

**Report of the Trustees and
Unaudited Financial Statements
For The Year Ended 5 April 2023
for
THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

Hilden Park Accountants Limited
Hilden Park House
79 Tonbridge Road
Hildenborough
Tonbridge
Kent
TN11 9BH

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

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For The Year Ended 5 April 2023**

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**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Report of the Trustees
For The Year Ended 5 April 2023**

The trustees present their report with the financial statements of the charity for the year ended 5 April 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Under the terms of the original Trust Deed, the trustees have discretion to promote, advance and support charities, charitable organisations, charitable purposes and charitable causes including but not limited to:

The protection and promotion of the health of the public by the provision of grants to support biomedical research in the fields of autoimmunity, inflammation, infectious diseases and ageing especially focussed on the development of practical applications in the form of new targeted treatments.

The trustees must use the income and may use the capital of the charity in promoting the objectives.

The trustees, having regard to the Public Benefit Guidance published by the Charity Commission in accordance with Section 17 of the Charities Act 2011, consider that the purposes and activities of the charity satisfy the requirements of the public benefit test set out in section 4 of the same Act.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL RESEARCH FOUNDATION

Report of the Trustees For The Year Ended 5 April 2023

ACHIEVEMENT AND PERFORMANCE

The Chernajovsky Foundation, in collaboration with Connect Immune Research, a consortium of national medical research charities comprised primarily of Versus Arthritis, The Multiple Sclerosis Society, and Juvenile Diabetes Research Fund, supported by the British Society for Immunology funded 10 research projects into the causes of autoimmunity. This "Targeting shared mechanisms in immune-mediated inflammatory diseases" initiative aimed to fund research in a cross-disease approach to identify treatments that could be applicable for people living with different autoimmune conditions.

With initial funding commitment of £725,634 by the Chernajovsky Foundation, most of the pilot projects started in September 2022 for 12 months. When complete, the most promising can then be taken forward with more substantial funding.

The previously funded 7 PhD studentships are now entering their third year. Assessment of progress has been through written reports and presentations by supervisors and students either in person or via Zoom. All were considered by the trustees as progressing satisfactorily. Given the increase of the cost of living, the Board decided to increase the stipend of the PhD studentships by 10% backdated to start from October 2022 till the end of their studies.

The trustees have been planning and organising a scientific conference to be held in July 2023 in Aston University, Birmingham covering a day and a half. The aim is for the researchers participating in the "Targeting shared mechanisms in immune-mediated inflammatory diseases initiative" to present their results, plans for future work, and have time to discuss their therapeutic significance and to make potential new collaborations. On second day the 7 PhD students funded by the Foundation will present their work. By bringing together all scientists funded by the Foundation, we aim to build a community, assess their progress, and encourage the building of new collaborations.

Incoming resources for the period amounted to £588,250 (2022: £545,314). Reserves will continue to be maintained to provide for future awards as grants when appropriate charitable institutions and causes are identified or when costs become payable.

The trustees' overall investment objective as stated in the investment management agreement with Coutts is to maintain a multi-asset portfolio and achieve a balance of income and capital growth. The charity operates an ethical investment policy.

The performance of the trust investment portfolio is considered at regular intervals with the investment manager and is benchmarked against various market indices (including the FTSE, WMA and Stock Market Balanced Index) to ensure the funds held are performing well. This manager, which is regulated by the Financial Conduct Authority in the United Kingdom, manages the investments within the restrictions set out in the investment management agreement. Any issues are addressed with the trustees as and when they arise. The trustees were satisfied with the performance of the investments during the period. Investments at the year end had a market value of £1,564,221 (2022: £1,698,087).

It is the trustees' policy not to retain reserves as the charity's overheads are low.

FUTURE PLANS

During the coming 2023/24 financial year the trustees plan to continue to support the PhD projects awarded from the first call. Progress of the PhD studentships will be assessed by trustees through written reports and verbal presentations, especially at the conference in July 2023. The trustees plan to explore appropriate ways to support the students in their future careers.

The 10 projects exploring shared mechanisms of autoimmunity will be supported until their completion. The trustees are planning to support successful projects in the future with a commitment of £1 million.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Report of the Trustees
For The Year Ended 5 April 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity is an unincorporated registered charity, constructed under a Trust Deed dated 9 July 2019. The trustees hold the capital and income of the charity's Trust Fund upon trust to apply the income and, as far as may be necessary, the capital for the purposes set out in clause 2.2 of the Trust Deed.

The minimum number of trustees required by the Trust Deed is 3 and the maximum is 5. Future trustees must be appointed by resolution of the trustees and must hold office for at least three years from the date of their appointment. As required by the Trust Deed, the trustees meet no less than twice a year. Except where otherwise provided, every issue may be determined by a simple majority of votes cast at a meeting of the trustees but a resolution which is writing and signed by all the trustees is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than one document and will be treated as passed following receipt of the necessary written approval.

Every trustee has one vote on each issue. In the event of a tie, the chairman shall have the deciding vote.

The trustees have not adopted any policies or procedures for the induction and training of trustees.

When making decisions, the trustees assess the risks to which the charity might be exposed. The trustees carry out due-diligence on charitable institutions before grants are made and document all major decisions. As part of the grant-making process, the trustees agree to follow up with the donee to ensure that funds have been applied for the agreed purpose. This could be by way of a progress report, personal visit by one of the trustees or completion of an event. Donation receipts are obtained from each donee.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1184405

Principal address

P.O.Box 1198
Whitstable
Kent
CT5 9DW

Trustees

Dr Lorna Chernajovsky
Professor Yuti Chernajovsky
Professor Paul-Peter Tak

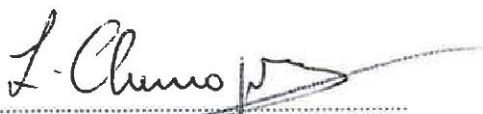
Independent Examiner

Hilden Park Accountants Limited
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**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Report of the Trustees
For The Year Ended 5 April 2023**

Approved by order of the board of trustees on 24/10/2023 and signed on its behalf by:


.....
Professor Yuti Chernajovsky - Trustee

**Independent Examiner's Report to the Trustees of
The Lorna & Yuti Chernajovsky Biomedical
Research Foundation**

Independent examiner's report to the trustees of The Lorna & Yuti Chernajovsky Biomedical

I report to the charity trustees on my examination of the accounts of The Lorna & Yuti Chernajovsky Biomedical (the Trust) for the year ended 5th April 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the Independent examiner's statement.

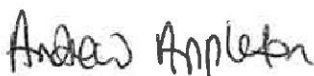
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Association of Chartered Certified Accountants which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Appleton FCCA

Hilden Park Accountants Limited
Hilden Park House
79 Tonbridge Road
Hildenborough
Tonbridge
Kent
TN11 9BH

Date: 25/10/2023

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Statement of Financial Activities
For The Year Ended 5 April 2023**

		2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Investment income	2	40,448	24,523
Other income	3	547,802	520,791
Total		588,250	545,314
EXPENDITURE ON			
Raising funds		14,185	10,659
Charitable activities	4		
General grants		36,000	725,634
Other		(16,545)	9,907
Total		33,640	746,200
Net gains/(losses) on investments		(136,513)	(28,719)
NET INCOME/(EXPENDITURE)		418,097	(229,605)
RECONCILIATION OF FUNDS			
Total funds brought forward		1,943,262	2,172,867
TOTAL FUNDS CARRIED FORWARD		2,361,359	1,943,262

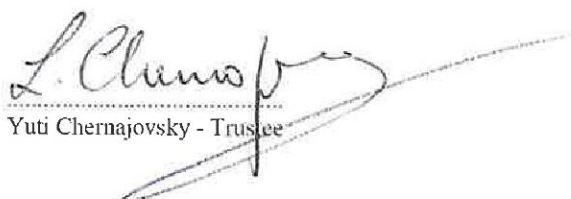
The notes form part of these financial statements

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

Statement of Financial Position
5 April 2023

		2023 Total funds £	2022 Total funds £
FIXED ASSETS	Notes		
Investments	8	1,564,221	1,698,087
CURRENT ASSETS			
Debtors	9	82,399	77,123
Cash at bank		1,499,419	1,463,744
		<u>1,581,818</u>	<u>1,540,867</u>
CREDITORS			
Amounts falling due within one year	10	(784,680)	(1,295,692)
NET CURRENT ASSETS		<u>797,138</u>	<u>245,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,361,359</u>	<u>1,943,262</u>
NET ASSETS		<u>2,361,359</u>	<u>1,943,262</u>
FUNDS			
Unrestricted funds		<u>2,361,359</u>	<u>1,943,262</u>
TOTAL FUNDS		<u>2,361,359</u>	<u>1,943,262</u>

The financial statements were approved by the Board of Trustees and authorised for issue on
24/10/2023 and were signed on its behalf by:


Yuti Chernajovsky - Trustee

The notes form part of these financial statements

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Statement of Cash Flows
For The Year Ended 5 April 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	27,948	616,621
Net cash provided by operating activities		<u>27,948</u>	<u>616,621</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(1,087,877)	(1,050,907)
Sale of fixed asset investments		1,086,370	1,070,685
Sale of investment property		-	30,477
Sale of social investments		-	(59,196)
Interest received		7,466	122
Dividends received		1,888	1,227
Net cash provided by/(used in) investing activities		<u>7,847</u>	<u>(7,592)</u>
Change in cash and cash equivalents in the reporting period		<u>35,795</u>	<u>609,029</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>1,463,624</u>	<u>854,595</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>1,499,419</u></u>	<u><u>1,463,624</u></u>

The notes form part of these financial statements

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Notes to the Statement of Cash Flows
For The Year Ended 5 April 2023**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	418,097	(229,605)
Adjustments for:		
Losses on investments	135,373	28,719
Interest received	(7,466)	(122)
Dividends received	(1,888)	(1,227)
(Increase)/decrease in debtors	(5,276)	274,399
(Decrease)/increase in creditors	(510,892)	544,457
Net cash provided by operations	27,948	616,621

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Notice deposits (less than 3 months)	1,499,419	1,463,744
Overdrafts included in bank loans and overdrafts falling due within one year	-	(120)
Total cash and cash equivalents	1,499,419	1,463,624

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.22 £	Cash flow £	At 5.4.23 £
Net cash			
Cash at bank	1,463,744	35,675	1,499,419
Bank overdraft	(120)	120	-
	1,463,624	35,795	1,499,419
Total	1,463,624	35,795	1,499,419

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies are recognised when the charity has been notified in writing of both the amount and the settlement date. Investment income is accounted for on an accruals basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. This is accrued once the recipient has been notified of the grant award.

Governance costs

The charity does not incur support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. Governance costs relate to charitable activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The charity has an unrestricted fund created by the assignment of royalties and the income of the Trust is unrestricted. The terms of the Trust allow the capital of the fund to be spent if the Trustees so determine.

Unrestricted income comprises funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Notes to the Financial Statements - continued
For The Year Ended 5 April 2023**

1. ACCOUNTING POLICIES - continued

Financial instruments`

Financial instruments are classified and accounted for according to the substance of the contractual agreement as financial assets or financial liabilities.

2. INVESTMENT INCOME

	2023	2022
	£	£
UK interest & dividends	1,887	1,227
Overseas interest & dividends	31,094	23,174
UK bank interest	7,467	122
	<u>40,448</u>	<u>24,523</u>

3. OTHER INCOME

	2023	2022
	£	£
Royalties from YEDA	547,802	520,791

By a Deed of Assignment dated 14 August 2019 royalties due to Yuti Chernajovsky were formally assigned to the Trustees until further notice.

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5) £
General grants	<u>36,000</u>

5. GRANTS PAYABLE

	2023	2022
	£	£
General grants	<u>36,000</u>	<u>725,634</u>

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Notes to the Financial Statements - continued
For The Year Ended 5 April 2023**

6. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Other resources expended	<u>(25,725)</u>	<u>9,180</u>	<u>(16,545)</u>
Other resources expended breakdown:		2023 £	2022 £
Other:			
Profit or loss on foreign exchange		(27,551)	-
Administrative costs		1,826	2,887
Governance costs:			
Legal fees		-	1,200
Accountancy fees		6,300	2,700
Independent Examiners fees		2,880	3,120
		<u>(16,545)</u>	<u>9,907</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2023 nor for the year ended 5 April 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2023 nor for the year ended 5 April 2022.

8. FIXED ASSET INVESTMENTS

Fixed asset investments comprise UK fixed interest securities of £941,851 (2022: £982,981), UK quoted equities of £233,455 (2022: £255,131), overseas fixed interest securities of £Nil (2022: £Nil) and overseas equities of £388,915 (2022: £459,975).

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Prepayments and accrued income	<u>82,399</u>	<u>77,123</u>

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Notes to the Financial Statements - continued
For The Year Ended 5 April 2023**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 11)	-	120
Other creditors	778,500	1,289,752
Accrued expenses	6,180	5,820
	<u>784,680</u>	<u>1,295,692</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	-	120
	<u>-</u>	<u>120</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 5 April 2023.

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Detailed Statement of Financial Activities
For The Year Ended 5 April 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Investment income		
UK interest & dividends	1,888	1,227
Overseas interest & dividends	31,094	23,174
UK bank interest	7,466	122
	<u>40,448</u>	<u>24,523</u>
Other income		
Royalties from YEDA	547,802	520,791
Total incoming resources	<u>588,250</u>	<u>545,314</u>
EXPENDITURE		
Other trading activities		
Bank charges	1,345	855
Investment management costs		
Portfolio management	12,840	9,804
Charitable activities		
Grants and donations	36,000	725,634
Support costs		
Other		
Profit or loss on foreign exchange	(27,551)	-
Administrative costs	1,826	2,887
	<u>(25,725)</u>	<u>2,887</u>
Governance costs		
Legal fees	-	1,200
Accountancy fees	6,300	2,700
Independent Examiners fees	2,880	3,120
	<u>9,180</u>	<u>7,020</u>
Total resources expended	<u>33,640</u>	<u>746,200</u>
Net income/(expenditure) before gains and losses	<u>554,610</u>	<u>(200,886)</u>

This page does not form part of the statutory financial statements

**THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL
RESEARCH FOUNDATION**

**Detailed Statement of Financial Activities
For The Year Ended 5 April 2023**

	2023 £	2022 £
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(122,211)	-
Realised gains/(losses) on investment property	-	30,477
Unrealised gains/losses on investments	(14,302)	(59,196)
Net income/(expenditure)	418,097	(229,605)

This page does not form part of the statutory financial statements

