

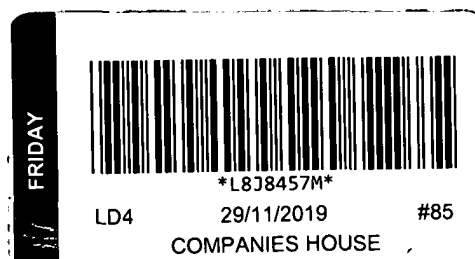
## **THE JOHN BLACK CHARITABLE FOUNDATION**

Company limited by guarantee

Charity No 01143431

Company No 07734413

## **ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**



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# **THE JOHN BLACK CHARITABLE FOUNDATION**

## **REPORT OF THE TRUSTEES**

### **For the year ended 31 March 2019**

The trustees present their report together with the financial statements of the company for the year ended 31 March 2019, 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 Foundation 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 2019**

#### **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 continued to actively manage the assets held by the Foundation and monitor the property assets held in the wholly owned subsidiaries. Since the formation of the Foundation the values of our property assets have grown by £19 million. While we are in an historically low interest rate environment the trustees will not abandon their safety first approach when it comes to trying to increase the return on investment. The trustees remain pleased with the overall spread of investments and the performance achieved.

##### **PRINCIPAL FUNDING SOURCES**

The Foundation received legacy income of £215,976 from the Estate of the late John Black, and 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 charitable trust 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 both income and capital.

# **THE JOHN BLACK CHARITABLE FOUNDATION**

## **REPORT OF THE TRUSTEES**

### **For the year ended 31 March 2019**

#### **RESERVES POLICY**

As seen on page 13 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 £18.1m. 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 49 such projects running. 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 pre-requisite. 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 Urological Foundation (TUF), Rosetrees Trust, and the Prostate Cancer Foundation (PCF). Rosetrees and PCF frequently co-donate alongside the Foundation. All three provide the necessary professional input needed before making any decisions, including Peer review studies. The trustees take the opportunity to list below some of the major projects they have supported in the past year. They are particularly happy to have made a substantial donation to UCL, to enable them to purchase an MRI scanning machine which will be used for research purposes only. Because of the demand for MRI, researchers find it virtually impossible to access the time they need on MRI scanners. The Foundation has substantial reserves to back these initiatives.

In line with the Foundation's aims and objectives, the trustees paid during the year £4,887,817 (2018: £4,420,015) to various charitable institutions. Further details are shown in Notes 5 and 18 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 such as the Rosetrees Trust (Rosetrees) and The Urological Foundation (TUF) in order to have the highest quality peer review process. Rosetrees frequently co-donates a proportion of the funding required whereas with TUF we usually fund 100% of the research project.

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

This year we have added The Prostate Cancer Foundation, based in the US to our roster of research charities with whom we partner.

# **THE JOHN BLACK CHARITABLE FOUNDATION**

## **REPORT OF THE TRUSTEES**

### **For the year ended 31 March 2019**

#### **PARKINSON'S DISEASE**

The Foundation supported a three-year project by Dr Muqit at Dundee University; the project will study two specific proteins that have implications in the development of Parkinson's disease. If damaged these proteins can lead to cell death.

In another three-year project we have supported Dr Tan at Oxford University. The project will seek to make better use of Deep Brain Stimulation, an accepted treatment for Parkinson's disease.

We have funded Professor Overton at Sheffield University, who is studying the effects on Parkinson's sufferers of cognitive effortful behaviour. He is looking for a drug regime which might help this stressful area.

We have funded Professor Vaadia at Hebrew University. He is developing a feedback system that will generate precise electrical brain patterns in Parkinson's sufferers.

We have funded Professor Nicholas Wood at UCL. He is using Mendelian randomization; this is a technique which uses genetics to predict the effectiveness of a drug. He is hoping to find new drug targets and ways to use drugs licensed for other conditions to treat Parkinson's.

We have funded Dr Matthew Horrocks at University of Edinburgh. The aim of his project is to use single molecule techniques to understand how mutations in proteins causing misfolding, affect their behaviour which will lead to a better understanding of disease mechanisms.

We made a grant for one year to support Professor Manju Kurian at UCL. This will be work investigating the underlying basis of Parkinson's Disease in early onset disease. Great Ormond Street has identified number of patients with childhood onset Parkinson's; getting stem cells from skin cells will help understand the cause of early onset and hopefully identify better treatments.

#### **PROSTATE CANCER**

We have funded research by Nick Bullock at Cardiff University into enhancing the therapeutic efficacy of Poly ADP Ribose Polymerase (PARP) inhibitors in prostate cancer. This is a three-year project.

We are excited to have supported the development over three years of Minimally Invasive Image guided Ablation (MINIMA).

The approach is to adapt the conventional MRI scanner for use as a therapeutic scanner. MINIMA looks to guide small magnetic implants into position using a specially adapted MRI scanner, which can then be heated producing apoptosis or cell death. Professor Mark Lythgoe will oversee the project and if successful cancers other than Prostate could be treated in this way.

We have made a substantial grant to UCL to purchase a clinical grade MRI scanner for use as a clinical research tool. This will be the first such machine in Europe. Currently MRI machines are being used to such an extent that there is no time available whatsoever for researchers to use a machine. As mentioned, it will enable MINIMA and many other worthy MRI based projects to move forward for the benefit of all.

**THE JOHN BLACK CHARITABLE FOUNDATION  
REPORT OF THE TRUSTEES  
For the year ended 31 March 2019**

During the year we made two sizeable donations alongside the Prostate Cancer Foundation, based in the USA. This prestigious organization has a fantastic record for supporting great science in the area of prostate research. Over 25 years it has raised and made grants of \$700m.

The first project which is primarily based at Imperial College is being run by Dr Clare Fletcher. Clare and her team will develop a non-invasive blood-based biomarker that will identify patients who will respond better to standard treatments such as chemotherapy, immunotherapy or drugs that reduce DNA repair proteins. They have identified a DNA like material which they hope will provide a breakthrough.

The second project is primarily based at the Northern Institute for Cancer Research at Newcastle University and is being managed by Dr Rakesh Heer. This study seeks to establish a new pre-clinical tool to model Prostate Cancer biology and responses to specific treatments on an individual patient level, to transform the ability to provide men with prostate cancer the best possible targeted care.

**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 re-appointed will be put at a general meeting.

This report was approved by the Board of Trustees on 15/10 2019 and signed on its behalf by

David Taglight  
Trustee



# **THE JOHN BLACK CHARITABLE FOUNDATION**

## **STRATEGIC REPORT**

### **For the year ended 31 March 2019**

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 groups property interests and are pleased to report that since the Foundation's formation in 2012 property valuations have increased by £19m.

The wholly owned subsidiary Margin Finance Corporation Ltd owns a mixed use freehold site on Drury Lane London WC2. During the year several rent reviews took place and the trustees are pleased to report that there was a further increase in rental values with the result that in the opinion of the trustees the building at Drury lane is now valued at £27m (2017 £26m). The building is currently fully let.

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.

The trustees are pleased to report that the Foundation has had another successful year. The Group's net assets were £85,741,850 (2018: £86,342,987). Charitable donations paid during the year increased to £4,887,817 (2018 £4,420,016). The results of the Foundation and its subsidiaries for the year are set out in the Consolidated Statement of Financial Activities on page 12 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 investment the Foundation and its subsidiaries face two areas of fundamental risk. The first is a major banking collapse whereby a highly rated bank might not repay the group's deposits. For this reason the trustees have spread the deposits among several major financial institutions. The second fundamental risk is a serious collapse in the Central London property market which would impact commercial and residential property letting values. Given the location and diversity of the group's properties and the fact that the group is asset rich with no debt, the trustees think the risk of serious damage to the Foundation position is minimal.



**THE JOHN BLACK CHARITABLE FOUNDATION**  
**STRATEGIC REPORT**  
**For the year ended 31 March 2019**

**PLANS FOR FUTURE PERIODS**

The Foundation continues to make grants in the areas of Prostate and Parkinson's research. We already have three 10-year chairs for Prostate and Parkinson's research: two at Oxford and one at UCL. During the year we made a substantial donation of £2m to UCL Development Fund to enable the purchase of a MRI scanner to be used for research purposes. The previous year the trustees made a similar commitment to help Oxford University purchase a MR Linac machine which both scans and treats patients with prostate cancer. More detail can be found in the Trustees' Report. We aim to increase our income and expand our donations in a way that does not increase our risk profile. We continue to provide increased funding on projects that have been peer reviewed and where promising results require additional funding to reach a satisfactory conclusion. We plan to support the highest quality research where there is a likelihood of earlier and better diagnosis, treatment and therapy in the areas of Prostate Cancer and Parkinson's Disease. The trustees constantly strive to seek projects at major UK institutions to expand its stated aims and objectives often 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 15/10/19

# **THE JOHN BLACK CHARITABLE FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **For the year ended 31 March 2019**

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: 15/10/19

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE JOHN BLACK CHARITABLE FOUNDATION  
For the year ended 31 March 2019**

**Opinion**

We have audited the financial statements of The John Black Charitable Foundation for the year ended 31 March 2019 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 2019 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.

We have nothing to report in this regard.

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

## **For the year ended 31 March 2019**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE JOHN BLACK CHARITABLE FOUNDATION  
For the year ended 31 March 2019**

- 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

**Chartered Accountants**  
**Statutory Auditor**  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 17 October 2019

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 March 2019**

	Note	2019 Total Unrestricted Funds £	2018 Total Unrestricted Funds £
<b>Income from:</b>			
Donations and Legacies	2	215,976	6,319,732
Investments	3	3,090,692	2,414,298
Share of profit from joint venture	11	37,214	30,993
<b>Total income</b>		<b>3,343,882</b>	<b>8,765,023</b>
<b>Expenditure on:</b>	4		
Direct property costs		225,978	376,420
Other investment management and administrative costs		283,513	285,350
Deferred tax movement		170,000	434,660
Charitable activities	5	4,512,817	5,432,682
<b>Total expenditure</b>		<b>5,192,308</b>	<b>6,529,112</b>
<b>Net gains / (losses) on investments</b>		<b>1,253,677</b>	<b>2,972,389</b>
<b>Net income / (expenditure)</b>		<b>(594,749)</b>	<b>5,208,300</b>
<b>Other recognised gains and losses</b>			
Impairment in subsidiary	11	(6,388)	(931)
<b>Net movement in funds</b>		<b>(601,137)</b>	<b>5,207,369</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		86,342,987	81,135,618
<b>Total funds carried forward</b>		<b>85,741,850</b>	<b>86,342,987</b>

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 2019**

		The group 2019	The charity 2019	The group 2018	The charity 2018
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	155,207	-	28,816	-
Investment in joint venture	11	2,753,264	-	2,749,995	-
Investment properties	12	28,408,646	1,408,646	27,349,858	1,349,858
Equity investments	9	13,000,095	36,149,669	7,739,591	29,794,579
Cash investments	9	362,078	362,078	177,336	177,336
		<u>44,679,290</u>	<u>37,920,393</u>	<u>38,045,596</u>	<u>31,321,773</u>
<b>Current assets</b>					
Stock - properties for sale		4,034,025	-	4,006,126	-
Debtors	14	6,715,225	20,961,310	6,152,161	20,668,872
Cash at bank and in hand		<u>36,048,536</u>	<u>32,195,676</u>	<u>44,482,508</u>	<u>40,018,131</u>
		46,797,786	53,156,986	54,640,795	60,687,003
<b>Liabilities</b>					
Creditors amounts due within one year	15	(877,092)	(937,973)	(1,280,270)	(878,236)
<b>Net current assets</b>		<u>45,920,694</u>	<u>52,219,013</u>	<u>53,360,525</u>	<u>59,808,767</u>
<b>Total assets less current liabilities</b>		90,599,984	90,139,406	91,406,121	91,130,540
Creditors amounts falling due after more than one year	16	(2,612,666)	(2,612,666)	(2,987,666)	(2,987,666)
Provision for liabilities	20	<u>(2,245,468)</u>	<u>-</u>	<u>(2,075,468)</u>	<u>-</u>
<b>Net assets</b>		<u>85,741,850</u>	<u>87,526,740</u>	<u>86,342,987</u>	<u>88,142,874</u>
<b>Funds</b>					
Unrestricted funds					
General funds		87,066,336	87,526,740	87,932,059	88,142,874
Non-charitable retained funds		<u>(1,324,486)</u>	<u>-</u>	<u>(1,589,072)</u>	<u>-</u>
<b>Total charity funds</b>		<u>85,741,850</u>	<u>87,526,740</u>	<u>86,342,987</u>	<u>88,142,874</u>

Approved by Trustees on 15/10/19 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 2019**

	Notes	2019	2018
		£	£
<b>Cashflows from operating activities</b>			
Cash generated from/(absorbed by) operations	24	(5,558,371)	(3,599,786)
<b>Cashflows from investing activities</b>			
Fixed asset additions		(133,596)	(833)
Cost of investment additions		(8,231,054)	(1,570,256)
Proceeds on sale of investments		<u>2,480,732</u>	<u>1,253,423</u>
		(5,883,918)	(317,666)
<b>Cashflows from financing activities</b>			
Interest income		1,397,795	858,750
Dividend income		61,020	47,653
Investment income		<u>1,631,877</u>	<u>1,507,895</u>
		3,090,692	2,414,298
<b>Net increase in cash and cash equivalents</b>		<u>(8,351,597)</u>	<u>(1,503,154)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>44,482,508</u>	<u>45,985,662</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><u>36,048,536</u></u>	<u><u>44,482,508</u></u>



**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**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 charitable group's forecasts and projections and have taken account of pressures on donation 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 in operational existence 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 2019**

**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.
- 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.

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**1) Accounting policies (continued)**

- 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.

**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 transaction price and subsequently at amortised cost.

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

2) Voluntary Income	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Legacy Income	215,976	-	215,976	6,319,732
	<u>215,976</u>	<u>-</u>	<u>215,976</u>	<u>6,319,732</u>

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

3) Investment income	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Gross rental Income from UK properties	1,631,877	-	1,631,877	1,507,895
Bank Interest receivable (UK)	710,061	-	710,061	521,648
Dividends receivable from UK listed investments	61,020	-	61,020	47,653
Other interest receivable	687,734	-	687,734	336,834
Other income	-	-	-	268
	<u>3,090,692</u>	<u>-</u>	<u>3,090,692</u>	<u>2,414,298</u>

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

4) Total resources expended	2019	2018
	£	£
<b><u>Direct Property Costs in generating Rental Income</u></b>		
Direct property costs	113,209	231,391
Legal and professional	105,565	135,424
Depreciation	7,204	9,605
	<u>225,978</u>	<u>376,420</u>
<b><u>Other Investment Management and administration costs</u></b>		
Staff costs	89,721	89,380
Directors' remuneration from subsidiary undertakings	100,000	100,000
Social security costs	20,233	20,130
External investment management costs	1,119	370
Office running costs	37,575	34,009
Bank charges	-	-
Governance costs (see below)	34,865	41,460
	<u>283,513</u>	<u>285,349</u>
Deferred tax movement	<u>170,000</u>	<u>434,660</u>
<b><u>Charitable Activities - grants and donations to institutions (see note 5)</u></b>	<u>4,512,817</u>	<u>5,432,682</u>
<b>Total Resources Expended as per consolidated Financial Statements</b>	<u>5,192,308</u>	<u>6,529,111</u>
<b><u>Governance costs</u></b>		
Auditors' remuneration		
- Parent company and consolidation	19,048	18,077
- Audits of subsidiary companies	14,426	15,405
Other costs	1,391	7,978
	<u>34,865</u>	<u>41,460</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**5) Reconciliation of grants and donations to Institutions**

	2019 £	2018 £
Charitable grants awarded for in current year:		
Parkinson's Disease & Prostate Cancer	3,725,494	4,530,182
Other charitable purposes in the United Kingdom and State of Israel	787,323	902,500
Total charitable grants awarded	<u>4,512,817</u>	<u>5,432,682</u>
 Total charitable grants paid in the year (see note 18)	 <u>4,887,817</u>	 <u>4,420,016</u>

**6) Net Incoming Resources for the Year**

	2019 £	2018 £
This is stated after charging:		
Depreciation	7,204	9,605
Auditors' remuneration (charity: £19,048)	33,474	33,482
Trustees remuneration	100,000	100,000

The trustees remuneration of £100,000 (2018: £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 £2,245,468 (2017: £2,075,468) 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 31 March 2019**

**8) Tangible Fixed Assets Group**

	Plant and machinery	Fixtures, Fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	121,495	5,933	127,428
Additions	133,596	-	133,596
At 31 March 2019	<u>255,091</u>	<u>5,933</u>	<u>261,024</u>
<b>Amortisation</b>			
At 1 April 2018	95,367	3,245	98,612
Charge for the year	6,532	673	7,205
At 31 March 2019	<u>101,899</u>	<u>3,918</u>	<u>105,817</u>
<b>Net book value</b>			
At 31 March 2019	<u>153,192</u>	<u>2,015</u>	<u>155,207</u>
At 31 March 2018	<u>26,128</u>	<u>2,688</u>	<u>28,816</u>

No fixed assets are held under finance lease.

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**9) Investments**

	<b>The group</b> 2019 £	<b>The charity</b> 2019 £	<b>The group</b> 2018 £	<b>The charity</b> 2018 £
Market value brought forward	7,739,591	29,794,579	7,102,102	25,591,349
Additions at cost	8,231,052	8,231,052	1,570,254	1,570,254
Disposal proceeds	(2,480,732)	(2,480,732)	(1,253,423)	(1,253,423)
Net gain/(loss) on revaluation	(172,374)	922,212	320,658	3,886,399
Impairment of subsidiary	(317,442)	(317,442)	-	-
<b>Market value carried forward</b>	<b>13,000,095</b>	<b>36,149,669</b>	<b>7,739,591</b>	<b>29,794,579</b>
Cash held as part of investment portfolio	362,078	362,078	177,336	177,336
<b>Total</b>	<b>13,362,173</b>	<b>36,511,747</b>	<b>7,916,927</b>	<b>29,971,915</b>
Cost brought forward	7,467,643	13,334,575	6,754,403	12,621,335
Additions at cost	8,231,052	8,231,052	1,570,256	1,570,256
Disposals at cost	(2,619,248)	(2,619,248)	(857,016)	(857,016)
<b>Cost carried forward</b>	<b>13,079,447</b>	<b>18,946,379</b>	<b>7,467,643</b>	<b>13,334,575</b>

<b>Investments held (market value)</b>	<b>The group</b> 2019 £	<b>The charity</b> 2019 £	<b>The group</b> 2018 £	<b>The charity</b> 2018 £
Investments listed on a stock	13,000,095	13,000,095	7,422,150	7,422,150
Investments in subsidiaries (valuation)	-	23,149,574	317,441	22,372,429
Cash held as part of the investment portfolio (cost)	362,078	362,078	177,336	177,336
	<b>13,362,173</b>	<b>36,511,747</b>	<b>7,916,927</b>	<b>29,971,915</b>

<b>Geographical location of investments</b>	<b>The group</b> 2019 £
UK equities	13,000,095
Overseas equities	-
	<b>13,000,095</b>

<b>Material investments in subsidiary holdings</b>	<b>Group</b> £	<b>Charity</b> £
<b>Subsidiaries</b>		
The Margin Finance Corporation Limited	-	17,149,574
Borrisbrook Properties Limited	-	6,000,000
	-	<b>23,149,574</b>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**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.

	2019 £	2018 £
Turnover	1,363,988	1,238,556
Cost of Sales	(31,510)	(165,985)
Gross Profit	<u>1,332,478</u>	<u>1,072,571</u>
Administrative Expenses	(291,111)	(280,099)
Sundry income	-	-
Operating loss	<u>1,041,367</u>	<u>792,472</u>
Profit from Joint Ventures	37,214	30,993
Interest received	687,734	336,834
Interest paid	(663,834)	(329,396)
Fair Value gains and losses on investment properties	1,000,000	3,204,000
Profit on ordinary activities before taxation	<u>2,102,481</u>	<u>4,034,903</u>
Tax	(170,000)	(434,660)
Profit for the year	<u><u>1,932,481</u></u>	<u><u>3,600,243</u></u>
Assets	40,606,577	39,503,206
Liabilities	<u>(23,457,003)</u>	<u>(23,448,218)</u>
	<u><u>17,149,574</u></u>	<u><u>16,054,988</u></u>
Share capital	2	2
Revaluation reserve	16,085,107	15,255,107
Profit and loss account	<u>1,064,465</u>	<u>799,879</u>
	<u><u>17,149,574</u></u>	<u><u>16,054,988</u></u>



**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**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 2019 £	31 March 2018 £
Turnover	242,089	243,539
Cost of Sales	<u>(87,760)</u>	<u>(102,014)</u>
Gross Profit	154,329	141,525
Administrative Expenses	<u>(54,603)</u>	<u>(56,794)</u>
Operating profit	99,726	84,731
Investment income	-	-
Profit on ordinary activities before taxation	<u>99,726</u>	<u>84,731</u>
Tax	-	-
Profit for the year	<u>99,726</u>	<u>84,731</u>
Assets	878,958	752,212
Liabilities	<u>(126,776)</u>	<u>(15,025)</u>
	<u>752,182</u>	<u>737,187</u>
Share capital	100	100
Profit and loss account	<u>752,082</u>	<u>737,087</u>
	<u>752,182</u>	<u>737,187</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**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

	2019 £	2018 £
Turnover		
Rent receivable	<u>68,025</u>	<u>62,848</u>
Net profit/ (loss) for the year	<u>37,214</u>	<u>30,993</u>
Fixed assets	2,757,500	2,757,500
Current asset	36,144	33,412
Gross assets	<u>2,793,644</u>	<u>2,790,912</u>
Gross liabilities	(40,380)	(40,917)
Total assets less total liabilities- share of net assets	<u>2,753,264</u>	<u>2,749,995</u>
Revaluation reserve	2,253,355	2,253,353
Current account	<u>499,909</u>	<u>496,642</u>
	<u>2,753,264</u>	<u>2,749,995</u>
<b>Carrying amount of Old Burlington Street Joint Venture</b>		
	2019 £	2018 £
Brought forward	2,749,995	2,541,056
Share of (Loss)/Profit	37,214	30,993
Drawings	(33,945)	(26,054)
Revaluation of Joint Venture property	-	204,000
Carried forward	<u>2,753,264</u>	<u>2,749,995</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

12) Investment properties	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Fair value</b>				
Brought forward	27,349,858	24,350,000	1,349,858	1,350,000
Additions	58,788	-	58,788	-
Repayment of credit balance	-	(142)	-	(142)
Net gains through fair value adjustments	1,000,000	3,000,000	-	-
Carried forward	<u>28,408,646</u>	<u>27,349,858</u>	<u>1,408,646</u>	<u>1,349,858</u>

The investment properties are included in the balance sheet at open market value (historical cost of £11,980,000). The investment properties were revalued by the directors as at 31 March 2019. 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	2019 £	2018 £
Carrying amount of financial assets at:		
Amortised cost	6,715,225	6,152,161
Fair value through the SOFA	<u>13,000,095</u>	<u>7,739,591</u>
Carrying amount of financial liabilities at		
Amortised cost	<u>448,752</u>	<u>828,291</u>

**THE JOHN BLACK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**14) Short term debtors**

	The group 2019 £	The charity 2019 £	The group 2018 £	Restated The charity 2018 £
Trade debtors	459,648	-	50,078	-
Other debtors	6,255,577	108,091	6,078,971	196,998
Tax refund	-	-	23,112	23,112
Amount due from Subsidiaries	-	104,457	-	-
Amount due from Subsidiaries: Loan balance (see note 20)	-	20,748,762	-	20,448,762
	<u>6,715,225</u>	<u>20,961,310</u>	<u>6,152,161</u>	<u>20,668,872</u>

The £20,748,762 (2018: £20,448,762) due from subsidiaries included in the charity balance sheet is due in over one year.

**15) Creditors - amounts due within 1 year**

	The group 2019 £	The charity 2019 £	The group 2018 £	The charity 2018 £
Trade creditors	10,688	-	5,129	-
Taxation and social security	53,340	-	76,979	-
Amounts due to subsidiary undertakings	-	545,973	500,000	486,981
Other creditors	438,064	17,000	323,162	16,255
Grant commitments (see note 18)	375,000	375,000	375,000	375,000
	<u>877,092</u>	<u>937,973</u>	<u>1,280,270</u>	<u>878,236</u>

**16) Creditors - amounts due after 1 year**

	The group 2019 £	The charity 2019 £	The group 2018 £	The charity 2018 £
Grant commitments (see note 18)	2,612,666	2,612,666	2,987,666	2,987,666
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 2019**

**18) Grant Commitments**

	<b>Oxford Prostate Chair</b>	<b>Oxford Parkinsons Chair</b>	<b>UCL Prostate Chair</b>	<b>Total</b>
Grant commitments at 1 April 2017	1,000,000	1,350,000	-	2,350,000
Awarded in year	-	-	1,387,666	1,387,666
Paid in year	(125,000)	(150,000)	(100,000)	(375,000)
Grant commitments at 31 March 2017	<u>875,000</u>	<u>1,200,000</u>	<u>1,287,666</u>	<u>3,362,666</u>
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>
Due within one year	125,000	150,000	100,000	375,000
Due after one year	625,000	900,000	1,087,666	2,612,666
	<u>750,000</u>	<u>1,050,000</u>	<u>1,187,666</u>	<u>2,987,666</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.

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**19) Related Party Transactions**

At the balance sheet date the Foundation is owed £20,748,762 (2018: £20,448,762) 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 (2018: £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 £27m and £2.75m. 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 £5,846,000 (2018: £5,546,000) 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.

At the balance sheet date the Foundation owed £nil (2018 owed £25,543) to the subsidiary Borrisbrook Properties Limited.

Payment for services of key management and directors of the Foundation were made on behalf of The John Black Charitable Foundation by its subsidiaries.

<b>20) Provisions for liabilities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Balance brought forward	2,075,468	1,640,808
Movement in year	170,000	434,660
Balance carried forward	<u>2,245,468</u>	<u>2,075,468</u>

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**21) Staff Costs**

**Number of employees**

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

	2019 Number	2018 Number
Office and management	3	3
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<b>Employment costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	189,721	189,380
Social security costs	20,233	20,130
	<hr/>	<hr/>

One employee earned more than £60,000 in the year (2018: 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 (2018: £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:

	2019 £	2018 £
Parent Charity's gross income for the financial year	2,599,317	7,774,352
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Parent Charity's (Deficit)/Surplus for the financial year	(616,133)	5,617,992
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**23) Cash generated from operations**

	2019 £	2018 £
Net surplus in the year	(601,137)	5,207,369
Fair value gains on investments	(674,606)	(3,492,900)
Depreciation	7,205	9,605
Interest Received	(3,090,692)	(2,414,298)
Deferred tax movement	170,000	434,660
Change in Stock	(27,899)	(29,452)
Change in Debtors	(563,064)	(4,391,135)
Change in Creditors	(778,178)	1,076,365
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	(5,558,371)	(3,599,786)
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