

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 2014**

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THE JOHN BLACK CHARITABLE FOUNDATION

REPORT AND ACCOUNTS
For the year ended 31 March 2014

Contents

	Page No
Strategic Report	1
Report of the Trustees	2 - 5
Statement of Trustees responsibilities	6
Auditors' Report	7 - 8
Statement of Financial Activities	9
Balance Sheet	10
Consolidated Cash Flow Statement	11
Notes to the accounts	12 - 23

THE JOHN BLACK CHARITABLE FOUNDATION

STRATEGIC REPORT
For the year ended 31 March 2014

The aim of the charity 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, consultancy, management, and the making of loans and other investments for the benefit of the charity.

During the year the trustees actively managed the assets of its wholly owned subsidiary Margin Finance Corporation Ltd, in particular the freehold site at Drury Lane London WC2. Several new lettings took place during the year. This resulted in previous empty rates and service charges being extinguished. In the opinion of the trustees the value of the Drury Lane property increased by £6m. The trustees believe that several more leases are under-rented and look forward to an increased rent roll with a possible further increase in capital value in the coming years.

During the year the charity purchased the 49% shareholding it did not own in Borrisbrook Properties Ltd, which is now a wholly owned subsidiary, resulting in an additional rental income stream from the company's freehold building in Kensington High Street, London W8.

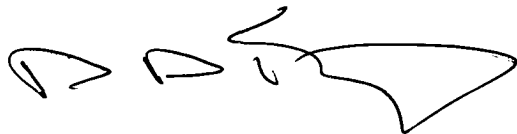
The trustees are pleased to report that the charity has had a second successful year. The charity's net assets have increased to £38,174,142 (2013: £18,575,470), as a result of further legacy income from the Estate of the late John Black and increased valuation of assets. The results of the charity and its subsidiaries for the year are set out in the Statement of Financial Activities on page 9 of the financial statements. The charity donated £790,000 (2013 £85,000) to charitable causes during the year.

In line with any additional donations that may flow from the Estate of the late John Black in the current year the company expects to make increased charitable donations in line with its objectives.

The current world-wide low interest rate environment makes it harder to earn a reasonable return on any cash balances held by the company and its wholly owned subsidiaries. While constantly looking at ways to increase return, the company will not abandon its safety first approach.

The trustees believe that the company has sufficient strength to be able to continue successfully in the future and make increasing contributions towards its stated aims and objectives.

David Taglight



Trust

Date 17/12/2014

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES For the year ended 31 March 2014

The trustees present their report together with the financial statements of the company for the year ended 31 March 2014, 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 the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with s417 of the Companies Act 2006, and all trustees are directors.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity 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

Simmons Gainsford LLP
Chartered Accountants &
Statutory Auditors
7/10 Chandos Street
London W1G 9DQ

Bankers

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

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES For the year ended 31 March 2014

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 charity 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 Charity 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.

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.

INDUCTION AND TRAINING OF TRUSTEES

All of the existing trustees are familiar with the running of the charity 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.

OBJECTIVES OF THE CHARITY

The Charity was set up for such charitable purposes connected with the treatment of and research into causes of prostate cancer and Parkinson's disease in the United Kingdom and the State of Israel and such other charitable purposes in the State of Israel. The Trustees regularly review the objectives of the Charity.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES For the year ended 31 March 2014

PRINCIPAL FUNDING SOURCES

Aside from the donations received from the Estate of late John Black, the Charity also has a significant investment portfolio which generates investment returns. The accounts recognise an unrealised net gain relating to investments held at the balance sheet date of £6,305,753.

PLANS FOR FUTURE PERIODS

The Charity will continue to make charitable donations to support the advancements of health and the relief of sickness in Israel and the United Kingdom. The Trustees envisage no changes in material events.

INVESTMENT POWERS, POLICY AND PERFORMANCE

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

RESERVES POLICY

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at an appropriate level in the opinion of the trustees.

RISK MANAGEMENT

The trustees regularly examine the major strategic business and operational risks which the charity faces and confirm that systems have been established to ensure that necessary steps are taken to lessen the effect of such risks.

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.

The activities supported provide benefit to a wide selection of the community.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES
For the year ended 31 March 2014

RELATED PARTIES

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

David Taglight, a trustee of the charity is a director of Margin Finance Corporation Limited and Credmill Limited. He is also an executor of the Estate of the late J Black.

AUDITORS

Simmons Gainsford LLP were appointed auditors in accordance with section 485 of the Companies Act 2006, a resolution proposing that they are re-appointed will be put at a general meeting.

This report was approved by the Board of Trustees on 17/12/14 2014 and signed on its behalf by



David Taglight

Trustee

THE JOHN BLACK CHARITABLE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2014

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).

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 group and of the incoming resources and application of resources, including the income and expenditure, of the 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 are sufficient to show and explain the charity's transactions and 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 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.

Signed on behalf of the Board of Trustees

17/12/14



David Taglight

Trustee

THE JOHN BLACK CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JOHN BLACK CHARITABLE FOUNDATION

We have audited the financial statements of The John Black Charitable Foundation for the year ended 31 March 2014 on pages 8 to 20. 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).

This report is made solely to the charity'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 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 anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2014 and of the group 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustee's Annual Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE JOHN BLACK CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE JOHN BLACK CHARITABLE FOUNDATION

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept by parent charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Oscar Dodd FCA (Senior Statutory Auditor)
for and on behalf of

Simmons Gainsford LLP, Statutory Auditors
7/10 Chandos Street
London
W1G 9DQ

17/12/2014



THE JOHN BLACK CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

For the year ended 31 March 2014

		Unrestricted Funds	Restricted Funds	2014 Total Funds	2013 Total Funds
	Note	£	£	£	£
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary Income	2	12,833,367	-	12,833,367	16,185,579
Gross investment income	3	2,035,014	-	2,035,014	284,650
Other incoming resources	4	-	-	-	3,606
Total incoming resources		14,868,381	-	14,868,381	16,473,835
Resources expended					
Direct Property Costs of Subsidiaries in generating Rental Income	5	327,730	-	327,730	71,523
Other Investment Management and administrative costs		197,261	-	197,261	58,831
Charitable Activities - grants and donations		790,500	-	790,500	85,000
Governance costs		20,550	-	20,550	20,734
Total resources expended		1,336,041	-	1,336,041	236,088
Net incoming resources before other unrealised gains and losses		13,532,340	-	13,532,340	16,237,747
Other recognised gains					
Unrealised gains on investment assets	10	6,150,138	-	6,150,138	155,615
Amortisation of intangible goodwill	8	(50,000)	-	(50,000)	2,182,108
Exchange gain/(loss) - unrealised		(33,806)	-	(33,806)	-
Net movement in funds		19,598,672	-	19,598,672	18,575,470
Reconciliation of funds					
Total funds brought forward		18,575,470	-	18,575,470	-
Total funds carried forward		38,174,142	-	38,174,142	18,575,470

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

THE JOHN BLACK CHARITABLE FOUNDATION

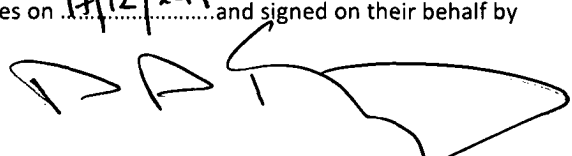
BALANCE SHEET

As at 31 March 2014

		2014	The charity 2014	The group 2013	The charity 2013
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8	-	-	-	-
Tangible assets	9	84,660	-	112,538	-
Investments	10	28,020,508	15,032,163	14,347,224	3,172,717
		<u>28,105,168</u>	<u>15,032,163</u>	<u>14,459,762</u>	<u>3,172,717</u>
Current assets					
Stock - properties for sale		3,902,757	-	-	-
Debtors	12	9,677,739	5,995,981	2,326,497	1,900,000
Cash at bank and in hand		12,219,735	10,987,330	17,457,252	14,226,425
		<u>25,800,231</u>	<u>16,983,311</u>	<u>19,783,749</u>	<u>16,126,425</u>
Liabilities					
Creditors amounts due within one year	13	(828,495)	(33,843)	(765,279)	(853,572)
		<u>24,971,736</u>	<u>16,949,468</u>	<u>19,018,470</u>	<u>15,272,853</u>
Net current assets					
		53,076,904	31,981,631	33,478,232	18,445,570
Total assets less current liabilities					
Creditors amounts falling due after more than one year	14	(14,902,762)	-	(14,902,762)	-
Net assets		<u>38,174,142</u>	<u>31,981,631</u>	<u>18,575,470</u>	<u>18,445,570</u>
Funds					
Unrestricted funds					
General funds	16	33,877,986	31,695,878	20,472,064	18,289,955
Revaluation Reserve		6,305,753	285,753	155,615	155,615
Non-charitable retained funds	11	(2,009,597)	-	(2,052,209)	-
Total charity funds		<u>38,174,142</u>	<u>31,981,631</u>	<u>18,575,470</u>	<u>18,445,570</u>

Approved by Trustees on 17/12/2014 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 2014

	Notes	2014	2013
		£	£
Net incoming/ (outgoing) resources		13,532,340	16,237,747
Investment income		(1,576,100)	-
Interest received		(458,914)	(27,342)
Depreciation		28,219	12,504
Increase in stock		(3,902,757)	-
Decrease/(increase) in debtors		(7,351,242)	(2,326,497)
(Decrease)/increase in liabilities		63,216	15,668,041
Net cash inflow/(outflow) from operating activities		334,762	29,564,453
Returns on investments and servicing of finance			
Investment income received		1,542,294	-
Interest received		458,914	27,342
Net cash inflows/(outflow) from returns on investments and servicing of finance		2,001,208	27,342
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(341)	(125,042)
Disposal on investments		2,046,928	-
Payments to acquire investments		(9,620,074)	(12,009,501)
Net cash (outflow)/ inflow from capital expenditure and financial investment		(7,573,487)	(12,134,543)
Net cash (outflow)/inflow before management of liquid resources and financing		(5,237,517)	17,457,252
(Decrease)/ increase in cash in the year	23	(5,237,517)	17,457,252
Net funds brought forward		17,457,252	-
Net funds carried forward	23	12,219,735	17,457,252

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1) Accounting policies

- a) The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain fixed assets, and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in SORP 2005 (2nd edition May 2008).

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Margin Finance Corporation Limited and Borrisbrook Properties Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the group organisations are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of SORP 2005.

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 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 of financial activities.

b) Incoming Resources

All incoming resources are accounted for when the charity has entitlement to the funds, certainty of receipt 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.

- 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 management and 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.

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1) Accounting policies (continued)

- i) Costs of generating voluntary 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.
- 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.

Negative goodwill in excess of the fair value of non-monetary assets acquired is included in the balance sheet and is amortised in the periods expected to benefit.

- 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 cost less provision for diminution in value.

o) 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.

p) Consolidation of subsidiaries

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

Included in the comparatives of these consolidated statements are the results of Margin Finance Corporation Limited with effect from 12 December 2012 (4 months).

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

2) Voluntary Income

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Legacy Income	10,429,992	-	10,429,992	14,161,277
Donations - from wholly owned subsidiaries	2,403,375	-	2,403,375	2,024,302
	<u>12,833,367</u>	<u>-</u>	<u>12,833,367</u>	<u>16,185,579</u>

3) Investment income

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Gross rental income from UK properties	1,093,859	-	1,093,859	231,190
Bank Interest receivable (UK)	155,569	-	155,569	27,342
Dividends receivable from UK listed investments	98,493	-	98,493	26,118
Sale of shares	332,142	-	332,142	-
Other interest receivable	307,945	-	307,945	-
Income from interest in joint venture	(4,600)	-	(4,600)	-
Other income	51,606	-	51,606	-
	<u>2,035,014</u>	<u>-</u>	<u>2,035,014</u>	<u>284,650</u>

4) Other incoming resources

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
SDRT refund	-	-	-	3,606
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,606</u>

5) Total resources expended

	2014 £	2013 £
<u>Direct Property Costs</u>		
<u>in generating Rental Income</u>		
Direct property costs	220,127	29,019
Legal and professional	73,305	30,000
Write off of fixed assets	6,079	-
Depreciation	28,219	12,504
	<u>327,730</u>	<u>71,523</u>
<u>Other Investment Management</u>		
<u>and administration costs</u>		
Staff costs	73,753	13,500
Trustees' remuneration	65,000	21,667
Social security costs	15,994	9,455
External investment management costs	10,856	-
Office running costs	31,517	14,209
Bank charges	141	-
	<u>197,261</u>	<u>58,831</u>
<u>Charitable Activities - grants and donations</u>	<u>790,500</u>	<u>85,000</u>
<u>Governance costs</u>		
Auditors' remuneration		
- Parent company and consolidation	7,700	7,734
- Audits of subsidiary companies	12,250	13,000
Other costs	600	-
	<u>20,550</u>	<u>20,734</u>
Total Resources Expended as per consolidated Financial Statements	<u>1,336,041</u>	<u>236,088</u>

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

6) Net Incoming Resources for the Year

This is stated after charging:

	2014	2013
	£	£
Depreciation	28,219	12,504
Auditors' remuneration (charity £7,734)	19,950	20,734
Trustees' remuneration	65,000	21,667

The trustees remuneration of £65,000 (2013:4 months £21,667) 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.

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, therefore no corporation tax charge has arisen.

8) Intangible Fixed Assets Group

	Negative Goodwill	Total
	£	£
Cost		
At 1 April 2013	(2,182,108)	(2,182,108)
Additions	(50,000)	(50,000)
At 31 March 2014	<u>(2,232,108)</u>	<u>(2,232,108)</u>
Amortisation		
At 1 April 2013	2,182,108	2,182,108
Charge for the year	50,000	50,000
At 31 March 2014	<u>2,232,108</u>	<u>2,232,108</u>
Net book value		
At 31 March 2014	-	-
At 31 March 2013	-	-

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

**9) Tangible Fixed Assets
Group**

	Plant and machinery	Fixtures, Fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2013	119,751	5,291	125,042
Additions	-	341	341
At 31 March 2014	<u>119,751</u>	<u>5,632</u>	<u>125,383</u>
Amortisation			
At 1 April 2013	11,975	529	12,504
Charge for the year	26,944	1,275	28,219
At 31 March 2014	<u>38,919</u>	<u>1,804</u>	<u>40,723</u>
Net book value			
At 31 March 2014	<u>80,832</u>	<u>3,828</u>	<u>84,660</u>
At 31 March 2013	<u>107,776</u>	<u>4,762</u>	<u>112,538</u>

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

10) Investments

	The group 2014 £	The charity 2014 £	The group 2013 £	The charity 2013 £
Cost at beginning of year	14,191,609	3,017,102		
Additions to investments at cost	9,365,461	13,571,623	14,191,609	3,017,102
Disposals of investments	(1,842,315)	(1,842,315)		
Cost as at 31 March 2014	21,714,755	14,746,410	14,191,609	3,017,102
Unrealised gains as at 1 April 2013	155,615	155,615	-	-
Revaluation in year of investment properties	6,020,000			
Revaluation in year of listed investments	130,138	130,138	155,615	155,615
Unrealised gains as at 31 March 2014	6,305,753	285,753	155,615	155,615
Market value as at 31 March 2014	28,020,508	15,032,163	14,347,224	3,172,717
Investments held	The group 2014 £	The charity 2014 £	The group 2013 £	The charity 2013 £
Investment properties in the UK (valuation)	18,000,000		11,980,000	-
Investments listed on UK stock exchange (valuation)	8,556,286	8,556,286	1,145,500	1,145,500
Investment in joint venture (cost)	874,825	-	879,426	-
Investments in subsidiaries (cost)	339,383	6,225,863	339,383	2,024,302
Cash held as part of the investment portfolio (cost)	250,014	250,014	2,915	2,915
	28,020,508	15,032,163	14,347,224	3,172,717

The investment property is included in the balance sheet at its open market value (historical cost of £10,551,925).

Should the investment property be sold at valuation at 31 March 2014, no tax charge would arise.

Material investments in subsidiary holdings

	Group £	Charity £
Subsidiaries		
The Margin Finance Corporation Limited	-	1,684,918
Borrisbrook Properties Limited	-	4,201,562
Credmill Limited	339,383	339,383
	339,383	6,225,863

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

11) Subsidiary undertakings

The charity owns the whole of the issued ordinary share capital of The Margin Finance Corporation Limited and Borrisbrook Properties Limited, companies registered in England.

Post acquisition profit and loss account summary of The Margin Finance Corporation Limited and Borrisbrook Properties Limited:

	2014 £	2013 £
Turnover	1,043,833	231,190
Cost of Sales	(220,127)	(20,215)
Gross Profit	823,706	210,975
Donations	(781,908)	(2,154,162)
Administrative Expenses	(302,774)	(117,541)
Operating profit/ (loss)	(260,976)	(2,060,728)
Investment income	303,588	8,519
Profit/(loss) on ordinary activities before taxation	£42,612	(2,052,209)
Tax	-	-
Profit/(loss) for the year	£42,612	(2,052,209)
Assets (excluding revaluation on property)	19,924,973	13,608,098
Liabilities	(21,934,570)	(15,660,307)
	(2,009,597)	(2,052,209)
Unrestricted funds	(2,009,597)	(2,052,209)

12) Short term debtors

	The group 2014 £	The charity 2014 £	The group 2013 £	The charity 2013 £
Trade debtors	81,321	-	133,310	-
Other debtors	8,962,050	-	2,193,187	1,900,000
Tax refund	634,368	634,368	-	-
Amount due from Subsidiaries	-	5,361,613	-	-
	9,677,739	5,995,981	2,326,497	1,900,000

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

13) Creditors - amounts due within 1 year

	The group 2014	The charity 2014	The group 2013	The charity 2013
	£	£	£	£
Bank loans and overdraft	356	-	-	-
Trade creditors	8,337	-	13,632	-
Taxation and social security	36,312	-	26,862	-
Amounts due to subsidiary undertakings	500,000	25,543	-	845,838
Other creditors	283,490	8,300	724,785	7,734
	<u>828,495</u>	<u>33,843</u>	<u>765,279</u>	<u>853,572</u>

14) Creditors - amounts due after 1 year

	The group 2014	The charity 2014	The group 2013	The charity 2013
	£	£	£	£
Other loans	<u>14,902,762</u>	-	<u>14,902,762</u>	-
	<u>14,902,762</u>	-	<u>14,902,762</u>	-

15) Analysis of net assets between funds

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

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

16) Movements In General Funds

	Fund balances as at 01 April 2013 £	Incoming resources £	Outgoing resources £	Gains and losses £	Fund balances as at 31 March 2014 £
<i>Restricted Funds</i>	-	-	-	-	-
<i>Total restricted funds</i>	-	-	-	-	-
<i>Unrestricted Funds</i>	-	-	-	-	-
General Funds	20,472,064	14,252,872	(846,950)		33,877,986
<i>Total unrestricted funds</i>	20,472,064	14,252,872	(846,950)	-	33,877,986
Total Funds	20,472,064	14,252,872	(846,950)	-	33,877,986

17) Subsidiaries excluded from consolidation

The charity owns the whole of the issued ordinary share capital of Credmill Limited, a company registered in England as custodians. The subsidiary is no longer trading and has not been consolidated as in the opinion of the directors it is immaterial to the group.

	Capital & Reserves £	(Loss) £
Credmill Limited	321,476	(745)

The capital and reserves and profit figures stated above are for the year ended 31/03/2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

18) Financial commitments

At 31 March 2014 the group and the charity were committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

Operating leases which expire:		Within one year	
The group	The charity	The group	The charity
2014	2013	2014	2013
£	£	£	£
31,000	31,000	31,000	31,000
31,000	31,000	31,000	31,000

A rent waiver has been granted waiving the group's rent commitment for as long as the group occupies its respective area of 24 Old Burlington Street.

(19) Related party relationships and transactions

Group

At the balance sheet date The Margin Finance Corporation Limited owed the Estate of the late J. Black the sum of £14,902,762 (2013: 14,902,762). The loan is unsecured, interest free and repayable after more than one year.

At the balance sheet date The Margin Finance Corporation Limited also owed Credmill Limited the sum of £500,000 (2013: 500,000), a wholly owned subsidiary. The loan is unsecured, interest free and repayable within one year.

During the year a donation of shares held in investments of Borrisbrook Properties Limited valued at £2,403,375 was received from the late J. Black.

D Taglianti, trustee, is an executor of the Estate of the late J. Black.

Charity

At the balance sheet date the charity is owed £4,754,162 (2013: £845,838 due to) by The Margin Finance Corporation Limited.

During the year a donation of shares held in investments of Borrisbrook Properties Limited valued at £2,403,375 was received from the Estate of the late J. Black.

At the balance sheet date the charity owed £25,543 (2013: £nil) to the subsidiary Borrisbrook Properties Limited.

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

20) Staff Costs

Number of employees

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

	2014 Number	2013 Number
Office and management	3	3

Employment costs

	2014 £	2013 £
Wages and salaries	138,750	35,167
Social security costs	15,994	9,455

21) Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in the financial statements. The profit for the financial year is made up as follows:

	2014 £	2013 £
Holding company's profit for the financial year	13,536,061	18,445,569

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

22) Acquisition of material subsidiary undertaking

On the 5 April 2013, The John Black Charitable Foundation, the parent undertaking, acquired the net assets of Borrisbrook Properties Limited using the acquisition accounting method.

The following table sets out the book value of the identifiable assets and liabilities and their fair values to the group:

	Book value and fair value of total assets acquired:
Acquisition of consolidated assets and liabilities of Borrisbrook Properties Limited:	
Tangible Fixed assets:	
Fixtures, fittings and equipment	6,078
Current Assets:	
Stock	3,818,356
Trade debtors	5,889
Cash at bank	397,246
Current Liabilities:	
Other creditors	(11,404)
Corporation tax liability	(14,603)
Total net assets at date of acquisition	<u><u>4,201,562</u></u>
 Consideration	 <u><u>4,201,562</u></u>
 Goodwill	 <u><u>-</u></u>

23) Analysis of net funds

	Balance at 1 April 2013	Cash flow	Acquisition	Balance at 31 March 2014
Investment held as cash	-	83,148	-	83,148
Bank	17,457,252	(5,320,665)	-	12,136,587
Total net funds	<u><u>17,457,252</u></u>	<u><u>(5,237,517)</u></u>	<u><u>-</u></u>	<u><u>12,219,735</u></u>