

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 2023**

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THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2023

The trustees present their report together with the financial statements of the company for the year ended 31 March 2023, 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 2023

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 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 more detail on this year's research under Grants and Donations and the Science Report, below.

FINANCIAL REVIEW

ACTIVITIES AND PERFORMANCE

The trustees continued to manage the assets held by the Foundation and monitor the property assets held on its own account and those of its wholly owned subsidiaries. The trustees considered that the valuations of the two commercial properties have reduced in value as increased interest rates have affected yield. The residential property has remained unchanged. More detail is in the Strategic Report.

During the year the trustees took advantage of the rise in interest rates to make investments in both gilt-edged securities and investment-grade corporate bonds. This will substantially improve the return on monies previously held with our bankers.

PRINCIPAL FUNDING SOURCES

The Foundation continues to receive donations from its wholly owned subsidiaries. It also has an investment portfolio made up of property, equities, and fixed income, all of which contribute to the income available for donations.

As reported last year, the Estate of the late John Black has been finalised and no further legacy payment will be received.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2023

INVESTMENT POWERS, POLICY AND PERFORMANCE

Under the Memorandum and Articles of Association, the trustees have authority to invest the funds of the Foundation at their discretion.

The trustees have always maintained a cautious approach to cash deposits and had spread the capital with several highly rated financial institutions. This year was the first since inception where it was possible to safely make a return from gilt-edged securities and investment-grade corporate bonds. The trustees took advantage of this during the year and invested its liquid resources in those instruments resulting in a much improved yield on the group's cash.

Its property investments managed in-house returned an excellent result in terms of income. However, we were not immune to the drop in commercial property values experienced by all property owners arising from the substantial movement in interest rates and capital values suffered a small reduction. The residential property remained unchanged.

In line with the stock market generally the equity portfolio had a quiet year. The trustees retain confidence in those investments.

RESERVES POLICY

As seen on page 16 the Foundation has substantial reserves. It keeps these to generate income which is primarily donated to medical research to enable it to meet its charitable purposes. The Foundation continues to make longer term commitments. For this reason, it has in previous years, maintained an appropriate level of reserves in liquid form, including bank deposits with various major banks. During the year the Foundation took advantage of the increasing yield offered by gilt-edged securities and investment-grade corporate bonds to move much of its cash reserves into these instruments resulting in improved yield on the group's cash. These easily marketable securities are readily available to take advantage of any opportunities that may arise in the Foundation's property portfolio. They add to the income of the Foundation and help it meet its aims and objectives.

GRANTS AND DONATIONS

The trustees are pleased to report that since 2013 they have made grants and donations and commitments amounting to £34m. These include a total of four professional research Chairs, at UCL and Oxford University. 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. To quote 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 123 research grants: 105 of these were for research into Prostate cancer and Parkinson's disease. The year before last we supported 16 researchers' urgent work into Covid, and last year we made two follow-up grants to maintain that valuable work. This year again many of our researchers have had their work published in quality medical journals and this has to be a prelude to seeing their work being used in clinical setting where we want to make a difference. Again this year we were pleased to make follow-on grants where needed to bring work to a conclusion.

As in previous years JBCF has worked with the Prostate Cancer Foundation (PCF) and the Van Andel Institute (VAI) both based in the USA to help them make grants to UK projects. Here in the UK we have worked with the Urological Foundation (TUF), The Cure Parkinson's Trust (CPT) and Rosetrees Trust (RT). All of 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, a repurposed medicine we first supported in 2015 has been chosen to move into a Phase III trial.

During the year JBCF made grants, donations and commitments totalling £4.1m. Details of these grants can be viewed in the full Science Report.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2023

PUBLIC BENEFIT

The Charities Act 2006 requires that, with effect from 1 April 2008, all charities have to meet the legal requirement that their aims and objectives are for the public benefit. The Charity Commission in its "Charities and Public Benefit" guidance requires that there are two key principles to be met in order to show that an organisation's aims and objectives are for public benefit: first, there must be an identifiable benefit and secondly the benefit must be to the public or a section of the public.

The trustees confirm that they have due regard to the Charities Commission guidance on public benefit and consider each year how it best meets the public benefit objectives set out in section 17 of the Charities Act 2011, including "Public Benefit: Running a charity (PB2)". The trustees are satisfied that the Foundation meets the requirements and conforms to the Act's definition of a charity meeting all elements of the two key principles.

The research grants made and the activities outlined in the Science Report below provide considerable public benefit, including an improvement of the survival and/or quality of life of men with Prostate cancer or Parkinson's disease, and/or lead to the development of novel therapies.

Applications for research grants in the areas of Prostate cancer and Parkinson's disease are welcome in all formats but applicants are encouraged to write in or email.

The charity partners with other institutions such the Prostate Cancer Foundation (PCF), The Urology Foundation (TUF), the Rosetrees Trust (RT) and the Van Andel Research Institute (VARI) in order to have the highest quality peer review process before funding research. PCF, VARI, and RT sometimes make grants and donations for research projects alongside the Foundation.

Projects are sometimes sourced by the Foundation, sometimes by our partners and sometimes by direct approaches from scientists.

Once a grant is established the grantee is required to provide semi-annual or annual progress reports.

The trustees still find that this model helps produce the best results.

SCIENCE REPORT

Prostate Cancer

In 2018 we were excited to back professor Mark Lythgoe who runs Centre for Advanced Biomedical Imaging, CABI at UCL. The project was called MINIMA 'minimally invasive image-guided ablation'.

It comprised ferromagnetic thermoseeds navigated to a tumour using magnetic propulsion gradients generated by an MRI scanner, before being remotely heated to kill nearby cancer cells. The findings were published in Advanced Science; researchers commented that the findings, established "proof of concept" for precise and effective treatment of hard-to-reach glioblastoma along with other cancers such as Prostate that could benefit from less invasive therapies. This is excellent research, and we have high hopes that Mark will continue to produce novel and exciting potential treatments. The results were commented upon in many newspapers. The MINIMA project is continuing.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2023

Prostate Cancer (continued)

As in previous years we are always happy to offer continuing support to the John Black professors at both UCL and Oxford. Some years ago, the Reimagine trial was set up with the aim of stratifying disease with a view to offering individualised care, as opposed to the one size fits all approach, prevalent at some treatment centres. As Reimagine evolves new ideas are discussed, one such is the collection of stool samples, from patients, to investigate the microbiome and get some idea of just what the differences are in the gut of various patients undergoing treatment. JBCF was happy to provide funding for this collection and excited about the prospect of new data being discovered that will further help Reimagine.

We supported a research proposal from Dr Alejandro Granados Martinez at King's College. The proposition is to understand whether 3D modelling, both real, and more interestingly virtual, can improve the anatomical outcomes of surgery and help to reduce adverse effects. In locally advanced Prostate cancer cases, the error margin rates can be high, with significant impact downstream for further treatment.

In 2020 we made a grant to professor Ian Mills, the JBCF Chair in Prostate Cancer at Oxford. Ian was surveying the tumour micro-environment to establish which genetic instabilities cause both progression and treatment resistance. As sometimes happens, in the last two years there have been new software advances that would greatly enhance the work. We were happy to fund the purchase of the new software and look forward eagerly to seeing the results. Alongside this, the team published in Nature work concerning the identification of histological benign regions of prostate tissue carrying copy variants, previously regarded as cancer specific. Having used this information to report on clonal evolution of Prostate cancer, Ian wanted to capitalise on these two projects by conducting a six-month pilot study to apply both methods to the same classes. This will allow him to align transcriptomic data to protein markers and characterise the tissue biology. We were happy to support this work in Ian's laboratory.

We have again this year supported two UK Young Investigator Awards via the Prostate Cancer Foundation (PCF). These awards were created to build a gifted cohort of human capital, supporting the next generation of Prostate cancer researchers. Awards are given to early career scientists working in a research environment, capable of supporting high impact research. The award funds may be used flexibly to advance the career and research efforts of the awardee. Mentorship is always required for every Young Investigator.

Firstly we are funding Ashwin Sachdeva based at The University of Manchester. We backed Ashwin for a smaller, successful project in 2017. This time he will be accessing the long running and highly successful Stampede trial. Various life prolonging therapies increase risk for patients in other ways, for example osteoporosis. Ashwin will assess certain existing drugs, which might be repurposed to mitigate these issues, and improve the quality of life for these patients.

Secondly, we will support Dr Vasilis Stavrinides who is at UCL, an institution where we have strong links. Vasilis will build on supporting evidence that spatial features on digitised pathology slides have prognostic significance in Prostate cancer. By taking advantage of the recent developments in image recognition and analysis, he hopes to create instruments that identify men at the highest risk of progression, disease recurrence and metastatic spread.

Our UK based PCF Challenge Award this year was awarded to Harveer Dev at Cambridge, who we have previously supported with a Young Investigator Award. Challenge awards support cross disciplinary teams of investigators, conducting pioneering research to address critical unmet needs for Prostate cancer patients. Harveer hopes that his research will provide critical mechanistic insight and support the regulatory approval of PARP/AR inhibitors as first line treatment for metastatic Prostate cancer. It is hoped that certain epigenetic biomarkers will provide an additional layer of pre-treatment stratification that could be captured and explored through the PCF registry.

Associate professor Niv Papo based at Ben-Gurion University in Israel approached us and we accepted the invitation to sponsor a proposal entitled "Map binding specificity landscapes of human TIMP's toward engineering isoform-selective MMP inhibitors for the imaging and therapy of Prostate cancer". The project will identify, isolate and characterise novel agents that can be used for the diagnosis and treatment of Prostate cancer.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2023

Prostate Cancer (continued)

Our very first grant in 2016 was to Dr Hayley Whittaker, she was investigating the gene NAALAD2. Her work was published showing the significant structural rearrangement within the gene that they have linked to particularly aggressive disease. Unfortunately results of the therapeutic work were disappointing and the antibody was not performing well enough to warrant spending any more of the grant on this aspect. This means there was an underspend, and Hayley has applied to us to develop a break apart assay to detect the gene in diagnostic samples in order to identify men with aggressive disease. It will be exciting to develop something which translates six years of work on NAALAD2 into a clinical test. We were happy to approve the use of the underspend on the new but allied project.

In 2020 we supported Dr Nigel Mongan at Nottingham University, via a Challenge Award, who was investigating Epitranscriptomic determinants of androgen deprivation therapy resistance in Prostate cancer. Nigel recently won a PCUK grant which will help the research. It was satisfying to see papers published around this work, in both Future and in Genetics and Cancers journals. He has identified some unique and discrete insights around the JBCF research element that warrant further investigation, which might along the way offer potential for IP. We were happy to provide a no cost time extension, and some further funding to explore these possibilities.

We supported Dr Emma Evergreen working at Queen's University Belfast. Much work has been concentrated on the drivers of Prostate cancer, but Emma wants to target the enablers. This research has the potential to both identify new therapeutic targets and further to be used to develop new prognostic tests for patient stratification.

Parkinson's Disease

Professor Ira Milosevic was appointed at Oxford last year to hold the new ten-year John Black Senior Research Fellow in Parkinson's Disease Research. We are always keen to receive research proposals from our 'own professors' and this year we have supported such a proposal. Several gene mutations that either cause PD or increase risk have been identified and subsequent studies have focused their individual roles in PD. Ira intends to better understand how some of the PD risk bearing genes, are connected functionally, and to identify the pre symptomatic markers of PD-neurodegeneration to be used for diagnosis and to estimate (delay) the onset of disease.

It was also noteworthy that Ira secured a seven-year Wellcome Investigator Award. These are career defining awards and further endorsement, if any were needed, that Oxford has made an excellent choice when proposing to us that Ira takes up the JBCF professorship post. We look forward to making further grants to her in the future.

In 2016 we backed professor Peter Brown at Oxford to further investigate the use of Deep Brain Stimulation to modify disease and this work has attracted much publicity. We were pleased to support Dr Huiling Tan, using the expertise gained by professor Brown's research, to apply to essential tremor, which affects many more people. Dr Tan has established collaboration with German groups. He intends to recruit patients and start testing at St George's London and the Radcliffe in Oxford.

We supported professor Nicholas Wood at UCL. While it is known that genetics play a key role in Parkinson's disease, the mechanism by which PD-associated genes regulate the effect on the risk of developing PD remains unknown. The project will use an up to date technique Hi-C. Understanding the underlying genetics of PD will not only provide valuable information about the mechanism by which PD occurs, but also aid in the search to ultimately help develop cures.

We supported an application from professor Heike Laman and professor Roger Barker from Cambridge. We have successfully supported Roger on several occasions. The study of inherited forms of PD has provided much insight into the biology and cellular dysfunction of dopaminergic neurons during the course of the disease. Studies have shown patient mutations in a particular gene have indicated that it impacts multiple processes within cells. Using among other things CRISPR technology the team will investigate and hopefully find a route to discovering disease modifying pathways for therapeutic intervention.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2023

Parkinson's Disease (continued)

In 2015 we backed professor Roger Barker to explore certain elements of breath in testing for Parkinson's disease. Roger is supportive of Dr Ilaria Belluomo at Imperial College, who wants to investigate testing for non-invasive volatile compound analysis and microbiome assessment. This work will hope to link in any unique breath signatures found in PD while verifying the link to the microbiome.

We were happy to offer a grant to Dr Jonathan Holbrook from the University of Cambridge. In the search for new strategies to modify disease course, researchers have been using an immunosuppressant (Azathioprine) however this is limited by its side effect profile, particularly in older patients. Jonathan wants to better understand the role of specific immune cell types in order to guide development of more targeted immune treatments. He has several targets he intends to work on.

Several years ago, we first discussed with Oxford University the opportunity to bring professor Molly Stevens to work at Oxford. Molly has been at Imperial College since 2004 and is the professor of Biomedical Materials and Regenerative Medicine. We are delighted to have the opportunity for Molly to become the John Black Professor in Bionanoscience at Oxford University. Molly is world renowned, and we look forward to giving her extra resources, where she works on exciting research which could have an effect on Parkinson's disease. One such possibility has already arisen whereby there may be an opportunity for Molly to provide assistance to two of our other grantees. Mark Lythgoe at UCL, who is working on our successfully published Minima project and Tom Foltynie from UCL Queen Square Institute of Neurology, who we are supporting on various Parkinson's projects. Mark has potentially found an interesting mechanism to allow new drug discovery for Parkinson's disease and together with Tom we have asked Molly to bring in her bionanoscience skills to help with this project.

We reported last year that together with Cure Parkinson's Trust and the Van Andel Institute of the USA we had entered into a tri-partite \$6.75 agreement to fund the iICT programme for repurposing drugs for PD. Having successfully completed a six-month Phase II trial, we and our partners have collectively funded a further £5.5m Phase III trial into Ambroxol. JBCF actually began funding work into Ambroxol in 2015. Ambroxol is a cough linctus which it is hoped will modify the disease. 330 patients are being recruited for the trial. Reformulating the tablet dose is currently holding up this valuable work, but we are hopeful it will start in the current 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 The Margin Finance Corporation Limited. He is also the executor of the Estate of the late J Black. Stephen Conway, a trustee of the Foundation, 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 ..04/12/2023.. and signed on its behalf by



David Taglight
Trustee

THE JOHN BLACK CHARITABLE FOUNDATION

STRATEGIC REPORT

For the year ended 31 March 2023

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.

The trustees took advantage of rising interest rates and adopted a more active treasury management strategy during the year and this resulted in improved yield on the group's cash holdings.

During the year the trustees continued to monitor the group's property interests. It was noticeable that all properties remained fully let.

Amadeus House, is an office building close to Heathrow Airport, owned by the Foundation, and is let to the First Secretary of State for Housing and Communities and Local Government for a further 13 years. The increase in interest rates caused the yield on this secure property investment to move out, and produced a valuation of £12m down from last year's £14m.

The mixed-use freehold site on Drury Lane London WC2 owned by the Foundation's wholly owned subsidiary The Margin Finance Corporation Ltd, similarly suffered due to interest rate factors, and the value reduced from £24m to £22m. The site extends over three quarters of an acre and has been owned since the inception of the charity. The reduction in value is disappointing, but the property still stands at £10m higher than in 2013. 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. This attractive asset held its value during the year.

Overall it is worth noting that the net reduction in our property assets was significantly below the reductions in the UK property sector.

As at March 2023 the net assets of the Foundation stood at £77,857,722 (2022: £83,553,366) This was after making grants and donations of £4,088,587 (2022: £3,615,975).

The results of the Foundation and its subsidiaries for the year are set out in the Consolidated Statement of Financial Activities on page 15 of the financial statements.

Last year saw a meaningful increase in interest rates, which had the effect as discussed above of reducing the valuation of our fixed property assets. However, it also provided the trustees with an opportunity to adopt a more active treasury management strategy, and this means going forward an improved yield on the Foundation's cash. The trustees have focused on fixed income investments ranging from gilt-edged securities to investment-grade corporate bonds.

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 2023

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 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 research grants in the areas of Prostate cancer and Parkinson's disease. In the year under review we made a further 18 grants bringing the total number of projects in the two diseases to 105. More detail can be found in the Report of the Trustees.

We aim to maintain and where possible increase our income to be able to provide further grants to existing projects and fund new ones. This year and next we will be seeing an increase in our annual income, given our purchasing of fixed income securities as interest rates rose.

We continue to support the highest quality research for carefully peer reviewed projects, where the aims are better diagnosis, stratification, treatment and therapy in the areas of Prostate cancer and Parkinson's disease. The trustees strive to seek projects at major institutions 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: 04/12/2023

THE JOHN BLACK CHARITABLE FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2023

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: 04/12/2023

Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2023

Opinion

We have audited the financial statements of The John Black Charitable Foundation for the year ended 31 March 2023 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 2023 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 2023

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 2023

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 2023

- 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 6 December 2023

6th Floor
9 Appold Street
London
EC2A 2AP

THE JOHN BLACK CHARITABLE FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2023

		2023 Total Unrestricted Funds £	2022 Total Unrestricted Funds £
Income from:			
Donations and Legacies	2	-	1,431,614
Investments	3	3,996,624	3,455,755
Share of profit from joint venture	11	50,443	-
Total income		<u>4,047,067</u>	<u>4,887,369</u>
Expenditure on:	4		
Direct property costs		276,269	273,204
Other investment management and administrative costs		284,185	351,819
Deferred tax movement		(500,000)	612,518
Charitable activities	5	4,088,587	3,615,975
Total expenditure		<u>4,149,041</u>	<u>4,853,516</u>
Net gains / (losses) on investments		(5,593,670)	168,781
Net income / (expenditure)		<u>(5,695,644)</u>	<u>202,634</u>
Net movement in funds		<u>(5,695,644)</u>	<u>202,634</u>
Reconciliation of funds			
Total funds brought forward		<u>83,553,366</u>	<u>83,350,732</u>
Total funds carried forward		<u>77,857,722</u>	<u>83,553,366</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

As at 31 March 2023

		The group 2023 £	The charity 2023 £	The group 2022 £	The charity 2022 £
	Notes				
Fixed assets					
Tangible assets	8	142,043	-	144,859	-
Investment in joint venture	11	1,999,333	-	1,958,890	-
Investment properties	12	35,058,788	13,058,788	39,263,217	15,263,217
Equity investments and bonds	9	28,934,605	42,445,300	13,706,768	32,644,648
Cash investments	9	334,847	316,754	400,688	400,688
		<u>66,469,616</u>	<u>55,820,842</u>	<u>55,474,422</u>	<u>48,308,553</u>
Current assets					
Stock - properties for sale		3,796,966	-	3,796,966	-
Debtors	14	9,669,057	24,082,299	8,309,740	23,204,123
Cash at bank and in hand		<u>3,929,744</u>	<u>3,305,952</u>	<u>21,497,106</u>	<u>16,357,303</u>
		17,395,767	27,388,251	33,603,812	39,561,426
Liabilities					
Creditors amounts due within one year	15	(1,092,016)	(649,602)	(837,943)	(337,597)
Net current assets		<u>16,303,751</u>	<u>26,738,649</u>	<u>32,765,869</u>	<u>39,223,829</u>
Total assets less current liabilities		82,773,367	82,559,491	88,240,291	87,532,382
Creditors amounts falling due after more than one year	16	(2,863,486)	(2,863,486)	(2,134,766)	(2,134,766)
Provision for liabilities	20	<u>(2,052,159)</u>	<u>-</u>	<u>(2,552,159)</u>	<u>-</u>
Net assets		<u>77,857,722</u>	<u>79,696,005</u>	<u>83,553,366</u>	<u>85,397,616</u>
Funds					
Unrestricted funds					
General funds		79,123,262	79,696,005	85,025,355	85,397,616
Non-charitable retained funds		<u>(1,265,540)</u>	<u>-</u>	<u>(1,471,989)</u>	<u>-</u>
Total charity funds		<u>77,857,722</u>	<u>79,696,005</u>	<u>83,553,366</u>	<u>85,397,616</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 £3,333,208 (2022: £4,395,123) and it recorded a deficit of £5,701,611 (2022: surplus of £412,104).

Approved by Trustees on 04.12.2023 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 2023

	Note	2023 £	2022 £
Cashflows from operating activities			
Cash generated from /(absorbed by) operations	23	(5,021,290)	(1,786,640)
Cashflows from investing activities			
Fixed asset additions		-	(882)
Cost of investment additions	(24,271,679)	(6,630,632)	
Proceeds on sale of investments	<u>7,728,983</u>	<u>3,475,630</u>	
		(16,542,696)	(3,155,884)
Cashflows from financing activities			
Interest income	1,544,385	1,162,220	
Dividend income	266,023	131,855	
Investment income	<u>2,186,216</u>	<u>2,161,680</u>	
		3,996,624	3,455,755
Net increase in cash and cash equivalents		<u>(17,567,362)</u>	<u>(1,486,769)</u>
Cash and cash equivalents at the beginning of the year		<u>21,497,106</u>	<u>22,983,871</u>
Cash and cash equivalents at the end of the year		<u><u>3,929,744</u></u>	<u><u>21,497,106</u></u>

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

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 The 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 current economic environment 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 2023

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 to which it relates.
- 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 2023

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 land and buildings	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) 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 2023

1) Accounting policies (continued)

r) Critical Judgements

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.

s) Financial Instruments

Cash and Cash Equivalents

Cash and cash equivalents include cash at bank 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 2023

2) Voluntary Income	Unrestricted £	2023 Total £	2022 Total £
Legacy Income	-	-	1,431,614
	-	-	1,431,614

The charity had no restricted voluntary income in the years ended 31 March 2023 or 31 March 2022.

3) Investment income	Unrestricted £	2023 Total £	2022 Total £
Gross rental Income from UK properties	2,186,216	2,186,216	2,161,680
Interest receivable	1,544,385	1,544,385	1,162,220
Dividends receivable from UK listed investments	266,023	266,023	131,855
	3,996,624	3,996,624	3,455,755

The charity had no restricted investment income in the years ended 31 March 2023 or 31 March 2022.

4) Total resources expended	2023 £	2022 £
<u>Direct Property Costs in generating Rental Income</u>		
Direct property costs	145,187	162,450
Legal and professional	128,266	106,999
Depreciation	2,816	3,755
	276,269	273,204
<u>Other Investment Management and administration costs</u>		
Staff costs	97,338	94,230
Directors' remuneration from subsidiary undertakings	100,000	100,000
Social security costs	20,168	19,724
External investment management costs	1,668	1,000
Office running costs	21,614	34,276
Bad debts	(7,129)	54,851
Miscellaneous	381	13
Governance costs (see below)	50,145	47,725
	284,185	351,819
Deferred tax movement	(500,000)	612,518
<u>Charitable Activities - grants and donations to institutions (see note 5)</u>	4,088,587	3,615,975
Total Resources Expended as per consolidated Financial Statements	4,149,041	4,853,516
<u>Governance costs</u>		
Auditors' remuneration		
- Parent company and consolidation	27,557	27,984
- Audits of subsidiary companies	22,588	19,741
	50,145	47,725

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

5) Summary of grants and donations to institutions

	2023	2022
	£	£
Charitable grants awarded for in current year:		
Prostate cancer	1,526,284	1,622,579
Parkinson's disease	1,769,803	1,248,825
Other charitable purposes	792,500	744,571
Total charitable grants awarded	<u>4,088,587</u>	<u>3,615,975</u>
Total charitable grants paid in the year	<u>3,052,243</u>	<u>3,922,371</u>

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

Oxford University	King's College
Cambridge University	Nottingham University
University College London	Queen's University, Belfast
Imperial College London	Institute of Cancer Research
Bristol University	Francis Crick Institute
Cardiff University	Southampton University
Plymouth University	Edinburgh University
Royal Marsden Hospital	St George's University of London
Royal Free Hospital	

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

	2023	2022
	£	£
This is stated after charging:		
Depreciation	2,816	3,755
Auditors' remuneration (charity: £27,557)	50,145	47,725
Directors' remuneration	100,000	100,000

The directors' remuneration of £100,000 (2022: £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 31 March 2023

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 subsidiaries, The Margin Finance Corporation Limited and Borrisbrook Properties Limited have gifted available profits to the charity.

A balance of £2,052,159 (2022: £2,552,159) is held in The Margin Finance Corporation Limited for deferred tax relating to the investment property.

8) Tangible Fixed Assets Group

	Land and Buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2022	133,596	275,344	408,940
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>133,596</u>	<u>275,344</u>	<u>408,940</u>
Amortisation			
At 1 April 2022	-	264,081	264,081
Charge for the year	-	2,816	2,816
	-	-	-
At 31 March 2023	<u>-</u>	<u>266,897</u>	<u>266,897</u>
Net book value			
At 31 March 2023	<u>133,596</u>	<u>8,447</u>	<u>142,043</u>
At 31 March 2022	<u>133,596</u>	<u>11,263</u>	<u>144,859</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 2023

9) Investments

	The group 2023 £	The charity 2023 £	The group 2022 £	The charity 2022 £
Market value brought forward	13,706,768	32,644,648	10,634,669	30,060,860
Additions at cost	24,337,520	20,202,960	6,380,146	6,380,146
Disposal proceeds	(7,718,983)	(7,718,983)	(3,475,630)	(3,475,630)
Net gain/(loss) on revaluation	(1,390,700)	(2,683,325)	167,583	(320,728)
Market value carried forward	<u>28,934,605</u>	<u>42,445,300</u>	<u>13,706,768</u>	<u>32,644,648</u>
Cash held as part of investment portfolio	334,847	316,754	400,688	400,688
Total	<u>29,269,452</u>	<u>42,762,054</u>	<u>14,107,456</u>	<u>33,045,336</u>
Cost brought forward	13,405,349	19,272,281	10,578,627	16,445,559
Additions at cost	24,337,520	20,202,960	6,380,146	6,380,146
Disposals at cost	(7,824,282)	(7,824,282)	(3,553,424)	(3,553,424)
Cost carried forward	<u>29,918,587</u>	<u>31,650,959</u>	<u>13,405,349</u>	<u>19,272,281</u>

Investments held (market value)	The group 2023 £	The charity 2023 £	The group 2022 £	The charity 2022 £
Stock exchange listed investments				
Shares	5,675,306	5,675,306	6,222,680	6,222,680
Short-dated bonds	10,242,435	7,677,417	7,484,088	7,484,088
Long-dated bonds	3,928,392	3,343,162	-	-
Gilts	9,088,472	8,105,086	-	-
Investments in subsidiaries (valuation)	-	17,644,329	-	18,937,880
Cash held as part of the investment portfolio (cost)	334,847	316,754	400,688	400,688
	<u>29,269,452</u>	<u>42,762,054</u>	<u>14,107,456</u>	<u>33,045,336</u>

All of the group's investments are located in the UK

Material investments in subsidiary holdings

Subsidiaries

	Group £	Charity £
The Margin Finance Corporation Limited	-	11,644,329
Borrisbrook Properties Limited	-	6,000,000
	<u>-</u>	<u>17,644,329</u>

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

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.

	31 March 2023 £	31 March 2022 £
Turnover	1,366,355	1,338,717
Cost of sales	(22,086)	(21,206)
Gross profit	1,344,269	1,317,511
Administrative expenses	(302,778)	(371,587)
Operating profit	1,041,491	945,924
Profit from joint ventures	50,443	-
Interest received	851,840	803,789
Interest paid	(775,128)	(791,055)
Fair value losses on investment properties	(2,000,000)	-
Fair value losses on listed investments	(926)	-
Profit/(loss) on ordinary activities before taxation	(832,280)	958,658
Tax	500,000	(612,518)
Profit/(loss) for the year	(332,280)	346,140
Assets	36,668,802	38,160,123
Liabilities	(25,024,473)	(25,222,243)
	11,644,329	12,937,880
Share capital	2	2
Revaluation reserve	10,520,916	12,020,916
Profit and loss account	1,123,411	916,962
	11,644,329	12,937,880

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

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 2023 £	31 March 2022 £
Turnover	221,981	225,083
Cost of sales	(115,853)	(127,434)
Gross profit	<u>106,128</u>	<u>97,649</u>
Administrative expenses	(59,800)	(57,282)
Operating profit	<u>46,328</u>	<u>40,367</u>
Interest receivable and similar income	6	-
Profit on ordinary activities before taxation	<u>46,334</u>	<u>40,367</u>
Tax	-	-
Profit for the year	<u><u>46,334</u></u>	<u><u>40,367</u></u>
Assets	727,054	825,321
Liabilities	<u>(28,264)</u>	<u>(132,498)</u>
	<u><u>698,790</u></u>	<u><u>692,823</u></u>
Share capital	100	100
Profit and loss account	<u>698,690</u>	<u>692,723</u>
	<u><u>698,790</u></u>	<u><u>692,823</u></u>

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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.

	2023 £	2022 £
Turnover		
Rent receivable	95,733	-
	<u>95,733</u>	<u>-</u>
Net profit/ (loss) for the year	50,443	-
	<u>50,443</u>	<u>-</u>
Fixed assets	2,250,000	2,250,000
Current assets	41,721	42,947
Gross assets	2,291,721	2,292,947
Gross liabilities	(41,795)	(83,463)
Total assets less total liabilities- share of net assets	2,249,926	2,209,484
	<u>2,249,926</u>	<u>2,209,484</u>
Revaluation reserve	1,746,448	1,746,448
Current account	503,478	463,036
	<u>2,249,926</u>	<u>2,209,484</u>
Carrying amount of Old Burlington Street Joint Venture		
	2023 £	2022 £
Brought forward	1,958,890	1,958,890
Share of (loss)/profit	50,443	-
Drawings	(10,000)	-
Revaluation of Joint Venture property	-	-
Carried forward	1,999,333	1,958,890
	<u>1,999,333</u>	<u>1,958,890</u>

Absence of 2022 financial information

The company was 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 previous seven years of the joint venture and it was decided that the non-inclusion of the 2022 results would not have a material effect on the 2022 consolidated accounts. The 2022 results have been included in the 2023 figures.

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12) Investment properties	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fair value				
Brought forward	39,263,217	39,263,217	15,263,217	15,263,217
Additions	-	-	-	-
Net losses through fair value adjustments	(4,204,429)	-	(2,204,429)	-
Carried forward	<u>35,058,788</u>	<u>39,263,217</u>	<u>13,058,788</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 2023. 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	2023 £	2022 £
Carrying amount of financial assets at:		
Fair value through the SOFA	<u>28,934,605</u>	<u>13,706,768</u>

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14) Short term debtors

	The group 2023 £	The charity 2023 £	The group 2022 £	The charity 2022 £
Trade debtors	324,284	2,512	131,965	4,085
Other debtors	9,344,773	1,521,623	8,177,775	897,802
Amount due from Subsidiaries	-	240,402	-	253,474
Amount due from Subsidiaries: Loan balance (see note 19)	-	22,317,762	-	22,048,762
	<u>9,669,057</u>	<u>24,082,299</u>	<u>8,309,740</u>	<u>23,204,123</u>

The £22,317,762 (2022: £22,048,762) due from subsidiaries included in the charity balance sheet is due in over one year.

15) Creditors - amounts due within 1 year

	The group 2023 £	The charity 2023 £	The group 2022 £	The charity 2022 £
Trade creditors	1,809	-	17,151	-
Taxation and social security	61,579	-	63,208	-
Other creditors	407,348	28,322	443,928	23,941
Grant commitments (see note 18)	<u>621,280</u>	<u>621,280</u>	<u>313,656</u>	<u>313,656</u>
	<u>1,092,016</u>	<u>649,602</u>	<u>837,943</u>	<u>337,597</u>

16) Creditors - amounts due after 1 year

	The group 2023 £	The charity 2023 £	The group 2022 £	The charity 2022 £
Grant commitments (see note 18)	<u>2,863,486</u>	<u>2,863,486</u>	<u>2,134,766</u>	<u>2,134,766</u>

17) Analysis of net assets between funds

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

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18) Grant Commitments

	Oxford Prostate Chair	Oxford Parkinson's Chair	UCL Prostate Chair	Oxford Bionano- science Chair	Total
	£	£	£	£	£
Grant commitments at 31 March 2021	500,000	1,050,000	1,204,818	-	2,754,818
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>-</u>	<u>2,448,422</u>
Awarded in year	-	-	-	1,500,000	1,500,000
Paid in year	(125,000)	-	(188,656)	(150,000)	(463,656)
Grant commitments at 31 March 2023	<u>250,000</u>	<u>1,050,000</u>	<u>834,766</u>	<u>1,350,000</u>	<u>3,484,766</u>
Due within one year	125,000	150,000	196,280	150,000	621,280
Due after one year	125,000	900,000	638,486	1,200,000	2,863,486
	<u>250,000</u>	<u>1,050,000</u>	<u>834,766</u>	<u>1,350,000</u>	<u>3,484,766</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, 2022 and 2023, which 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 seven years.

A grant of £1,500,000 was awarded in the year ended 31 March 2023 to Oxford University for the creation of a professorship in bionanoscience. This is payable over a 10 year period in equal amounts of £150,000 per annum.

THE JOHN BLACK CHARITABLE FOUNDATION
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19) Related Party Transactions

At the balance sheet date the Foundation is owed £22,317,762 (2022: £22,048,762) 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 (2022: £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 £22m 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 £7,415,000 (2022: £7,146,000) 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. Since the year end an amount of £5,970,000 was redeemed.

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

	2023	2022
	£	£
Balance brought forward	2,552,159	1,939,641
Movement in year	(500,000)	612,518
Balance carried forward	<u>2,052,159</u>	<u>2,552,159</u>

Provisions for liabilities is the deferred tax on a property held in The Margin Finance Corporation Limited, calculated at 25%.

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21) Staff Costs

Number of employees

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

	2023	2022
	Number	Number
Office and management	3	3

Employment costs

	2023	2022
	£	£
Wages and salaries	197,338	194,230
Social security costs	20,168	19,724

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 (2022: £100,000).

One person received remuneration in excess of £60,000. See Note 6 for details.

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:

	2023	2022
	£	£
Parent Charity's gross income for the financial year	3,333,208	4,395,123
Parent Charity's Surplus/(Deficit) for the financial year	(5,701,611)	412,104

23) Cash generated from operations

	2023	2022
	£	£
Net (deficit)/surplus in the year	(5,695,644)	202,634
Fair value losses/(gains) on investments	5,544,686	(167,583)
Depreciation	2,816	3,755
Investment income	(3,996,624)	(3,455,755)
Deferred tax movements	(500,000)	612,518
Change in Debtors	(1,359,313)	1,218,660
Change in Creditors	982,789	(200,869)
	<u>(5,021,290)</u>	<u>(1,786,640)</u>

