985,511</u>

As permitted by section 408 CA 2006, the parent charity's gross income and results have not been included in the financial statements. The parent's gross income was £4,395,123 (2021: £4,198,537) and it recorded a profit of £412,104 (2021: £644,675).

Approved by Trustees on 9-11-22 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 2022**

	Note	2022		2021	
		£	£	£	£
<b>Cashflows from operating activities</b>					
Cash generated from /(absorbed by) operations	23		(1,786,640)		(6,055,926)
<b>Cashflows from investing activities</b>					
Fixed asset additions		(882)		(912)	
Cost of investment additions		(6,630,632)		(19,331,080)	
Proceeds on sale of investments		<u>3,475,630</u>		<u>9,591,140</u>	
			(3,155,884)		(9,740,852)
<b>Cashflows from financing activities</b>					
Interest income		1,162,220		1,104,761	
Dividend income		131,855		57,896	
Investment income		<u>2,161,680</u>		<u>1,663,495</u>	
			3,455,755		2,826,152
<b>Net increase in cash and cash equivalents</b>			<u>(1,486,769)</u>		<u>(12,970,626)</u>
<b>Cash and cash equivalents at the beginning of the year</b>			<u>22,983,871</u>		<u>35,954,497</u>
<b>Cash and cash equivalents at the end of the year</b>			<u><u>21,497,106</u></u>		<u><u>22,983,871</u></u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**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 Joint Venture are derived from 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 lasting impact of the coronavirus pandemic and the current economic environment 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 2022**

**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 2022**

**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:

Freehold	Nil
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 is 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 and The Margin Finance Corporation Limited have been included in the consolidated financial statements for both the current and prior period

**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 2022**

**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 reassessed 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 1m 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 transaction price and subsequently at amortised cost.

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

2) Voluntary Income	Unrestricted	2022	2021
	£	Total	Total
	£	£	£
Legacy Income	1,431,614	1,431,614	1,679,975
	<u>1,431,614</u>	<u>1,431,614</u>	<u>1,679,975</u>

The charity had no restricted voluntary income in the years ended 31 March 2022 or 31 March 2021.

3) Investment income	Unrestricted	2022	2021
	£	Total	Total
	£	£	£
Gross rental Income from UK properties	2,161,680	2,161,680	1,663,495
Interest receivable (UK)	358,431	358,431	519,339
Dividends receivable from UK listed investments	131,855	131,855	57,896
Other interest receivable	803,789	803,789	585,422
Other income	-	-	434,140
	<u>3,455,755</u>	<u>3,455,755</u>	<u>3,260,292</u>

The charity had no restricted investment income in the years ended 31 March 2022 or 31 March 2021.

4) Total resources expended	2022	2021
	£	£
<b><u>Direct Property Costs in generating Rental Income</u></b>		
Direct property costs	162,450	175,439
Legal and professional	106,999	95,851
Depreciation	3,755	4,712
	<u>273,204</u>	<u>276,002</u>
<b><u>Other Investment Management and administration costs</u></b>		
Staff costs	94,230	93,460
Directors' remuneration from subsidiary undertakings	100,000	100,000
Social security costs	19,724	19,649
External investment management costs	1,000	1,263
Office running costs	34,276	35,198
Bad debts	54,851	-
Governance costs (see below)	47,738	40,623
	<u>351,819</u>	<u>290,193</u>
Deferred tax movement	<u>612,518</u>	<u>34,173</u>
<b><u>Charitable Activities - grants and donations to institutions (see note 5)</u></b>	<u>3,615,975</u>	<u>3,498,749</u>
<b>Total Resources Expended as per consolidated Financial Statements</b>	<u>4,853,516</u>	<u>4,099,117</u>
<b><u>Governance costs</u></b>		
Auditors' remuneration		
- Parent company and consolidation	27,984	21,677
- Audits of subsidiary companies	19,741	18,930
Other costs	13	16
	<u>47,738</u>	<u>40,623</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 2022**

**5) Reconciliation of grants and donations to institutions**

	2022 £	2021 £
Charitable grants awarded for in current year:		
Prostate Cancer	1,622,579	2,064,681
Parkinson's Disease	1,248,825	159,813
Covid-19	-	357,253
Other charitable purposes	744,571	917,002
Total charitable grants awarded	<u>3,615,975</u>	<u>3,498,749</u>
Total charitable grants paid in the year	<u>3,922,371</u>	<u>3,506,597</u>

The major institutions to which medical research grants and donations have been made include:

Oxford University	Cardiff University
Cambridge University	Plymouth University
University College London	Royal Marsden Hospital
Imperial College London	Royal Free Hospital
Bristol University	

Further details of the research grants and donations can be found in the Scientific Report of the Report of the Trustees.

Other major grants awarded during the year were given to charitable causes associated with the State of Israel in accordance with the wishes of the late John Black. These included donations to:

Jewish Care	Norwood
Community Security Trust	World Jewish Relief
Nightingale Hammerson	Jewish Blind and Disabled

**6) Net Incoming Resources for the Year**

	2022 £	2021 £
This is stated after charging:		
Depreciation	3,755	4,712
Auditors' remuneration (charity: £27,984)	47,725	40,607
Trustees remuneration	<u>100,000</u>	<u>100,000</u>

The directors' remuneration of £100,000 (2021: £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.



**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 2022**

**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 £2,552,159 (2021: £1,939,641) is held in The Margin Finance Company for Deferred Tax relating to the Investment Property.

**8) Tangible Fixed Assets Group**

	<b>Land and Buildings</b>	<b>Plant and machinery</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2021	133,596	274,462	408,058
Additions	-	882	882
Disposals	-	-	-
At 31 March 2022	<u>133,596</u>	<u>275,344</u>	<u>408,940</u>
<b>Amortisation</b>			
At 1 April 2021	-	260,326	260,326
Charge for the year	-	3,755	3,755
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>-</u>	<u>264,081</u>	<u>264,081</u>
<b>Net book value</b>			
At 31 March 2022	<u>133,596</u>	<u>11,263</u>	<u>144,859</u>
At 31 March 2021	<u>133,596</u>	<u>14,136</u>	<u>147,732</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 2022**

**9) Investments**

	<b>The group</b> 2022 £	<b>The charity</b> 2022 £	<b>The group</b> 2021 £	<b>The charity</b> 2021 £
Market value brought forward	10,634,669	30,060,860	13,167,989	33,896,788
Additions at cost	6,380,146	6,380,146	5,688,320	5,688,320
Disposal proceeds	(3,475,630)	(3,475,630)	(9,591,140)	(9,591,140)
Net gain/(loss) on revaluation	167,583	(320,728)	1,369,500	66,892
Market value carried forward	<u>13,706,768</u>	<u>32,644,648</u>	<u>10,634,669</u>	<u>30,060,860</u>
Cash held as part of investment portfolio	400,688	400,688	150,202	150,202
Total	<u>14,107,456</u>	<u>33,045,336</u>	<u>10,784,871</u>	<u>30,211,062</u>
Cost brought forward	10,578,627	16,445,559	14,096,282	19,963,214
Additions at cost	6,380,146	6,380,146	5,688,320	5,688,320
Disposals at cost	(3,553,424)	(3,553,424)	(9,205,975)	(9,205,975)
Cost carried forward	<u>13,405,349</u>	<u>19,272,281</u>	<u>10,578,627</u>	<u>16,445,559</u>

<b>Investments held (market value)</b>	<b>The group</b> 2022 £	<b>The charity</b> 2022 £	<b>The group</b> 2021 £	<b>The charity</b> 2021 £
<b>Stock exchange listed investments</b>				
Shares	6,222,680	6,222,680	3,727,637	3,727,637
Short dated bonds	7,484,088	7,484,088	6,907,032	6,907,032
Gilts	-	-	-	-
Investments in subsidiaries (valuation)	-	18,937,880	-	19,426,191
Cash held as part of the investment portfolio (cost)	400,688	400,688	150,202	150,202
	<u>14,107,456</u>	<u>33,045,336</u>	<u>10,784,871</u>	<u>30,211,062</u>

<b>Geographical location of investments</b>	<b>The group</b> 2022 £
UK equities and short dated bonds	13,076,964
Overseas bonds	629,804
	<u>13,706,768</u>

<b>Material investments in subsidiary holdings</b>	<b>Group</b> £	<b>Charity</b> £
<b>Subsidiaries</b>		
The Margin Finance Corporation Limited	-	12,937,880
Borrisbrook Properties Limited	-	6,000,000
	-	<u>18,937,880</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**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.

	2022 £	2021 £
Turnover	1,338,717	1,161,004
Cost of Sales	<u>(21,206)</u>	<u>(6,086)</u>
Gross Profit	1,317,511	1,154,918
Administrative Expenses	<u>(371,587)</u>	<u>(305,754)</u>
Operating loss	945,924	849,164
Profit from Joint Ventures	-	(34,080)
Interest received	803,789	585,422
Interest paid	(791,055)	(568,809)
Fair Value gains and losses on investment properties	-	(1,000,000)
Profit on ordinary activities before taxation	958,658	(168,303)
Tax	<u>(612,518)</u>	<u>(34,173)</u>
Profit for the year	<u>346,140</u>	<u>(202,476)</u>
Assets	38,160,123	39,371,788
Liabilities	<u>(25,222,243)</u>	<u>(25,945,597)</u>
	<u>12,937,880</u>	<u>13,426,191</u>
Share capital	2	2
Revaluation reserve	12,020,916	12,633,434
Profit and loss account	<u>916,962</u>	<u>792,755</u>
	<u>12,937,880</u>	<u>13,426,191</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**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 2022 £	31 March 2021 £
Turnover	225,083	664,245
Cost of Sales	(127,434)	(156,133)
Gross Profit	<u>97,649</u>	<u>508,112</u>
Administrative Expenses	(57,282)	(57,339)
Operating profit	<u>40,367</u>	<u>450,773</u>
Investment income	-	-
Profit on ordinary activities before taxation	<u>40,367</u>	<u>450,773</u>
Tax	-	-
Profit for the year	<u>40,367</u>	<u>450,773</u>
Assets	825,321	1,031,636
Liabilities	<u>(132,498)</u>	<u>(129,342)</u>
	<u>692,823</u>	<u>902,294</u>
Share capital	100	100
Profit and loss account	<u>692,723</u>	<u>902,194</u>
	<u>692,823</u>	<u>902,294</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**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. For 2022, financial information relating to Old Burlington Street was not available to incorporate into these accounts.

Please see the bottom of this note for more information.

	2022 £	2021 £
Turnover		
Rent receivable	-	77,764
	<u>-</u>	<u>77,764</u>
Net profit/ (loss) for the year	-	(34,080)
	<u>-</u>	<u>(34,080)</u>
Fixed assets	2,250,000	2,250,000
Current assets	42,947	42,947
	<u>2,292,947</u>	<u>2,292,947</u>
Gross assets	2,292,947	2,292,947
Gross liabilities	(83,463)	(83,463)
	<u>(83,463)</u>	<u>(83,463)</u>
Total assets less total liabilities- share of net assets	2,209,484	2,209,484
	<u>2,209,484</u>	<u>2,209,484</u>
Revaluation reserve	1,746,448	1,746,448
Current account	463,036	463,036
	<u>2,209,484</u>	<u>2,209,484</u>
<b>Carrying amount of Old Burlington Street Joint Venture</b>		
	2022 £	2021 £
Brought forward	1,958,890	1,992,970
Share of (Loss)/Profit	-	(34,080)
Drawings	-	-
Revaluation of Joint Venture property	-	-
	<u>1,958,890</u>	<u>1,958,890</u>
Carried forward	1,958,890	1,958,890

**Absence of 2022 financial information**

The company were unable to obtain accurate accounting records for the year ending 31 March 2022 for Old Burlington Street. An analysis was undertaken to analyse the profits and losses from the past 6 years of the joint venture and it was decided that the non-inclusion of 2022 results would not have a material impact on the 2022 consolidated accounts. The company plans to include the 2022 results in the 2023 accounts, once accurate records have been obtained. Therefore, information presented above shows no turnover or profit, and has no movement in the balance sheet.

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

12) Investment properties	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Fair value</b>				
Brought forward	39,263,217	26,258,788	15,263,217	1,258,788
Additions	-	14,004,429	-	14,004,429
Net losses through fair value adjustments	-	(1,000,000)	-	-
Carried forward	<u>39,263,217</u>	<u>39,263,217</u>	<u>15,263,217</u>	<u>15,263,217</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 2022. 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	2022 £	2021 £
Carrying amount of financial assets at:		
Amortised cost	8,309,740	9,528,400
Fair value through the SOFA	<u>13,706,768</u>	<u>10,634,669</u>
Carrying amount of financial liabilities at:		
Amortised cost	<u>461,079</u>	<u>378,118</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**14) Short term debtors**

	The group 2022 £	The charity 2022 £	The group 2021 £	The charity 2021 £
Trade debtors	131,965	4,085	379,504	3,364
Other debtors	8,177,775	897,802	9,148,896	334,305
Tax refund	-	-	-	-
Amount due from Subsidiaries	-	253,474	-	237,541
Amount due from Subsidiaries: Loan balance (see note 19)	-	22,048,762	-	23,498,762
	<u>8,309,740</u>	<u>23,204,123</u>	<u>9,528,400</u>	<u>24,073,972</u>

The £22,048,762 (2021: £23,498,762) due from subsidiaries included in the charity balance sheet is due in over one year.

**15) Creditors - amounts due within 1 year**

	The group 2022 £	The charity 2022 £	The group 2021 £	The charity 2021 £
Trade creditors	17,151	-	2,833	-
Taxation and social security	63,208	-	40,638	-
Other creditors	443,928	23,941	375,285	19,761
Grant commitments (see note 18)	313,656	313,656	756,396	756,396
	<u>837,943</u>	<u>337,597</u>	<u>1,175,152</u>	<u>776,157</u>

**16) Creditors - amounts due after 1 year**

	The group 2022 £	The charity 2022 £	The group 2021 £	The charity 2021 £
Grant commitments (see note 18)	<u>2,134,766</u>	<u>2,134,766</u>	<u>1,998,422</u>	<u>1,998,422</u>

**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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**18) Grant Commitments**

	<b>Oxford Prostate Chair</b>	<b>Oxford Parkinson's Chair</b>	<b>UCL Prostate Chair</b>	<b>Total</b>
Grant commitments at 31 March 2020	625,000	1,050,000	1,087,666	2,762,666
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>
Awarded in year	-	-	-	-
Paid in year	(125,000)	-	(181,396)	(306,396)
Grant commitments at 31 March 2022	<u>375,000</u>	<u>1,050,000</u>	<u>1,023,422</u>	<u>2,448,422</u>
Due within one year	125,000	-	188,656	313,656
Due after one year	250,000	1,050,000	834,766	2,134,766
	<u>375,000</u>	<u>1,050,000</u>	<u>1,023,422</u>	<u>2,448,422</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. 3 years of payment have been held back for years 2020, 2021 and 2022, this is a result of the late starting of the project. These payments are still due and will be paid once initial funds have been used up by Oxford University.

A grant of £1,387,666 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. A further £253,344 was awarded in the year ended 31 March 2021, payable over 7 years.



**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**19) Related Party Transactions**

At the balance sheet date the Foundation is owed £22,048,762 (2021: £23,498,762) 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 (2021: £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 £7,146,000 (2021: £5,596,000) advanced by the Foundation to its subsidiary which accrues interest at 6.5% plus SONIA and is due for repayment 30 days after repayment of the loan by the ultimate borrower. 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 £nil (2021: £3,000,000) advanced by the Foundation to its subsidiary which accrued interest at 6.5% and was repaid in the year.

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**

	2022	2021
	£	£
Balance brought forward	1,939,641	1,905,468
Movement in year	612,518	34,173
Balance carried forward	<u>2,552,159</u>	<u>1,939,641</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**21) Staff Costs**

**Number of employees**

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

	2022 Number	2021 Number
Office and management	3	3
<hr/>		
<b>Employment costs</b>	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	194,230	193,460
Social security costs	19,724	19,649
	<hr/>	<hr/>

One employee earned more than £60,000 in the year (2021: 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 (2021: £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:

	2022 £	2021 £
Parent Charity's gross income for the financial year	4,395,123	4,198,537
	<hr/>	<hr/>
Parent Charity's Surplus/(Deficit) for the financial year	412,104	644,675
	<hr/>	<hr/>

**23) Cash generated from operations**

	2022 £	2021 £
Net surplus in the year	202,634	1,095,448
Fair value gains on investments	(167,583)	(335,420)
Depreciation	3,755	4,712
Interest Received	(3,455,755)	(2,826,152)
Deferred tax movements	612,518	34,173
Loss on disposal of fixed assets	-	-
Change in Stock	-	21,390
Change in Debtors	1,218,660	(3,967,341)
Change in Creditors	(200,869)	(82,736)
	<hr/>	<hr/>
	(1,786,640)	(6,055,926)
	<hr/>	<hr/>