

**Report of the Trustees and
Unaudited Financial Statements
For The Year Ended 5 April 2024
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 2024**

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

**Report of the Trustees
For The Year Ended 5 April 2024**

The trustees present their report with the financial statements of the charity for the year ended 5 April 2024. 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 2024

ACHIEVEMENT AND PERFORMANCE

The Foundation entered an agreement in 2021 with Connect Immune Research, a consortium of national medical research charities comprising primarily of Versus Arthritis, The Multiple Sclerosis Society, Juvenile Diabetes Research Fund, along with the British Society for Immunology to fund research into the common causes of autoimmunity. This "Targeting shared mechanisms in immune-mediated inflammatory diseases" initiative provides the opportunity to think and research differently in autoimmunity by working across disease areas in the translational space. Building on decades of research conducted in individual disease areas, it was timely to invest in a cross-disease approach to identify potential new treatments for people living with autoimmune conditions.

Initially funding was offered for 10 pilot research projects, which have now been completed and final reports received. Expressions of Interest for Phase II funding more substantial funding to continue the work in the pilot projects were received and 4 selected for full applications. Our partner charities for phase I decided not to continue with their funding, so the Foundation committed to funding alone 2 research projects for up to £500,000 each. Decisions will be made in 2024 after expert external review.

The trustees organised a scientific symposium in July 2023 at Aston University covering a day and a half. Researchers receiving grants from the "Targeting shared mechanisms in immune-mediated inflammatory diseases" initiative presented their results and plans for future work, and were encouraged to make potential new collaborations. On second day, all 7 PhD students funded by the Foundation presented their work.

The 7 PhD studentships are now in the process of finishing their studies and writing up towards completing their doctoral thesis. One has already received their doctorate. Assessment of progress has been through written reports and presentations by supervisors and students either in person or via Zoom and at the symposium in Birmingham. All were considered by the trustees as progressing satisfactorily.

The trustees agreed to fund a maximum of 2 post-doctoral Fellowships available to current PhD students. A call was announced for applications, to be decided upon in 2024.

Incoming resources for the period amounted to £487,750 (2023: £588,250). Reserves will continue to be maintained to provide future incoming resources and awarded 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 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 period end had a market value of £1,712,722 (2023: £1,564,221).

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 supporting the "Targeting shared mechanisms in immune-mediated inflammatory diseases" initiative by funding two Phase II projects for up to £500,000 each.

The Foundation will continue to support the PhD projects awarded from the first call until completion, and award up to 2 post-doctoral Fellowships.

The trustees will review their portfolio and decide upon the focus of their next funding programme.

THE LORNA & YUTI CHERNAJOVSKY BIOMEDICAL RESEARCH FOUNDATION

Report of the Trustees For The Year Ended 5 April 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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 written 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

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

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

**Report of the Trustees
For The Year Ended 5 April 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Investment advisors and bankers

Coutts & Co
440 Strand
London
WC2R 0QS

September 3, 2024

Approved by order of the board of trustees on 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 2022.

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: 3rd September 2024

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

**Statement of Financial Activities
For The Year Ended 5 April 2024**

		2024 Unrestricted fund £	2023 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Investment income	2	66,904	40,448
Other income	3	420,846	547,802
Total		487,750	588,250
EXPENDITURE ON			
Raising funds	4	3,786	12,840
Charitable activities	5		
General grants		48,507	36,000
Other		14,087	(15,200)
Total		66,380	33,640
Net gains/(losses) on investments		119,791	(136,513)
NET INCOME		541,161	418,097
RECONCILIATION OF FUNDS			
Total funds brought forward		2,361,359	1,943,262
TOTAL FUNDS CARRIED FORWARD		2,902,520	2,361,359

The notes form part of these financial statements

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

**Statement of Financial Position
5 April 2024**

		2024 Total funds £	2023 Total funds £
FIXED ASSETS	Notes		
Investments	10	1,712,722	1,564,221
CURRENT ASSETS			
Debtors	11	41,002	82,399
Cash at bank		1,288,404	1,499,419
		1,329,406	1,581,818
CREDITORS			
Amounts falling due within one year	12	(139,608)	(784,680)
NET CURRENT ASSETS		1,189,798	797,138
TOTAL ASSETS LESS CURRENT LIABILITIES		2,902,520	2,361,359
NET ASSETS		2,902,520	2,361,359
FUNDS			
Unrestricted funds		2,902,520	2,361,359
TOTAL FUNDS		2,902,520	2,361,359

The financial statements were approved by the Board of Trustees and authorised for issue on
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 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	I	(203,268)	27,948
Net cash (used in)/provided by operating activities		(203,268)	27,948
Cash flows from investing activities			
Purchase of fixed asset investments		(1,060,293)	(1,087,877)
Sale of fixed asset investments		1,031,634	1,086,370
Interest received		19,434	7,466
Dividends received		1,478	1,888
Net cash (used in)/provided by investing activities		(7,747)	7,847
Change in cash and cash equivalents in the reporting period		(211,015)	35,795
Cash and cash equivalents at the beginning of the reporting period		1,499,419	1,463,624
Cash and cash equivalents at the end of the reporting period		1,288,404	1,499,419

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 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	541,161	418,097
Adjustments for:		
(Gain)/losses on investments	(119,842)	135,373
Interest received	(19,434)	(7,466)
Dividends received	(1,478)	(1,888)
Decrease/(increase) in debtors	41,397	(5,276)
Decrease in creditors	(645,072)	(510,892)
Net cash (used in)/provided by operations	(203,268)	27,948

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.23	Cash flow	At 5.4.24
	£	£	£
Net cash			
Cash at bank	1,499,419	(211,015)	1,288,404
	<u>1,499,419</u>	<u>(211,015)</u>	<u>1,288,404</u>
Total	<u>1,499,419</u>	<u>(211,015)</u>	<u>1,288,404</u>

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.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

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.

Investment income is recognised when it is receivable.

Other income relates to royalties and is recognised in the period to which it relates.

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.

The charity has one charitable activity to which direct and support costs are allocated.

Governance costs include all those associated with constitutional and statutory requirement including the preparation, and independent examination, of the statutory accounts, and legal and professional fees.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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 2024**

1. ACCOUNTING POLICIES - continued

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Financial instruments

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

Going concern

After making the necessary enquiries, the trustees have a reasonable expectation that the Charity has adequate reserves to continue in existence for the foreseeable future and there are no material uncertainties regarding going concern. On this basis the Charity continues to adopt the going concern basis in preparing its financial statements

2. INVESTMENT INCOME

	2024	2023
	£	£
UK interest & dividends	1,478	1,887
Overseas interest & dividends	45,992	31,094
UK bank interest	19,434	7,467
	<u>66,904</u>	<u>40,448</u>

3. OTHER INCOME

	2024	2023
	£	£
Royalties from YEDA	<u>420,846</u>	<u>547,802</u>

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

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

Notes to the Financial Statements - continued
For The Year Ended 5 April 2024

4. RAISING FUNDS

Investment management costs

	2024	2023
	£	£
Portfolio management	3,786	12,840

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Grant funding of activities (see note 7)	Totals
	£	£	£
General grants	20,414	28,093	48,507

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Research meeting costs	20,414	-

7. GRANTS PAYABLE

	2024	2023
	£	£
General grants	28,093	36,000

The Charity has made the following grants to institutions during the year:

	2024	2023
	£	£
British Society for Research on Ageing	15,002	-
British Society for Immunology	-	15,000
William Harvey Research Foundation	15,801	-
Other grants	182	21,000
Unused grants reversed in the year	(2,892)	-
	28,093	36,000

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

Notes to the Financial Statements - continued
For The Year Ended 5 April 2024

8. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Other resources expended	<u>1,686</u>	<u>5,981</u>	<u>6,420</u>	<u>14,087</u>

Support costs, included in the above, are as follows:

	2024 Other resources expended £	2023 Total activities £
Bank charges	1,686	1,345
Profit or loss on foreign exchange	3,921	(27,551)
Administrative costs	2,060	1,826
Accountancy fees	3,420	6,300
Independent Examiners fees	<u>3,000</u>	<u>2,880</u>
	<u>14,087</u>	<u>(15,200)</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2024 nor for the year ended 5 April 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2024 nor for the year ended 5 April 2023.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 6 April 2023	1,564,221
Additions	1,060,293
Disposals	(1,031,634)
Revaluations	<u>119,842</u>
At 5 April 2024	<u>1,712,722</u>
NET BOOK VALUE	
At 5 April 2024	<u>1,712,722</u>
At 5 April 2023	<u>1,564,221</u>

Fixed asset investments comprise UK fixed interest securities of £843,494 (2023: £941,851), UK quoted equities of £254,147 (2023: £233,455), overseas equities of £570,595 (2023: £388,915) and Commodities £44,486 (2023: £Nil).

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

Notes to the Financial Statements - continued
For The Year Ended 5 April 2024

10. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 5 April 2024 is represented by:

	Listed investments £
Valuation in 2022	148,501
Cost	1,564,221
	<u>1,712,722</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Prepayments and accrued income	41,002	82,399

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Other creditors	20	20
Accrued expenses	6,420	6,180
Accruals for grants payable	133,168	778,480
	<u>139,608</u>	<u>784,680</u>

Movement of accruals for grants payable:

	2024 £	2023 £
At 6 April 2023	778,480	1,289,732
Grants approved	30,984	21,000
Unused grants reversed in the year	(2,892)	-
Grant payments in the year	(673,404)	(532,252)
At 5 April 2024	<u>133,168</u>	<u>778,480</u>

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

**Notes to the Financial Statements - continued
For The Year Ended 5 April 2024**

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 5 April 2024.