

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 2020**

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THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2020

The trustees present their report together with the financial statements of the company for the year ended 31 March 2020, and confirm that the financial statements comply with current statutory requirements and the requirements of the company's Memorandum and Articles of Association. This report is a directors' report and has been prepared in accordance with Financial Reporting Standard published in the UK and Ireland (FRS 102) and in accordance with s417 of the Companies Act 2006, and all trustees are directors. Items disclosed under the strategic report are not repeated here, as allowed under s414C(11).

REFERENCE AND ADMINISTRATIVE INFORMATION

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

Trustees

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

Mr S Conway
Mr D Taglight

Auditors

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

Bankers

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company is limited by guarantee and is governed by its Memorandum and Articles of Association dated 9 August 2011. The Foundation was registered with the Charity Commission on 18 August 2011, under 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 2020

RECRUITMENT AND APPOINTMENT OF TRUSTEES

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

INDUCTION AND TRAINING OF TRUSTEES

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

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

AIMS AND OBJECTIVES OF THE FOUNDATION

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

FINANCIAL REVIEW

ACTIVITIES AND PERFORMANCE

The Trustees continue to actively manage the assets held by the Foundation, and monitor the property assets held in its wholly owned subsidiaries. Since its inception the valuation of our commercial property has steadily increased, year on year, so it is disappointing to record the first reduction in valuation for the period ending 31 March 2020. This reduction has been caused by the unprecedented fall out due to the coronavirus on UK commercial property. Our main site at Drury Lane remains a strong, secure and well positioned asset, with many potential development angles over the long term. Our investment portfolio of equities and bonds performed well during the year and not withstanding falls in the Indices, for these sectors, finished the year broadly unchanged. Interest rates remain at all time lows and in this environment the trustees look to investment in secure bonds to boost income, but are always mindful of risk. The trustees remain pleased with the overall performance and the spread of investments held by the Foundation.

PRINCIPAL FUNDING SOURCES

The Foundation continues to receive donations from its wholly owned subsidiaries. It also has an investment portfolio which generates investment returns.

INVESTMENT POWERS, POLICY AND PERFORMANCE

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

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2020

RESERVES POLICY

As seen on page 14 of the accounts the Foundation has substantial reserves. It keeps these to generate income which is donated to medical research and other charitable purposes. As the Foundation begins to make longer term research commitments the trustees have decided to retain an appropriate level of its reserves in liquid form. These include bank deposits, short dated bonds and marketable listed investments. This liquidity will also be available to take advantage of unique opportunities which may arise in the existing property portfolio. These central London property assets are held to grow the capital base and maintain income over the longer term, thereby providing the charitable Foundation with the ability to continue with its stated aims and objectives.

GRANTS AND INVESTMENTS

The trustees are pleased to report that since 2013 the Foundation has made grants and donations of £21.4m. The trustees receive requests from various medical research institutions. With the help of professionals in the relevant fields the trustees decide which projects to support. Currently there are 63 projects the majority of which are still ongoing. Where possible the Foundation always tries to negotiate an interest in any commercial rights which might flow from such support, although this is not a prerequisite. The medical grants are medium to long term in nature. The Foundation receives regular updates from the Institutions and professors carrying out the research. In order to reduce direct costs, the Foundation has in the past year worked with the Prostate Cancer Foundation in America (PCF), The Urology Foundation (TUF) and Rosetrees Trust (RT). PCF and RT invariably donate alongside the Foundation. All three provide the necessary professional input needed before making any decisions, including vital peer review. During the year it was pleasing that several of our grantees submitted papers for publication in quality journals which were subsequently published. In line with the Foundation's aims and objectives the trustees paid during the year £3,449,763 (2019 £4,887,817) to various charitable institutions. Further details are shown in Note 8 of the financial statements.

PUBLIC BENEFIT

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

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

The charity partners with other institutions, PCF, TUF and Rosetrees in order to have the highest quality peer review process. Both PCF and Rosetrees often make donations alongside the Foundation.

The trustees still find that this model helps produce the best results. The projects are sometimes proposed/sourced by us and sometimes by our three partners.

This year we added Van Andel Research Institute (VARI) based in Grand Rapids Michigan, to our list of research charities with whom we collaborate. VARI is predominantly interested in Parkinson's Disease and have their own facility employing 400 scientists. We are looking forward to expanding this relationship.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2020

Prostate Cancer

Professor Gert Attard is the holder of the John Black Charitable Foundation Endowed Chair in Prostate Cancer at University College London. He is always a source of excellent ideas and we were pleased to help by providing the funding for MRI scans for the Paradigm Trial. This trial funded in part by Prostate Cancer UK addresses the clearly recognised need for the development of imaging biomarkers to better detect disease, monitor treatment, and potentially predict responses to therapies.

We noted that towards the end of the year Professor Attard made a patent application for a blood test to be used in metastatic Prostate Cancer. This patent would seem to have value and we hope to report progress in the years to come. We are never driven by gain for the charity when backing projects, but it is always worth reporting that we do usually have IP/revenue sharing agreements in place in the majority of our projects.

Using the good offices of the Prostate Cancer Foundation (PCF) we have become involved in another project with Gert, UCL and Harvard Medical School/Dana Farber Institute made an application to PCF, to work on a substantial cross continent project, to comprehensively profile the genome of Aggressive Hormone Sensitive Prostate Cancer. It became clear that the US section of this worthy project was taking a long time to fund, so JBCF stepped in and suggested it would fund the UK arm in order to get this started. The UK project can stand alone, but it is likely that the US side will join up eventually. The work will use primary prostate tissue gathered from two major trials "Chaarted" and "Stampede". The teams have a unique opportunity to carry out studies relating to both prognosis and prediction into which men will benefit from altering the cocktail of drugs known to be of use in Metastatic disease. This is a substantial and worthwhile project.

PCF annually invite applications for their Young Investigator Awards. They receive well over 100 requests and conduct vigorous reviews into all of these: those who score highest are funded and we have chosen to sponsor two of these.

Anuradha Jayaram, a young post doc, mentored by Professor Attard at UCL, will seek to characterise peripheral blood immune cell dynamics before and after the start of hormone therapy and evaluate their role as predictive markers in Hormone Resistant Prostate Cancer.

Damian Leach, a research associate mentored by Professor Charlotte Bevan at Imperial College plans to investigate the ability of the primary and metastatic niche to promote disease progression and influence the response of Prostate Cancer to anti-androgen therapy.

Alongside Rosetrees Trust we supported Stefano Lise at the Institute of Cancer Research (ICR) in collaboration with Gert Attard to investigate circulating tumour DNA in the blood to monitor disease progression of metastatic prostate cancer.

Through The Urology Foundation (TUF) we have supported Professor Richard Bryant at Oxford to investigate the key drivers of Benign Prostatic Hyperplasia (BPH) development and progression. Richard will use a combined genetic and ex-vivo cell culture approach. He will be using both UK Biobank data and fresh surgical specimens with the aim of identifying new druggable targets for personalized therapy.

Professor Ian Mills holds the John Black Chair of Prostate Cancer at Oxford. As with Professor Gert Attard at UCL we are always happy to provide further support for specific projects suggested by the holders of our "Chairs". We were happy to provide Ian with funding for a project to identify, functionally characterise and validate poor prognosis genes, with particular emphasis on bone metastasis. This will accelerate the introduction of targeted therapies to improve patient outcomes while minimising off target effects.

We supported Professor Ros Eeles at the Institute of Cancer Research (ICR) alongside Dr Melanie Flint at Brighton, investigating certain stress hormones in BRCA mutation carriers, possibly having an increase susceptibility to the development of Prostate cancer.

Using TUF as a conduit we have made a substantial grant to fund Climate, a clinical trial, to compare Multi Parameter MRI (MPMRI) results with Luminal Index MRI (LIMRI) results. The LIMRI takes 3 to 4 minutes compared with 35 to 40 minutes for MPMRI, and it is hoped that this will also produce an improvement in specificity with no reduction in sensitivity. It will be of enormous benefit to the NHS in reducing time and cost of MRI generally. Professor Shonil Punwani will run this multi-centred trial for 700 men.

During the year we made two small top-up grants to allow both Claire Fletcher at Imperial and Val Macaulay at Oxford to take their work to the final stage. In the case of Val she lost a post doc mid-year and had to replace with someone for a full year. At Imperial, Claire found a newer technology to help her refine her work which was slightly more expensive. We are always very happy to help our recipients achieve the best results.

We were informed during the year that Professor Alan McNeill in Edinburgh was looking to spin out the E-finger project into a separate entity to commercialize the product. The e-finger project seeks to detect and stratify Prostate Cancer via

THE JOHN BLACK CHARITABLE FOUNDATION REPORT OF THE TRUSTEES For the year ended 31 March 2020

the use of a sophisticated chip placed under the glove of someone performing a DRE procedure on a patient. We backed this in 2015 and have royalty on sales in place.

Parkinson's Disease (PD)

We are pleased to mention that the grant made with Rosetrees to Professor David Rubinsztein at Oxford in 2015 has resulted in a paper being published in Nature Communications. The work was using an existing drug, currently used to control high blood pressure against conditions including Parkinson's. Professor Rubinstein is cautiously optimistic that the next trial in humans will be positive.

We made a grant to Professor Tom Foltynie at UCL to carry out a trial using Exanotide, a drug used currently for Diabetes, for sufferers of Multiple System Atrophy (MSA). 5% of people with Parkinson's disease (PD) symptoms turn out to have MSA for which unlike PD, there are currently no helpful drugs. Exanotide is being used in a large trial for PD. This 50-patient trial will establish whether the MSA group can also benefit. We have been joined by the Van Andel Institute based in Michigan, who have contributed 15% of the funding.

In 2015 we made a grant to Parkinson's UK to enable BIRAX, the Britain-Israel Research and Academic Exchange Partnership to carry out work at Cambridge and the Technion-Israel Institute of Technology on looking for new biomarkers in breath for Parkinson's. The work completed and the results were very encouraging; we await the next possible action on this and see the work published.

Also, in 2015 alongside the Van Andel Institute (VAI) of Michigan and using Cure Parkinson's Trust (CPT) we backed research undertaken by Professor Shapira of Royal Free hospital and UCL. This was a small phase II clinical trial repurposing a cough linctus, Ambroxol, for its effect on Parkinson's. We were happy to see the results accepted for publication in JAMMA, a highly regarded journal. There was full coverage in the UK press as well. The trial showed the drug was able to cross the blood brain barrier and increase levels of GCase in the brain cells of people with Parkinson's. The protein GCase allows cells to remove waste more effectively, a function which evidence suggests is deficient in some people with Parkinson's, so increasing levels of this protein may have potential to keep cells healthier for longer, and therefore slow the progression of Parkinson's. We were happy to contribute towards a further and larger trial using Ambroxol, again alongside Van Andel and CPT, to be undertaken at UCL by Professor Tony Shapira.

**THE JOHN BLACK CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES
For the year ended 31 March 2020**

RELATED PARTIES

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

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

AUDITORS

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

This report was approved by the Board of Trustees on 16-11-2020 and signed on its behalf by



**David Taglight
Trustee**

THE JOHN BLACK CHARITABLE FOUNDATION

STRATEGIC REPORT

For the year ended 31 March 2020

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.

During the year the trustees continued to monitor the group's property interests. In the year under review it was disappointing to report that for the first time since 2012 they had to report a small decrease in values, attributable to the pandemic. This was in line with all other property company values. This reduction brings the overall increase since 2012 to £16.1m down from the £19m we recorded in last year's accounts. This was due in large part to the valuation of Drury Lane which is discussed below.

The wholly owned subsidiary Margin Finance Corporation Ltd owns a mixed use freehold site on Drury Lane London WC2. The site extends over three quarters of an acre. We recorded a small increase in rental levels, and the building was fully occupied throughout the year. Subsequent to the year end the trustees, in common with most other responsible landlords, saw fit to offer some rental concessions, during the government lockdown, to some of our retail tenants, who were closed for quite some time. The trustees considered the valuation very carefully and decided it was appropriate to reduce the value of the asset to £25m (2019 £27m).

Borrisbrook Properties Ltd, the Foundation's other wholly owned subsidiary, owns the freehold of a block of 90 apartments in Kensington High Street, London W14. During the year all 14 apartments directly owned by the company remained fully let but the directors are finding resistance to rent increases when flats become vacant.

Notwithstanding the reduction in Net Assets, the trustees consider this has been another successful year. After making grants and donations of £3,224,763.14 the group's net assets were £82,255,284 (2019 £85,741,850).

The results of the Foundation and its subsidiaries for the year are set out in the Consolidated Statement of Financial Activities on page 13 of the financial statements.

We still find ourselves in a financial world where interest rates are historically low and have to accept that the only way to increase our income substantially would be to increase risk. This is something the trustees will not do with our liquid assets. We continue to actively monitor the property interests managed by our subsidiaries.

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

RISK MANAGEMENT

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

THE JOHN BLACK CHARITABLE FOUNDATION
STRATEGIC REPORT
For the year ended 31 March 2020

PLANS FOR FUTURE PERIODS

The Foundation continues to make grants in the areas of Prostate Cancer and Parkinson's Disease. In the year under review we made another 14 grants bringing the number of research projects running to 63. More detail can be found in the Trustees' Report. We aim to maintain and where possible increase our income to be able to provide further grants to existing projects and fund new ones. We will, however, particularly in these exceptional times not increase our risk profile which we believe is very low. We continue to support the highest quality research for carefully peer reviewed projects, where the aim is earlier and better diagnosis, treatment and therapy in the areas of Prostate Cancer and Parkinson's Disease. The trustees strive to seek out projects at major UK institutions to expand its stated aims and objectives, frequently in collaboration with other charitable bodies and institutions. A full analysis of the Foundation's current and future plans is given under the Public Benefit Section in the Trustees' Annual Report.



David Taglight
Trustee

Date 16-11-20

THE JOHN BLACK CHARITABLE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2020

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

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

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

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

In so far as the trustees are aware:

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

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

Signed on behalf of the Board of Trustees



David Taglight
Trustee

Date: 16-11-20

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE JOHN BLACK CHARITABLE FOUNDATION
For the year ended 31 March 2020**

Opinion

We have audited the financial statements of for the year ended 31 March 2020 which comprise Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 2020 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE JOHN BLACK CHARITABLE FOUNDATION
For the year ended 31 March 2020**

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE JOHN BLACK CHARITABLE FOUNDATION
For the year ended 31 March 2020**

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Stickland

for and on behalf of Moore Kingston Smith LLP

Moore Kingston Smith LLP

Chartered Accountants

Statutory Auditor

Devonshire House

60 Goswell Road

London EC1M 7AD

Date: *23 November 2020*

THE JOHN BLACK CHARITABLE FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2020

	Note	2020 Total Unrestricted Funds £	2019 Total Unrestricted Funds £
Income from:			
Donations and Legacies	2	-	215,976
Investments	3	3,188,856	3,090,692
Share of profit from joint venture	11	7,206	37,214
Total income		3,196,062	3,343,882
Expenditure on:	4		
Direct property costs		492,426	225,978
Other investment management and administrative costs		291,524	283,513
Deferred tax movement		(340,000)	170,000
Charitable activities	5	3,224,763	4,512,817
Total expenditure		3,668,713	5,192,308
Net gains / (losses) on investments		(3,013,915)	1,253,677
Net income / (expenditure)		(3,486,566)	(594,749)
Other recognised gains and losses			
Impairment in subsidiary	11	-	(6,388)
Net movement in funds		(3,486,566)	(601,137)
Reconciliation of funds			
Total funds brought forward		85,741,850	86,342,987
Total funds carried forward		82,255,284	85,741,850

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

THE JOHN BLACK CHARITABLE FOUNDATION

BALANCE SHEET

For the year ended 31 March 2020

		The group 2020	The charity 2020	The group 2019	The charity 2019
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8	151,532	-	155,207	-
Investment in joint venture	11	1,992,970	-	2,753,264	-
Investment properties	12	26,258,788	1,258,788	28,408,646	1,408,646
Equity investments	9	13,167,989	33,896,788	13,000,095	36,149,669
Cash investments	9	511,871	511,871	362,078	362,078
		<u>42,083,150</u>	<u>35,667,447</u>	<u>44,679,290</u>	<u>37,920,393</u>
Current assets					
Stock - properties for sale		3,818,356	-	4,034,025	-
Debtors	14	5,561,059	20,216,939	6,715,225	20,961,310
Cash at bank and in hand		<u>35,954,497</u>	<u>31,363,149</u>	<u>36,048,536</u>	<u>32,195,676</u>
		45,333,912	51,580,088	46,797,786	53,156,986
Liabilities					
Creditors amounts due within one year	15	(1,018,644)	(669,033)	(877,092)	(937,973)
Net current assets		<u>44,315,268</u>	<u>50,911,055</u>	<u>45,920,694</u>	<u>52,219,013</u>
Total assets less current liabilities		86,398,418	86,578,502	90,599,984	90,139,406
Creditors amounts falling due after more than one year	16	(2,237,666)	(2,237,666)	(2,612,666)	(2,612,666)
Provision for liabilities	20	<u>(1,905,468)</u>	<u>-</u>	<u>(2,245,468)</u>	<u>-</u>
Net assets		<u>82,255,284</u>	<u>84,340,836</u>	<u>85,741,850</u>	<u>87,526,740</u>
Funds					
Unrestricted funds					
General funds		83,583,045	84,340,836	87,066,336	87,526,740
Non-charitable retained funds		<u>(1,327,761)</u>	<u>-</u>	<u>(1,324,486)</u>	<u>-</u>
Total charity funds		<u>82,255,284</u>	<u>84,340,836</u>	<u>85,741,850</u>	<u>87,526,740</u>

Approved by Trustees on 16-11-20 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 2020

	Notes	2020		2019	
		£	£	£	£
Cashflows from operating activities					
Cash generated from /(absorbed by) operations	23		(2,674,267)		(5,393,949)
Cashflows from investing activities					
Fixed asset additions		(2,426)		(133,596)	
Cost of investment additions		(8,212,560)		(8,511,796)	
Proceeds on sale of investments		<u>7,606,358</u>		<u>2,514,677</u>	
			(608,628)		(6,130,715)
Cashflows from financing activities					
Interest income		1,456,672		1,397,795	
Dividend income		98,073		61,020	
Investment income		<u>1,634,111</u>		<u>1,631,877</u>	
			3,188,856		3,090,692
Net increase in cash and cash equivalents			<u>(94,039)</u>		<u>(8,433,972)</u>
Cash and cash equivalents at the beginning of the year			<u>36,048,536</u>		<u>44,482,508</u>
Cash and cash equivalents at the end of the year			<u><u>35,954,497</u></u>		<u><u>36,048,536</u></u>

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1) Accounting policies

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

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

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

Credmill Limited, another wholly owned subsidiary has been excluded from the consolidation on the basis that it is not material to the group, it is no longer trading and will be struck off the register at Companies House in the immediate future.

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

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

b) Incoming Resources

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

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

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1) Accounting policies (continued)

- c) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs.
- d) Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction. Endowments and the subsequent increases and decreases in value are shown in the Statement of Financial Activities as part of those funds.
- e) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes, which are not designated for particular purposes.
- f) Investment income is accounted for when receivable and includes retained tax recoverable.
- g) Resources Expended
Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

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

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1) Accounting policies (continued)

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

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

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

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

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

o) Stock

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

p) Foreign currency translation

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

q) Consolidation of subsidiaries

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

r) Judgements and key estimates

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

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

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1) Accounting policies (continued)

s) Critical Judgements

Useful economic life of assets

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

Valuation of investment properties

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

t) Financial Instruments

Cash and Cash Equivalents

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

Basic Financial Instruments

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

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

2) Voluntary Income	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Legacy Income	-	-	-	215,976
	-	-	-	215,976

The charity had no restricted voluntary income in the years ended 31 March 2018 or 31 March 2017.

3) Investment income	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Gross rental Income from UK properties	1,634,111	-	1,634,111	1,631,877
Bank interest receivable (UK)	757,021	-	757,021	710,061
Dividends receivable from UK listed investments	98,073	-	98,073	61,020
Other interest receivable	699,651	-	699,651	687,734
Other income	-	-	-	-
	3,188,856	-	3,188,856	3,090,692

The charity had no restricted investment income in the years ended 31 March 2019 or 31 March 2018.

4) Total resources expended	2020 £	2019 £
<u>Direct Property Costs in generating Rental Income</u>		
Direct property costs	405,708	113,209
Legal and professional	80,740	105,565
Depreciation	5,978	7,204
	492,426	225,978
<u>Other Investment Management and administration costs</u>		
Staff costs	91,205	89,721
Directors' remuneration from subsidiary undertakings	100,000	100,000
Social security costs	20,433	20,233
External investment management costs	1,102	1,119
Office running costs	40,692	37,575
Bank charges	-	-
Governance costs (see below)	38,092	34,865
	291,524	283,513
Deferred tax movement	(340,000)	434,660
<u>Charitable Activities - grants and donations to institutions (see note 5)</u>	3,224,763	4,512,817
Total Resources Expended as per consolidated Financial Statements	3,668,713	6,529,111
<u>Governance costs</u>		
Auditors' remuneration		
- Parent company and consolidation	20,995	19,048
- Audits of subsidiary companies	17,075	14,426
Other costs	22	1,391
	38,092	34,865

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 2020

5) Reconciliation of grants and donations to institutions

	2020	2019
	£	£
Charitable grants awarded for in current year:		
Parkinson's Disease & Prostate Cancer	2,449,763	3,725,494
Other charitable purposes in the United Kingdom and State of Israel	775,000	787,323
Total charitable grants awarded	<u>3,224,763</u>	<u>4,512,817</u>
Total charitable grants paid in the year (see note 18)	<u>3,449,763</u>	<u>4,420,016</u>

6) Net Incoming Resources for the Year

	2020	2019
	£	£
This is stated after charging:		
Depreciation	5,978	7,204
Auditors' remuneration (charity: £20,995)	38,070	33,474
Trustees remuneration	100,000	100,000

The trustees remuneration of £100,000 (2019: £100,000) was paid to D Taglight, in his capacity as director of The Margin Finance Corporation Limited. This was paid in accordance with the Will of the late J Black. No expenses were reimbursed to Trustees during the year.

7) Taxation

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

A balance of £1,905,468 (2019: £2,245,468) is held in The Margin Finance Company for Deferred Tax relating to the Investment Property.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 2020

8) Tangible Fixed Assets
Group

	Land and Buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2019	133,596	274,311	407,907
Additions	-	2,426	2,426
Disposals	-	(3,187)	(3,187)
At 31 March 2020	133,596	273,550	407,146
Amortisation			
At 1 April 2019	-	252,699	252,699
Charge for the year	-	5,979	5,979
	-	(3,064)	(3,064)
At 31 March 2020	-	255,614	255,614
Net book value			
At 31 March 2020	133,596	17,936	151,532
At 31 March 2019	133,596	21,612	155,208

No fixed assets are held under finance lease.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

9) **Investments**

	The group 2020 £	The charity 2020 £	The group 2019 £	The charity 2019 £
Market value brought forward	13,000,095	36,149,669	7,739,591	29,794,579
Additions at cost	8,055,561	8,055,561	8,231,052	8,231,052
Disposal proceeds	(7,596,358)	(7,596,358)	(2,480,732)	(2,480,732)
Net gain/(loss) on revaluation	(291,309)	(2,712,084)	(172,374)	922,212
Impairment of subsidiary	-	-	(317,442)	(317,442)
Market value carried forward	13,167,989	33,896,788	13,000,095	36,149,669
Cash held as part of investment portfolio	511,871	511,871	362,078	362,078
Total	13,679,860	34,408,659	13,362,173	36,511,747
Cost brought forward	13,079,447	18,946,379	7,467,643	13,334,575
Additions at cost	8,055,561	8,055,561	8,231,052	8,231,052
Disposals at cost	(7,038,726)	(7,038,726)	(2,619,248)	(2,619,248)
Cost carried forward	14,096,282	19,963,214	13,079,447	18,946,379

Investments held (market value)	The group 2020 £	The charity 2020 £	The group 2019 £	The charity 2019 £
Investments listed on a stock	13,167,989	13,167,989	13,000,095	13,000,095
Investments in subsidiaries (valuation)	-	20,728,799	-	23,149,574
Cash held as part of the investment portfolio (cost)	511,871	511,871	362,078	362,078
	13,679,860	34,408,659	13,362,173	36,511,747

Geographical location of investments	The group 2020 £
UK equities	13,167,989
Overseas equities	-
	13,167,989

Material investments in subsidiary holdings	Group £	Charity £
Subsidiaries		
The Margin Finance Corporation Limited	-	14,728,799
Borrisbrook Properties Limited	-	6,000,000
	-	20,728,799

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

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.

	2020 £	2019 £
Turnover	1,364,739	1,363,988
Cost of Sales	<u>(6,205)</u>	<u>(31,510)</u>
Gross Profit	1,358,534	1,332,478
Administrative Expenses	(288,202)	(291,111)
Sundry income	-	-
Operating loss	<u>1,070,332</u>	<u>1,041,367</u>
Profit from Joint Ventures	7,206	37,214
Interest received	699,651	687,734
Interest paid	(672,383)	(663,834)
Fair Value gains and losses on investment properties	(2,757,500)	1,000,000
Profit on ordinary activities before taxation	<u>(1,652,694)</u>	<u>2,102,481</u>
Tax	340,000	(170,000)
Profit for the year	<u><u>(1,312,694)</u></u>	<u><u>1,932,481</u></u>
Assets	37,075,899	40,606,577
Liabilities	<u>(22,347,100)</u>	<u>(23,457,003)</u>
	<u>14,728,799</u>	<u>17,149,574</u>
Share capital	2	2
Revaluation reserve	13,667,607	16,085,107
Profit and loss account	<u>1,061,190</u>	<u>1,064,465</u>
	<u><u>14,728,799</u></u>	<u><u>17,149,574</u></u>

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

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 2020 £	31 March 2019 £
Turnover	243,572	242,089
Cost of Sales	(389,521)	(87,760)
Gross Profit	(145,949)	154,329
Administrative Expenses	(54,986)	(54,603)
Operating profit	(200,935)	99,726
Investment income	-	-
Profit on ordinary activities before taxation	(200,935)	99,726
Tax	-	-
Profit for the year	(200,935)	99,726
Assets	589,157	878,958
Liabilities	(137,636)	(126,776)
	451,521	752,182
Share capital	100	100
Profit and loss account	451,421	752,082
	451,521	752,182

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

11) Share in joint venture

Old Burlington Street Joint Venture

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

	2020 £	2019 £
Turnover		
Rent receivable	51,478	68,025
Net profit/ (loss) for the year	7,206	37,214
Fixed assets	2,250,000	2,757,500
Current asset	33,389	36,144
Gross assets	2,283,389	2,793,644
Gross liabilities	(39,826)	(40,380)
Total assets less total liabilities- share of net assets	2,243,563	2,753,264
Revaluation reserve	1,746,448	2,253,355
Current account	497,115	499,909
	2,243,563	2,753,264
Carrying amount of Old Burlington Street Joint Venture		
	2020 £	2019 £
Brought forward	2,753,264	2,749,995
Share of (Loss)/Profit	7,206	37,214
Drawings	(10,000)	(33,945)
Revaluation of Joint Venture property	(757,500)	-
Carried forward	1,992,970	2,753,264

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

12) Investment properties	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fair value				
Brought forward	28,408,646	27,349,858	1,408,646	1,349,858
Additions	-	58,788	-	58,788
Net gains through fair value adjustments	(2,149,858)	1,000,000	(149,858)	-
Carried forward	<u>26,258,788</u>	<u>28,408,646</u>	<u>1,258,788</u>	<u>1,408,646</u>

The investment properties are included in the balance sheet at open market value (historical cost of £13,388,646). The investment properties were revalued by the directors as at 31 March 2020. 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	2020 £	2019 £
Carrying amount of financial assets at:		
Amortised cost	5,561,059	6,715,225
Fair value through the SOFA	<u>13,167,989</u>	<u>13,000,095</u>
Carrying amount of financial liabilities at:		
Amortised cost	<u>426,192</u>	<u>448,752</u>

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

14) Short term debtors

	The group 2020 £	The charity 2020 £	The group 2019 £	The charity 2019 £
Trade debtors	151,409	1,438	459,648	-
Other debtors	5,409,650	112,282	6,255,577	108,091
Tax refund	-	-	-	-
Amount due from Subsidiaries	-	104,457	-	104,457
Amount due from Subsidiaries: Loan balance (see note 19)	-	19,998,762	-	20,748,762
	<u>5,561,059</u>	<u>20,216,939</u>	<u>6,715,225</u>	<u>20,961,310</u>

The £19,998,762 (2019: £20,748,762) due from subsidiaries included in the charity balance sheet is due in over one year.

15) Creditors - amounts due within 1 year

	The group 2020 £	The charity 2020 £	The group 2019 £	The charity 2019 £
Trade creditors	5,703	-	10,688	-
Taxation and social security	67,452	-	53,340	-
Amounts due to subsidiary undertakings	-	126,438	-	545,973
Other creditors	420,489	17,595	438,064	17,000
Grant commitments (see note 18)	525,000	525,000	375,000	375,000
	<u>1,018,644</u>	<u>669,033</u>	<u>877,092</u>	<u>937,973</u>

16) Creditors - amounts due after 1 year

	The group 2020 £	The charity 2020 £	The group 2019 £	The charity 2019 £
Grant commitments (see note 18)	2,237,666	2,237,666	2,612,666	2,612,666
Other loans	-	-	-	-

17) Analysis of net assets between funds

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

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

18) Grant Commitments

	Oxford Prostate Chair	Oxford Parkinsons Chair	UCL Prostate Chair	Total
Grant commitments at 01 April 2018	875,000	1,200,000	1,287,666	3,362,666
Awarded in year	-	-	-	-
Paid in year	(125,000)	(150,000)	(100,000)	(375,000)
Grant commitments at 31 March 2019	<u>750,000</u>	<u>1,050,000</u>	<u>1,187,666</u>	<u>2,987,666</u>
Awarded in year	-	-	-	-
Paid in year	(125,000)	-	(100,000)	(225,000)
Grant commitments at 31 March 2020	<u>625,000</u>	<u>1,050,000</u>	<u>1,087,666</u>	<u>2,762,666</u>
Due within one year	125,000	300,000	100,000	525,000
Due after one year	500,000	750,000	987,666	2,237,666
	<u>625,000</u>	<u>1,050,000</u>	<u>1,087,666</u>	<u>2,762,666</u>

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

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

A grant of £1,387,666 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.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

19) Related Party Transactions

At the balance sheet date the Foundation is owed £19,998,762 (2019: £20,748,762) 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 (2019: £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 £25m and £2m. As the entirety of the subsidiary's income is donated each year to the Foundation, the loan can only be repaid upon sale of the property investments.

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

(ii) A sum of £5,096,000 (2019: £5,846,000) advanced by the Foundation to its subsidiary which accrues interest at 6.5% plus LIBOR and is due for repayment by 5 February 2022. This amount has been lent on by The Margin Finance Corporation Ltd on similar terms to an unconnected third party secured on properties on a 50% loan to value. Interest income is paid quarterly to the Foundation within one month of receipt by the subsidiary.

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

	2020	2019
	£	£
Balance brought forward	2,245,468	2,075,468
Movement in year	(340,000)	170,000
Balance carried forward	<u>1,905,468</u>	<u>2,245,468</u>

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

21) Staff Costs

Number of employees

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

	2020 Number	2019 Number
Office and management	3	3
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Employment costs	2020	2019
	£	£
Wages and salaries	191,205	189,721
Social security costs	20,433	20,233
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One employee earned more than £60,000 in the year (2019: 1)

The key management personnel of the group is considered to be the Trustees. Total remuneration for key management personnel across the group is £100,000 (2019: £100,000)

22) Surplus for the financial year

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

	2020 £	2019 £
Parent Charity's gross income for the financial year	2,761,084	2,599,317
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Parent Charity's (Deficit)/Surplus for the financial year	(3,185,904)	(616,133)
	<hr/>	<hr/>

23) Cash generated from operations

	2020 £	2019 £
Net surplus in the year	(3,486,566)	(601,137)
Fair value gains on investments	3,198,667	(680,184)
Depreciation	5,979	7,205
Interest Received	(3,188,856)	(3,090,692)
Deferred tax movements	(340,000)	170,000
Loss on disposal of fixed assets	122	-
Change in Stock	215,669	(27,899)
Change in Debtors	1,154,166	(563,064)
Change in Creditors	(233,448)	(608,178)
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	(2,674,267)	(5,393,949)
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