THE BLACK STORK CHARITY
(The DNRC Charity)

Trustees' Report and
Financial Statements for 2020

Registered Charity in England and Wales no. 1141934
Registered Company in England and Wales no. 07619703

Contents

Chairman's introduction

Inevitably, the period covered by this report reflects the Charity's activities having been affected by the pandemic to some degree. Nevertheless, the 3 strands currently featuring in the Charity's focus have made progress. The Defence Medical Rehabilitation Centre (DMRC), which has been in operation since 2018, had to restrict its rehab patient inflow, although the neurological and complex trauma patients, by virtue of the design of the place, were able to be isolated with life remaining much as normal. To a large degree research activity, including the ADVANCE Study reported on last year, has also kept going. Shortly after the start of the first lockdown, the need to return to service members of the armed forces badly affected by Covid, became urgent. Consequently, the DMRC quickly devised a 2 week post-Covid course which proved very successful. The knowledge gained was immediately passed to the NHS in Nottingham and it has subsequently been developed widely. This occurrence is a good example of the sharing of expertise that will eventually come from the co-location on the same site of the first ever NHS specialist rehabilitation facility – to be known as the National Rehabilitation Centre (NRC). So let me turn to that second strand.

From the outset in 2009 it was envisaged that Defence and NHS facilities would be co-located on the same site and that, although the NRC will be built by the NHS, the D**N**RC Programme would 'enable' its creation, not least as the Charity owns the land and the associated planning permission on which it will be built – and is already undertaking enabling work on the site. Development of the NRC business case is a matter of NHS process which started in January 2019 and is still ongoing. The first 18 months involved bringing the case to the public consultation level which would have happened last Spring, but in the event took place in the autumn and revealed enormous support (around 70%) for the concept of a National facility. The NRC case is now part of the New Hospital Programme and has been given priority status for this year. So the process will continue, with the full business case approval occurring in the New Year – although delays cannot be ruled out. If construction can start by mid-next year the first patients will be treated in the new NRC at the end of 2024. When that happens, in conjunction with an academic partnership led by Nottingham and Loughborough universities, the NRC will emerge as a national leader in rehabilitation and it is intended that it will be the pilot for other such centres across the country in the following decades.

The third strand follows on from the start made in 2019 to look at the roles in the rehab field that the Charity might undertake in future. The associated work and research activity in the last 12 months is described later in this report and most recently centred on the vocational rehab field. In May this year the trustees reviewed the full range of options available and the decision was taken not to pursue further rehab opportunities until 18 months after the NRC was opened when the matter would be reviewed. Meanwhile, the Charity's responsibility for maintaining the Stanford Hall Rehabilitation Estate for use by Defence and, in due course, NHS patients will continue. It will also continue its involvement in the NRC Programme, not least as the Grosvenor family considers the 'National' element of the DNRC Programme to be the true legacy of the 6th Duke's initiative in 2009 – as it promises to transform the way in which rehabilitation is undertaken in this country.

Steve Holliday (Chairman of Trustees)

26 August 2021

Trustees' annual report

The Trustees are pleased to present their annual report and the audited consolidated financial statements of The Black Stork Charity (also known as 'The DNRC Charity') for the year ended 31 December 2020.

The Trustees' report also satisfies the requirement for a strategic report.

The Defence Medical Rehabilitation Centre (DMRC) is shown in the parkland setting of the Stanford Hall Rehabilitation Estate which was purchased in 2011 specifically to house both Defence and National (i.e. NHS) clinical rehab facilities. Apart from the original house, everything visible is 'new build'. It has been treating patients since 2018.

Officers and professional advisers

Trustees and directors

Steven Holliday (Chairman)
Anna Bond
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Paul Loft
Kate Philp
David Richardson
Heather Tierney-Moore

Registered office

70 Grosvenor Street
London
W1K 3JP

Registered company number

07619703

Registered charity number

1141934

Senior management

Chief Executive Officer	Janet Morrison
Director of the DNRC Programme	General Sir Timothy Granville-Chapman
Construction Executive	Stephen Brewer
Finance and Administrative Director	Catherine Fradley

Auditor

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Statutory Auditor
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Review of achievements and plans for the future

The Defence Facility – up and running

The Defence Medical Rehabilitation Centre (DMRC) came into its own in 2019 when it achieved full operating capability and treated around 7,000 patients from the armed services in a 12 month period. Unsurprisingly, its activity in 2020 has been affected by Covid and has applied principally to those people who would normally have been admitted following injury during training etc (there is a capacity for about 100 such people). It was necessary to restrict their access to ensure that the more serious cases treated in the DMRC – those requiring neurological or complex trauma (CT) rehabilitation – could continue to be treated with minimum risk. Fortunately, during the design stage of the DMRC in 2012 both the neuro and CT wards were located on the southern side of the complex and isolation was easily achieved so both these specialisms continued to operate at full capacity. The establishment's Academic Department of Military Rehabilitation (ADMR) also remained in business, although progress on the major longitudinal study, known as the ADVANCE Study, looking into the long-term outcomes for a cohort of up to 600 members of the armed forces wounded in Afghanistan, was affected as much of the practical work being done at Stanford Hall was not possible.

Not long after the first lockdown it became evident that there was a need to return to work as soon as possible those members of the armed forces who had been affected by the Covid virus. Consequently, a two-week post Covid course was designed and run in the DMRC with its syllabus and findings being immediately shared with the NHS in Nottingham and since then the DMRC experience has been relevant in the development of such rehabilitation across the NHS. This success story was recently covered by BBC TV. Such sharing is an early manifestation of the mutual advantage that will accrue once the NHS facility is operational on the same site 400 metres away.

The walled garden in the DMRC provides not only patient space in terms of accommodation and well-being facilities, but also contains the horticultural therapy facilities which are known to be particularly effective in relation to mental illness.

Review of achievements and plans for the future (continued)

The National opportunity

From the outset the DNRC concept has envisaged both a Defence and NHS facility on the same site. The benefits of creating that NHS facility (now known as the National Rehabilitation Centre or NRC) are many and wide-ranging. It will extend the success of acute services and Major Trauma Centres by providing a national centre of excellence in patient care, but also in training and research. Collaboration with the Defence Medical Services and the sharing of its well-established rehab expertise and some of its facilities will make innovation and the adoption of new approaches quicker and more successful. The result of this sharing activity will be a step change in rehabilitation and far improved outcomes for patients. In terms of innovation and enterprise, the NRC offers a real prospect of driving new rehabilitation products and, notably, technologies on an international basis. Research & Development in the rehabilitation field can have an impact very quickly and the cohort of NRC and DMRC patients will provide the opportunity for applied clinical research. Architectural impressions of the new building are below.

The modern design of the NRC building is in many ways pioneering in that (like the DMRC) it is designed around the patients with the internal space designed to ensure an intensive rehab regime – which nevertheless feels like home.

Review of achievements and plans for the future (continued)

The National opportunity (continued)

The main entrance is far from the normal 'reception' in a conventional hospital. Known as the 'Atrium', it connects with the 5 'Pavilions' on the ground floor by a wide 'street' along which patients can travel independently during their rehab day.

On the ground floor are all the facilities to create a full and intensive day. This main gym contains a wide range of exercise equipment and opens onto an outdoor exercise area – for variety. Patients will have access to some DMRC facilities – notably the hydrotherapy pool.

Review of achievements and plans for the future (continued)

The National opportunity (continued)

This specialist gym has 10 separate 'stations' where patients receive one-to-one treatment and physio from the relevant specialists. This facility, and other similar ones, distinguish a clinical rehabilitation establishment from what would be found in a conventional hospital.

The NRC will be residential with many patients staying for months. Those with a degree of dependency (neuro patients for example) will be accommodated on the 2nd floor. But many patients will have the full run of the building and will live on the top floor which is designed to feel like home – with bedrooms all facing south across the parkland and extensive communal facilities.

Review of achievements and plans for the future (continued)

The National opportunity (continued)

Achievement of the NRC opportunity is now entirely dependent upon NHS processes reaching a successful outcome. In a ministerial statement in 2014 the government undertook to examine the NRC opportunity in 2016. This consideration was enabled by the DNRC Programme and resulted not least in the KPMG report which has been a core document for development of the concept ever since. In 2018 government support for the concept was manifest in the £70m budget pledge to cover the cost of the patient element of the facility.

NHS process began in earnest in January 2019 with the concept well-defined and government financial support in place. Nottingham University Hospitals NHS Trust (NUH) is the clinical sponsor and has established an NRC Programme to create the NRC with the Programme Director being appointed from NUH. The DNRC Programme director is, on the Black Stork Charity (BSC)'s behalf, 'enabling' the NRC Programme and sits on the NRC Board. The direct interest of the Ministry of Defence (MoD) is achieved by the relevant 2 star officer (a Major General) in the Defence Medical Services Headquarters at Lichfield also being on the Board. A particular priority for 2020 was to establish the opportunities and terms for sharing facilities, learning and expertise amongst the MoD, the NHS and academic partners to ensure that, once plans for the NRC are realised, the estate adds up to more than the sum of its parts in advancing knowledge and best practice in rehabilitation. The work associated with achieving such sharing has in many areas been novel (for example, there are no tariff rates for exchange of such rehab services in the NHS) yet there has been solid progress on these fronts.

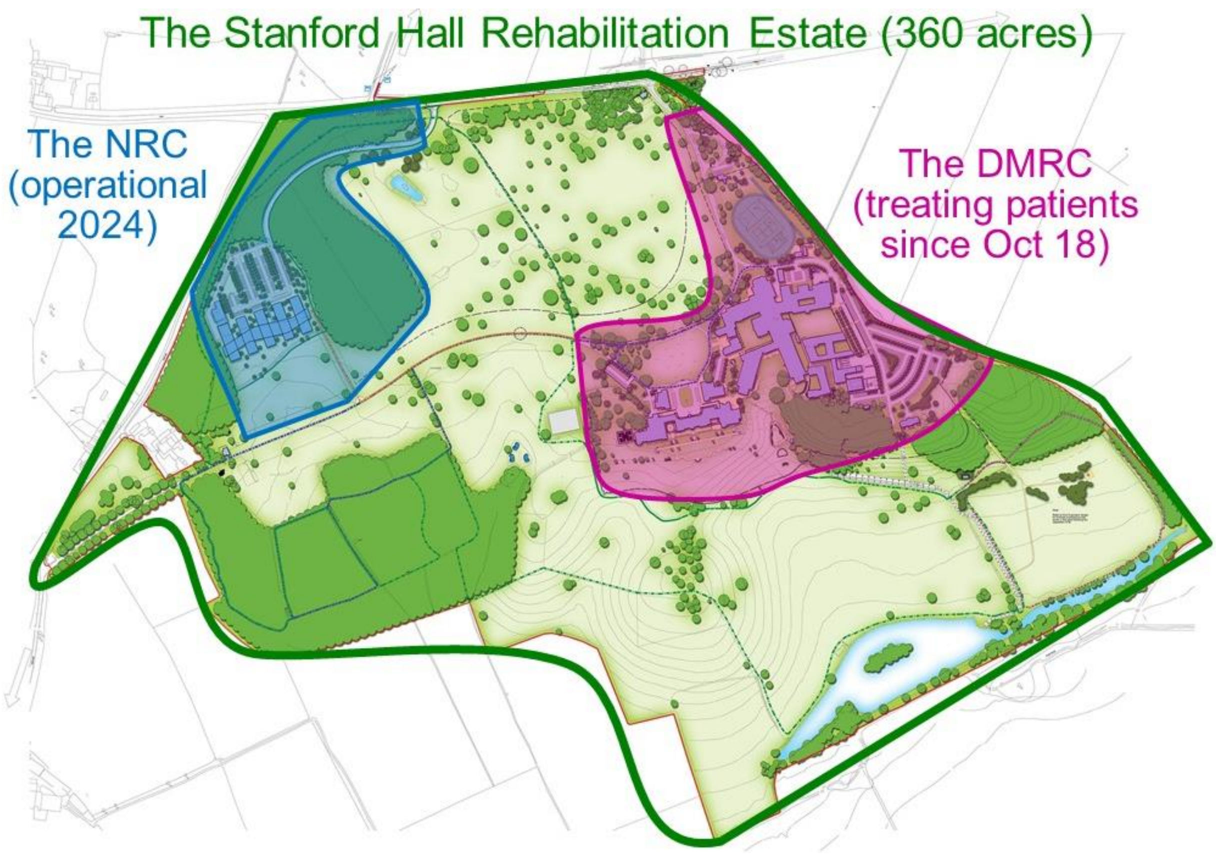
But at the start of 2020 the process leading up to the necessary public consultation was running 3 months behind schedule. It was hoped, nevertheless, the public consultation could occur in the spring but, of course, it was postponed due to Covid. Nevertheless, it was eventually launched virtually later in the year and the favourable outcome was declared in December 2020. What was valuable was the consultation revealing high levels of support for the NRC as a concept (around 70%) but usefully it also led to a change in the designs to increase the bed numbers to 70 (an increase of 7) and provision of comprehensive facilities for families when visiting patients. Nevertheless, a further 6 months' delay had been added to the NHS process. That process thereafter moved to consideration of the Outline Business Case (OBC) which was approved by the Nottingham University Health Trust in the New Year and is now on its way, via NHS England, to the Treasury and ministers. Along the way the NRC has been included in the revised New Hospital Programme (NHP) and has been accorded high priority. The NHP involvement adds another layer of process and it remains to be seen whether the planned opening date for patients at the end of 2024 will remain intact. For that to be assured, the Full Business Case (FBC) will need to be in place by the end of 2021 to be signed off by ministers in early 2022 in order that construction can start in the middle of that year.

Despite these delays, the case for the NRC has been brought to the fore not only by the state of rehabilitation services across NHS England, but also by the prospect of 'long-Covid syndrome' leading to substantial demands on any rehab system. Fundamental to the NRC concept has always been getting injured people back to some form of meaningful work and life. Such outcomes will be particularly relevant in the wake of the economic effects associated with BREXIT and Covid. It is increasingly clear that when the NRC opens it will immediately make a meaningful difference. In the longer term, once the NRC concept has proved its worth, it could be transformative if other such Centres are established across England – as was always envisaged.

Review of achievements and plans for the future (continued)

The future fulfilment of the DNRC concept

To fulfil the DNRC concept of 2 rehab establishments operating close by on the same site, the Defence facility (opened in 2018) has been granted a 50 year lease on a peppercorn rent to operate the facility within a defined curtilage. A similar arrangement will be made with the NUH in relation to the space it will occupy 400 metres away, but on this occasion the lease will be for 65 years. That lease will be granted to NUH in the first instance as an Agreement for Lease (AfL) when construction starts (planned for mid-2022) at which time BS Stanford Ltd (BSS), The Black Stork Charity's subsidiary, will assign planning rights to allow NHS construction to proceed.



The running of the rehabilitation estate including the maintenance of the specific rehabilitation facilities (such as trim trails, cycle tracks etc) falls to the Charity. A service charge is levied against the MoD (and in future the NUH as well) to help defray the cost of such maintenance. The relationship with the existing tenant (the MoD) is currently managed by BSS through regular meetings on site and is outlined in the lease. A similar arrangement will be instituted with NUH when it also becomes a tenant.

The DNRC Programme will have fulfilled its remit when the NRC opens and admits its first patients (planned for late 2024). Until that time 'enabling' of the NRC Programme will continue and in the run-up to the admission of patients, the long term 65 year charitable lease outlined above will be granted. That moment will mark the achievement of the 6th Duke of Westminster's initiative embarked upon in 2010 and will be his lasting legacy.

Review of achievements and plans for the future (continued)

Our wider work – in context

In 2019 a chief executive was appointed to the Charity to examine possible rehab opportunities allied to the creation of the NRC and more generally. Insights from this work would, in due course, form part of the Charity's strategy review in which trustees would look at the long-term role of the Charity and its focus.

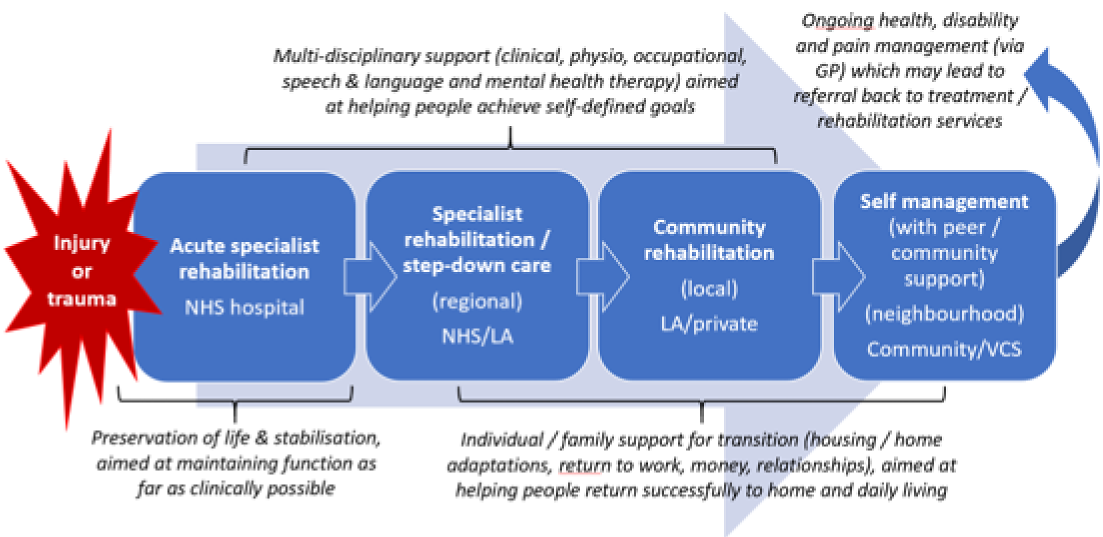
The investigation of rehab opportunities was to involve engaging with multiple stakeholders in the armed forces, healthcare and education sectors and with those charities and community organisations representing patients. A review of that work is provided below.

Our wider work – results

During 2019 and 2020 we carried out a review of the rehabilitation landscape, the best practice and gaps in provision and explored options to test new thinking and approaches. This involved meeting over 90 different organisations and individuals in the clinical, research and charity fields. Our analysis showed that the way rehabilitation is delivered to the civilian population does not provide a continuous person-centred pathway from clinical care back in to the community which maximises the chances for patients to return to education and employment, to family and community life.

Our research showed that the current NHS offer falls far short of its own ideal model of rehabilitation, even for those whose conditions mean they have a similar profile of needs, and ought to follow a similar rehabilitation pathway as those being treated in the Defence facility.

Ideal Trauma / Injury Rehabilitation Pathway – *towards increasing independence* [1]



Despite the publication of Commissioning Guidance for the NHS on rehabilitation[2], and of core principles to inform this work[3], practice remains patchy.

[1] Simplified pathway based on work of Colonel John Etherington OBE, see: https://www.england.nhs.uk/wp-content/uploads/2016/04/rehabilitation-comms-guid-16-17.pdf

[2] https://www.england.nhs.uk/wp-content/uploads/2016/04/rehabilitation-comms-guid-16-17.pdf

[3] https://www.networks.nhs.uk/nhs-networks/clinical-commissioning-community/documents/principles-and-expectations

Review of achievements and plans for the future (continued)

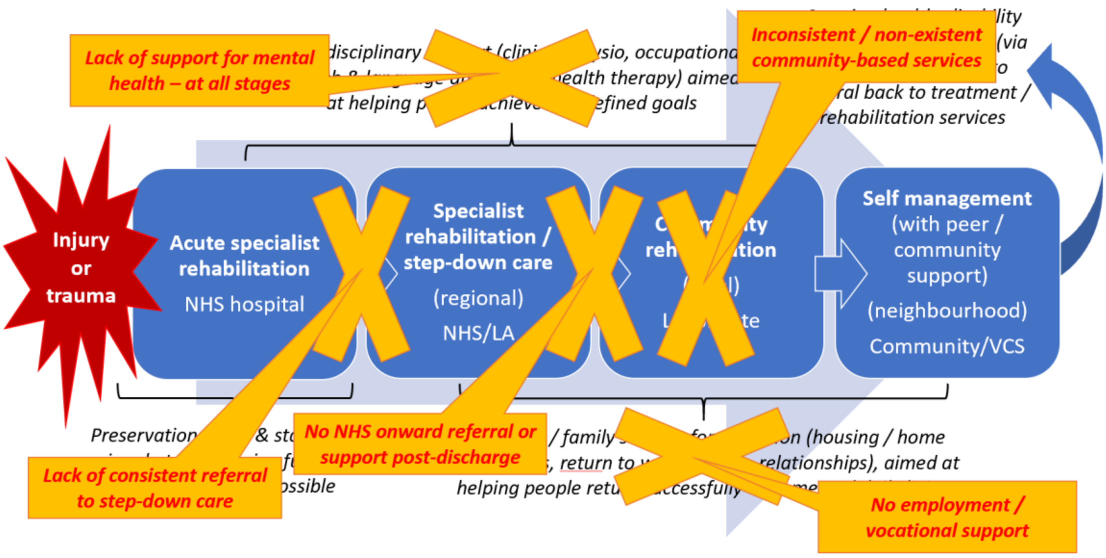
Our wider work – results (continued)

Key gaps in NHS provision include:

- Mental health and provision of psychological support. For example, the 2016 Sentinel Stroke National Audit Programme identified that only 6% of sites were meeting the standards for offering psychological support in stroke units.[4]
- Little or no attention to the transition back to employment, as evidenced by the poor rate of employment among those with long-term conditions and disabilities.[5]
- Large gaps in both step-down care and community-based support, meaning that most NHS patients receive little or no follow up support following discharge from acute facilities.
- Gaps in provision for self-management for patients, carers and family to map progress, follow up on the rehabilitation prescription and ensuing care

The scope of effective rehabilitation is far wider than acute NHS provision, encompassing a vast range of services and settings, including step-down support, community-based support and ongoing self-management at home.

Gaps in the NHS Trauma / Injury Rehabilitation Pathway – *ideal vs reality*



The overall offer for patients in the NHS is likely to fall short of the excellence demonstrated within Defence medicine as these additional services focusing on mental health, employment and long-term community support are rarely commissioned within the NHS currently.

A 2013 report based on interviews with a range of rehabilitation experts concluded that a range of issues were holding back progress:

- Resource constraints meant services were either not available at all or were not sustained for long enough to allow a patient to continuously improve – especially community services
- Workforce shortages meant there were staff shortages in rehabilitation medicine, nursing, physiotherapy and occupational therapy
- Lack of continuity and coordination of care between services, delayed transfers and lack of ongoing, whole-person provision
- Disjointed funding – especially across health and social care.[6]

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[4] https://www.england.nhs.uk/mids-east/wp-content/uploads/sites/7/2018/04/10-stroke-psychological-support.pdf
[5] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/209782/hwwb-working-for-a-healthier-tomorrow.pdf
[6] https://www.acnr.co.uk/2013/05/is-there-a-rehabilitation-postcode-lottery/

Review of achievements and plans for the future (continued)

Our wider work – results (continued)

The scale of need

Our research shows that the scale of national demand for rehabilitation services is great:

- 22 major trauma centres operate 24 hours a day, seven days a week across England.
- There are approximately 20,000 major trauma cases in England every year.
- More than 150,000 people in the UK have a stroke every year.[7]

Beyond those experiencing major trauma rehabilitation support is important for a very broad population, affected by a wide range of conditions, whose specific needs vary enormously. This includes people who experience neurological disorders, degenerative conditions and multiple long-term conditions.

Access to specialist rehabilitation support across the NHS is patchy – and highly dependent on both condition and locality. Research has found significant geographical variation across England, with some areas offering only a quarter of the level of head injury rehabilitation provided in the best-served areas.[8]

Overall our exploration of the rehabilitation agenda – which is only emphasised by the impact of Covid on the need for better rehabilitation support – showed the need for the following:

- Enhanced resources and focus on the rehabilitation pathway across health and social care and real political will to improve results
- Improved training and education for the health and care workforce with a focus on patient centred care, inter-disciplinary working and rehabilitation prescription follow up
- A holistic research and discipline building strategy to improve the knowledge base and its transfer into care models and enhance patient outcomes
- Greater capture and sharing of best practice, innovation and new approaches

Our expert events

In 2020 we convened a number of expert events covering the impact of Covid on making the case for rehabilitation and what could be learnt from the Defence Medicine model for rehabilitation and how it is being translated into plans for the NRC. In 2021 two events were held supporting our focus on disability employment and psychological approaches. These events convened experts, clinicians, academics, royal colleges, patient groups and charities to share learning and insights.

Our **Vocational Rehabilitation Focus** kicked off in 2020 with a partnership with Social Finance exploring the scope for personalised vocational support in trauma settings. This research explored international models of vocational rehabilitation, current best practice in the NHS, defence and insurance sectors and the scope for add-on services to be developed in major trauma centres. The research and findings were published and disseminated and a new pilot service was designed. Our research showed that:

- 20,000 people suffer trauma in England each year. As survival rates rise, rehabilitation and community integration are becoming increasingly critical
- Returning to work is a key rehabilitation goal for many trauma patients – yet only half return to work quickly and around 20% do not return to work at all
- Evidence-based vocational rehabilitation is not widely available for trauma patients
- Currently in the UK, vocational rehabilitation in hospital settings is primarily available for those with insurance, although there are some promising examples of widening access
- Funding models are likely to have been a barrier to improving return to work approaches in trauma care –but there now may be opportunities to test new approaches

[7] https://www.england.nhs.uk/wp-content/uploads/2016/04/rehabilitation-comms-guid-16-17.pdf
[8] https://www.acnr.co.uk/2013/05/is-there-a-rehabilitation-postcode-lottery/

Review of achievements and plans for the future (continued)

Our wider work – results (continued)

Our research suggested the value of:

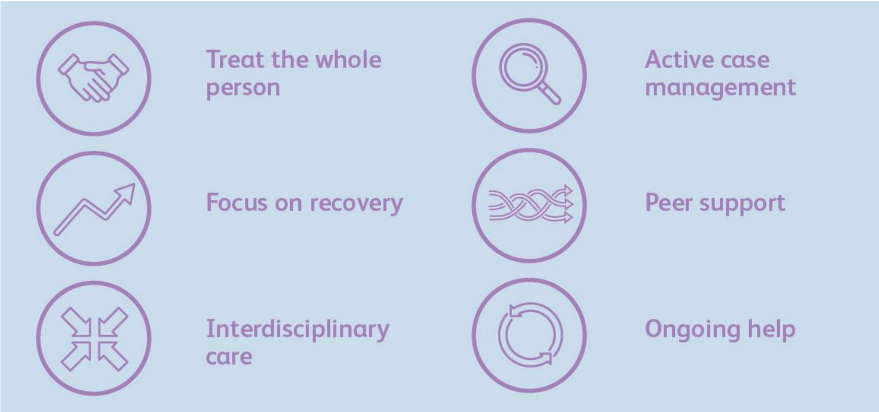
- The placement of a vocational rehabilitation specialist in hospital working closely with clinical colleagues
- Setting return to work as a rehabilitation goal at an early stage
- Supporting patients in hospital through to return home – either to return to previous employment or finding suitable alternatives
- Helping overcome practical barriers to return to work

The second stage of the programme explored the demand side of vocational rehabilitation – the availability of suitable flexible employment opportunities for disabled people, including those returning to work after major trauma, illness and long-term conditions. The charity worked in partnership with the Learning and Work Institute to explore the impact of the pandemic more widely on disabled people and the disability employment gap. Qualitative and quantitative research was undertaken from winter 2020, an expert consultative seminar was held and the results of the study were published in May 2021.

Our findings showed that the pandemic has had a greater impact on the employment of disabled people and particularly those with mental health and learning disabilities – which means that the disability employment gap has widened. However, the impact of the furlough scheme and rising inactivity rates amongst disabled people means that the true impact on unemployment now and the in the future is not yet known. Research shows that disabled people are more vulnerable to discrimination in work and to redundancy, and are less well represented in well paid, quality work and more senior positions. Whilst many disabled people may have needed to shield there is a risk that employers' perceptions of disabled candidates as more vulnerable and difficult to support will reinforce barriers to their entry and retention in employment. For rehabilitation it is clear that a higher priority needs to be placed on the quality of support given to disabled job seekers, the routes back to work for people with acquired disabilities and the quality of work opportunities and employers' practices that enable an inclusive workforce.

The **Psychological Approaches Focus** also commenced in 2020 with a widescale scoping study looking into the current approach to psychological support in commissioned services, the gaps in the current model, examples of good practice and opportunities for new approaches that can bring mind and body together in rehabilitation care. The report was published in 2021 accompanied by an expert seminar which identified potential further areas for development – including promoting the translation of best practice into different clinical areas and options for innovation and new services.

The practitioners, academics and patient groups involved in our research suggested the importance of some key principles of psychologically-informed rehabilitation:



The research and events showed that there is potential for wider sharing of best practice across different health fields and potential for innovation and new approaches to improve holistic rehabilitation care. Psychologically informed approaches to rehabilitation should also be a key priority for rehabilitation research and training and education.

Review of achievements and plans for the future (continued)

Our wider work and the Charity's future strategy

As previously explained the examination of rehab opportunities carried out above was part of the Charity's strategy review and would be used to inform trustee plans for the long-term role of the Charity.

The outcome of the Charity's wider work in 2019 and 2020 was examined by the trustees in mid-2021 and given the pressures on the NHS and social care, as well as the difficult operating environment for charities due to Covid, the decision was taken not to pursue further rehab opportunities until 18 months after the NRC was opened when the matter would be reviewed.

Meanwhile, the Charity's responsibility for maintaining the Stanford Hall Rehabilitation Estate for use by Defence and, in due course, NHS patients will continue. It will also continue its involvement in the NRC Programme, not least as the Grosvenor family considers the 'National' element of the DNRC Programme to be the true legacy of the 6th Duke's initiative in 2009 – as it promises to transform the way in which rehabilitation is undertaken in this country.

Section 172 statement

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and broader matters when performing their duty to promote the success of the Company under S172. This S172 statement explains how the Black Stork Charity, as a charitable company, complies with these regulations. Although the Charity falls within the definition of a large company because of the scale of its income in prior years, the majority of that income was applied to the construction of the DMRC rather than spent on wider operations and services. Consequently the Charity maintains a small team of just 5 permanent staff, supported by a number of freelance consultants providing specialist support.

S172(1) (A) "The likely consequences of any decision in the long term"

The Charity is mindful of its long-term responsibilities as the landlord of the Stanford Hall Rehabilitation Estate and has plans in place to deliver those responsibilities. With the MoD, the tenant of the Defence facility, we have planned for long term maintenance and replacement of facilities and equipment over a 50-year period supported by the Life Cycle Charge (payment required by the tenant under the lease towards the upkeep of the facility) which ensures the works will be effectively resourced. We also have rigorous plans in place for the maintenance and inspection of the other properties in the Charity's ownership on the Estate and in Stanford on Soar and prepare and plan for the long-term environmental needs of the natural environment on the Estate.

In 2020 the Charity's work enabling plans for the NRC on the same site continued in earnest with the NRC Programme Board, which provides external governance and oversight of the Programme for the approval of a clinical centre and an academic research, training and education establishment. As these plans develop the Charity plans to create, with its MoD, NHS and Academic partners, a protocol which will set out the terms of partnership – and the means for sharing research, workforce planning, training, facilities and learning across the institutions.

More widely in 2020 the Charity carried out a Strategy review to look at the long-term role of the Charity, engaging with multiple stakeholders in the armed forces, healthcare and education sectors and with those charities and community organisations representing patients. Their insights have been used to inform the Charity's strategic plans.

As part of its ongoing governance oversight the Charity's trustees regularly review risk management and carry out Health and Safety reviews to ensure that the Charity continues to plan and mitigate for major risks. In 2020 in response to Covid the Trustee Board reviewed the consequences of the pandemic and the provisions put in place to minimise its impact.

S172(1) (B) "The interests of the company's employees"

Despite having a very small staff team of five full time employees we ensure that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, and we factor the implications of decisions on employees where relevant and feasible in line with our charitable objectives. Staff worked from home during the COVID-19 pandemic in line with government guidelines, and no staff were furloughed. Throughout the period we maintained regular formal and informal contact with them and promoted advice on mental and physical health and wellbeing. The impact on employees of the mid-2021 trustee decision around the future strategic direction of the Charity, and the implications of that decision, will continue to be a significant consideration for trustees.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering the Charity's strategy requires strong mutually beneficial relationships with a range of stakeholder bodies from the NHS, to Government, to academic institutions, to suppliers of professional services and to partners who share our goals and aspirations. As a Charity that raised very significant funds from major donors to construct the Defence facility we recognise a high level of accountability to those donors – and we ensure that we keep them informed of the restricted application of their donations

Section 172 statement (continued)

and continue to keep them updated on plans and developments. The Charity has a donor stewardship plan and tracker which ensures effective reporting and communications. The NRC Programme Board provides the governance framework for the programme's plans and decision-making and makes clear relevant accountabilities.

S172(1) (D) "The impact of the company's operations on the community and the environment"

As the landlord, the Stanford Hall Rehabilitation Estate was procured and is managed with recovery and wellbeing in mind – this aspect is inherent in our strategic ambitions. In developing the site the Charity led consultations with the local community. The NHS approval process also includes a vital element of statutory public consultation on plans for the creation of the clinical facility in the NRC. The Charity continues to place a high priority on maintaining the Estate in line with community considerations. During the construction phase for the Defence facility and in the planned forthcoming construction of the NRC facility the Charity will ensure, as landlord, that all due care is taken to minimise the impact on the community and the environment. Plans for the NRC site have been reviewed in line with the Government's Net Carbon Footprint ambition, and our Board receives Safety & Environment Performance Updates.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

As a registered charity integrity and ethics are core to our purposes and activities. This is reflected in the way in which we induct and train trustees and staff and the codes that govern our conduct. We recognise that the integrity of our accountability to donors, stakeholders and partners is core to everything that we do.

S172(1) (F) "The need to act fairly as between members of the company"

After weighing up all relevant factors the trustees consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. The Board recognises that it has an important role in setting the standards of conduct expected in the Charity and that our desired culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships.

Energy usage and sustainability

The total energy consumption (TEC) in the reporting period for The Black Stork Charity amounted to 40,238 kWh resulting in carbon emissions of 9.73 tonnes of carbon dioxide. The annual quantity of emissions resulting from our transport activities and the use of gas was 9.35 tonnes of carbon dioxide. Electricity usage accounted for 0.38 tonnes of carbon dioxide. The annual energy consumption was derived from activities at the Stanford Hall Rehabilitation Estate – 70.4% of energy usage resulted from estate vehicles and site machinery, and 29.6% resulted from the use of electricity and Calor Gas at the Charity's Estate Office.

The data used in calculating the Charity's total energy consumption includes supplier invoices, vehicle documentation (such as MOT certificates) and automatic meter readings. All fuel conversions to kWh and CO_2 emissions data have been calculated in line with the 2013 UK Government environmental reporting guidance using UK Government GHG conversion factors for company reporting.

Financial review

Total income for the year was £2.9m (2019: £61.2m). This reduction in income was fully expected by the trustees and coincided with the construction of the Defence facility being completed in 2019. Up until then the main financial aim of the Charity had been to raise the necessary funds to meet the Charity's objectives through the design, development and construction of the Defence facility and the enablement of the NRC. That capital project has spanned a number of years and so our annual review of financial performance should be read in that context.

Funds raised as part of the £300m capital campaign were spent on the execution of the DNRC Programme and significantly, the fixed asset investment in the Defence facility which is recognised as a social investment as it is used by the MoD for purposes in furtherance of the Charity's objects. Gifts were received from 6 major donors in 2020 (2019: 17) in respect of the DNRC Programme, largely representing pledge instalments. One of these gifts, of £150k, is to be applied towards educational provision in connection with the NRC, in the same way as similar gifts provided by the same donor in previous years and spend in respect of these restricted donations started in 2021.

2020 was the first full year in which MoD (tenant) payments were received under the lease; the completion of the Defence facility in 2019 having triggered these payments to the Charity. These annual contractual payments, recognised by the Charity as restricted income from charitable activities, were spent on maintaining the Defence facility and Stanford Hall Rehabilitation Estate (SHRE) grounds to ensure they remain in excellent condition for use by patients at the facility, as required by the lease. Amounts not yet spent are recognised as a creditor at the year end to be applied against future expenditure.

The cost of raising funds decreased this year, as anticipated, to £20k (2019: £94k). The fundraising campaign for the DNRC Programme had been brought to a close in 2019, and 2020 saw activity in this area evolve from active fundraising to stewardship of major donors and collection of pledge instalments.

Expenditure on charitable activities of £1.6m (2019: £2.0m) also decreased this year. Greater costs were incurred in 2019 on consumables to equip the Defence facility prior to it becoming operational, and greater costs were also incurred in the prior year on enabling the National opportunity – due to the type of enablement activities that were required in that year around planning. During both 2019 and 2020 costs were incurred as the Charity worked to define its wider strategy and explored areas of the rehabilitation landscape in which the Charity may wish to become more involved.

Capital expenditure on charitable activities of £1.6m (2019: £3.8m) reflects the final stages of investment in the construction and 'snagging' activity on both the Defence facility and the wider Stanford Hall Rehabilitation Estate grounds which are utilised by patients during their recovery process. These assets on the wider Stanford Hall Rehabilitation Estate, which are used by the MoD to undertake activities which contribute to the Charity's objects, are also recognised as social investments within Fixed Assets. A £5m repayment of bridging facilities in respect of the Defence facility was also made in the year.

Financial review (continued)

The consolidated balance sheet shows net assets of £255.3m (2019: £254.0m) representing the investment in fixed assets and the reserves necessary to continue the delivery of the DNRC Programme and therefore fulfilling the charity's responsibilities for maintaining the Stanford Hall Rehabilitation Estate for use by the Defence, and in due course, NHS patients.

Reserves policy

The Charity reviews its reserves policy each year, taking into account its planned activities and the financial requirements forecast for the forthcoming period. The policy ensures that reserves are held in order to make sure that the Charity can deliver on its main financial objectives. These objectives include funding any remaining construction commitments (and repayment of bridging facilities), working with the MoD as the tenant to ensure the DMRC is able to operate with continued success, and working with the NHS to enable the NRC.

The general reserve held of £4.5m (2019: £10.0m), together with anticipated donation pledges, will be used to deliver these objectives and associated overhead costs. The general reserve balance is lower than the 2019 balance because at that year end more significant construction commitments remained in relation to the Defence facility; the trustees therefore ensured that reserves were sufficient to meet those commitments at that time.

The trustees have reviewed the project budget and the cashflow forecast and considered the risk related to funding, cash holding and cash needs. Reserves are sufficient and the trustees are satisfied with the policy and reserves of the Charity.

Going concern

We have set out a review of the financial performance and the general reserves position. The trustees have also reviewed the forecast cashflows to the end of 2022, assessing each area of income and expenditure in light of the Charity's future strategy as well as the Covid pandemic. Reliance on income from donations, now that the fundraising campaign for the Defence facility has been completed, is low. Any further delays relating to the NRC should not lead to significant extra costs for the Charity.

The trustees have considered the level of unrestricted funds and facilities available and the financial commitments expected, and have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the accounts have been prepared on the basis that the Group is a going concern.

Post balance sheet events

There have been no significant events affecting the Charity since 31st December 2020.

Structure, governance and management

Charity governance

The Black Stork Charity is a UK company limited by guarantee (not having share capital) and a registered charity in England and Wales, governed by its Articles of Association dated 3 May 2011. It is registered with Companies House and the Charity Commission and must comply with the Companies Act 2006 and the Charities Act 2011.

The Charity has one wholly owned subsidiary at 31 December 2020, the details of which are given in note 14 of the financial statements.

The Charity is also known as 'The DNRC Charity'.

Charitable objects

The objects of the Charity, as set out in the Articles of Association, are the advancement of health through:

- the provision of assistance in the treatment and care of persons who are currently serving in the Armed Forces of the Crown and Commonwealth and who have been wounded or injured or suffered illness while serving in the Armed Forces by the provision of facilities, equipment or services for their rehabilitation;
- the promotion generally of rehabilitation medicine (being defined as the application of medical skill to the diagnosis and management of disabling disease and injury of whatever cause and affecting any system of the body) including research into rehabilitation medicine and the publication of the useful results thereof;
- the provision of facilities, equipment or services to restore persons (regardless of profession) who have experienced a disabling disease or injury to optimum physical and psychological function and to promote their vocational rehabilitation (that is to provide assistance (of whatever kind) to enable such persons to return to and remain in appropriate work); and
- the promotion of such purposes as shall be charitable for public benefit.

Board of Trustees

The Board of Trustees is responsible for the governance of the DNRC and ensuring that its activities are within UK law and its agreed charitable objects. It sets the strategy for the Charity, the responsibility for the execution of which is currently delegated to the senior management team of the Charity through the Chief Executive Officer and the Programme Director. The Board meets at least five times a year and receives reports from this team covering all financial and Programme governance matters.

The Memorandum and Articles of Association provide that the Charity has a minimum of three and a maximum of twelve trustees. One third of the trustees must retire at each Annual General Meeting and are eligible for re-election. A new trustee may be appointed by a resolution of the other trustees, and that appointment must be approved at the next Annual General Meeting.

The Charity has a sole member, who attends the Annual General Meeting and approves trustee appointments.

The trustees and directors who served during the year and since the year end are noted below.

Steven Holliday (Chairman)	
Anna Bond	Appointed 17 September 2020
Simon Harding-Roots	Resigned 31 May 2020
Lesley Knox	
Paul Loft	
Kate Philp	
David Richardson	
Heather Tierney-Moore	

Structure, governance and management (continued)

Board of Trustees (continued)

All new trustees undertake a comprehensive induction process designed to enable them to contribute effectively as soon as possible. The induction covers all aspects of the role and the organisation and also includes information required to fulfil their legal duties. Training is also available to Trustees if required.

Statement of Trustees' responsibilities

The trustees (who are also directors of The Black Stork Charity 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 company and the 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 then 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company 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.

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.

DNRC Programme governance

The BSC's charitable objects are currently achieved through the execution of the DNRC Programme. The Programme is unusual in involving a charity working directly with Government and is run on OGC (The Office of Government Commerce) lines to make the interaction as straightforward as possible. The interface with Government principally involves the Ministry of Defence (MoD), Department of Health and Social Care (DHSC), NHS England (NHSE), Department for Work and Pensions and (in the early days) the Department for Culture Media and Sport.

There is also engagement with the appropriate local government in the East Midlands Region, notably the Rushcliffe planning authority and Nottinghamshire County Council relating to the development of the SHRE, and with the NHS in so far as the 'N' is concerned.

The Charity owns the freehold title to the SHRE which was purchased in 2011 specifically to permit fulfilment of the DNRC Programme. It created its own operating company BS Stanford Ltd (BSS) in the same year to allow it to develop the estate in planning and construction terms. With the terms of the planning application relating to the Defence facility being fulfilled in 2019, BSS's planning responsibility as the developer is now confined to its ownership of the detailed planning permission for the NRC. To that end the necessary enabling work to create an entrance for the NRC was started by BSS in 2020 (with the cost being borne by NUH).

Structure, governance and management (continued)

Risk management

Significant risks to which the trustees believe the Charity is exposed have been reviewed and systems and procedures established to identify, evaluate and manage those risks. The senior team who lead on the assessment and management of risk have developed an assurance framework for reporting to the Board. Risk registers are updated with a formal review of the main high level risks also undertaken by the Board. The Programme Director's report, considered at each trustee meeting, includes an update on the significant risks actively being managed by the team. The trustees have designed this cascading approach to ensure that risks are managed as effectively as possible.

Principal risks and uncertainties

There are no longer any foreseeable risks associated with the Defence establishment where 'snagging', delayed somewhat by Covid, should be complete by autumn 2021.

The risks therefore relate to the achievement of the NRC. There is little appreciable risk that the government will walk back from its commitment to create an NRC – manifest in the 2018 budget and more recently by including the NRC in the NHP and according it priority in 2021. So the risks revolve entirely around whether NHS processes will run to schedule and therefore allow construction to start in mid-2022 leading to opening by the end of 2024. As at 1 July 2021, with the processes being at least 6 months behind, that risk is appreciable and the ability to accelerate, whilst not ruled out, is not yet evident. If this risk were to materialise the optics of a high-profile facility which has effectively been 'oven-ready' since 2019 and was in large measure funded by government in 2018, would require careful handling.

Senior management remuneration policy

Two of the four members of the senior management team were employed by the Charity during the year. The services of the third and fourth members of the senior management team were provided free of charge.

The remuneration policy covers all employees (including two members of the senior team). It is discharged by the full Trustee Board and takes into account factors such as performance and salaries paid in comparable organisations.

Investment policy

The investment principle is to achieve the secure investment of excess cash resources of a short term nature, diversified to ensure limited concentration of investment. The principle has been achieved during 2020.

Assets are safeguarded by investing with approved counterparties. Investments are risk averse and non-speculative and the Charity places no income reliance on interest earned. The Charity has met its investment return objective which is to ensure that investments earn a market rate of interest consistent with its investment principle.

Structure, governance and management (continued)

Public benefit

The trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and have referred to this guidance when reviewing their aims and objectives and in planning future activities.

In preparing this report and the accounts, the trustees have demonstrated their compliance with the requirements set out in the guidance by:

- providing a review of the significant activities undertaken by the Charity to carry out its purposes for the public benefit;
- providing details of purposes and objectives;
- providing details of the strategies adopted and activities undertaken to achieve the purposes and objectives; and
- providing details of the achievements by reference to the purposes and objectives set.

Disclosure of information to the auditor

The trustees who held office at the date of approval of the Trustees' Report confirm that, in so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware, and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant information and to establish that the Charity's auditor is aware of that information. This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP has indicated their willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The Trustees' annual report including strategic report were approved by the Board of Trustees (in their capacity as company directors) on 26 August 2021 and signed on its behalf by:

Steve Holliday (Chairman of Trustees)

26 August 2021

Financial statements
for the year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BLACK STORK CHARITY

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Black Stork Charity (the 'charitable company') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of financial activities;
- the balance sheets;
- the consolidated cashflow statement; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BLACK STORK CHARITY (continued)

Other information

The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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's and the 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 the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group and parent charitable company's industry and its control environment, and reviewed the group and parent charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BLACK STORK CHARITY (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the group and parent charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act and UK Companies Act 2006; and
- did not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it is described below:

- there is a risk that the income recognised in respect of the Life Cycle Charge is misstated if expenditure incurred is not in line with the terms of the agreement. To address this risk we tested a sample of expenditure against the Life Cycle Charge to ensure the expenditure incurred is in line with the terms of the agreement, is recorded in the correct period, and is accurate and complete. We have also reviewed management's report on the Life Cycle Charge and completed a walkthrough with management.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BLACK STORK CHARITY (continued)

Opinions on other matters prescribed by the Companies Act 2006 (continued)

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

We have nothing to report in respect of these matters.

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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Anderson

Sarah Anderson FCCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

31 August 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account) Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations	3	1,923,445	150,000	2,073,445	60,424,228
Income from charitable activities	4	-	754,864	754,864	645,944
Investments - bank interest		24,010	631	24,641	82,727
Other trading activities - rental income		68,161	-	68,161	24,931
TOTAL INCOME		2,015,616	905,495	2,921,111	61,177,830
EXPENDITURE ON:					
Raising funds	5	(20,437)	-	(20,437)	(94,040)
Charitable activities	6	(864,697)	(772,640)	(1,637,337)	(1,972,344)
TOTAL EXPENDITURE		(885,134)	(772,640)	(1,657,774)	(2,066,384)
Net income before net losses on investments		1,130,482	132,855	1,263,337	59,111,446
Net losses on investments		-	-	-	(208,388)
Net income for the year	8	1,130,482	132,855	1,263,337	58,903,058
Transfer between funds	21,22	-	-	-	-
NET MOVEMENT IN FUNDS		1,130,482	132,855	1,263,337	58,903,058
Total funds brought forward		253,500,030	506,621	254,006,651	195,103,593
Total funds carried forward	23	254,630,512	639,476	255,269,988	254,006,651

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing operations.

See note 19 for comparative consolidated statement of financial activities analysed by funds.

BALANCE SHEETS
At 31 December 2020

		2020		2019	
	Notes	**Group**	**Charity**	**Group**	**Charity**
		£	£	£	£
Fixed assets					
Tangible assets	11	1,033,087	1,033,521	1,089,567	1,090,001
Investments – social investments	12	270,975,009	278,660,747	269,358,865	276,996,120
Investments – investment property	13	1,130,000	1,130,000	1,130,000	1,130,000
Investments – subsidiary undertakings	14	-	120,000	-	120,000
		273,138,096	280,944,268	271,578,432	279,336,121
Current assets					
Debtors: amounts falling due within one year	15	373,225	537,250	231,388	160,699
Cash at bank and in hand	16	9,340,675	7,917,475	12,294,917	12,105,914
		9,713,900	8,454,725	12,526,305	12,266,613
Creditors: amounts falling due within one year	17	(2,568,648)	(1,429,472)	(1,453,670)	(1,313,977)
NET CURRENT ASSETS		7,145,252	7,025,253	11,072,635	10,952,636
Creditors: amounts falling due after one year	18	(25,013,360)	(25,013,360)	(28,644,416)	(28,644,416)
NET ASSETS		255,269,988	262,956,161	254,006,651	261,644,341
FUNDS					
Unrestricted funds					
General funds		4,526,706	4,406,707	9,973,033	9,853,034
Designated funds		250,103,806	257,909,978	243,526,997	251,284,686
Total unrestricted funds	21	254,630,512	262,316,685	253,500,030	261,137,720
Restricted funds	22	639,476	639,476	506,621	506,621
TOTAL FUNDS		255,269,988	262,956,161	254,006,651	261,644,341

The surplus of the parent charity for the year for Companies Act purposes is £1,311,820 (2019: £58,993,680). As permitted by Section 408 of the Companies Act, no separate statement of financial activities is presented in respect of the parent charity.

The financial statements of The Black Stork Charity, Charity Number 1141934, Company Number 07619703, were approved by the Board of Trustees and authorised for issue on 26 August 2021.

They were signed on its behalf by:

Steve Holliday (Chairman of Trustees) on 26 August 2021

CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Net cash flow from operating activities	20	3,493,857	150,000	3,643,857	90,157,154
Cash flows from investing activities					
Interest received		24,640	-	24,640	82,727
Purchase of fixed assets		(1,622,739)	-	(1,622,739)	(4,528,758)
Net cash used in investing activities		(1,598,099)	-	(1,598,099)	(4,446,031)
Cash flows from financing activities					
Cash outflows from loans repaid		(5,000,000)	-	(5,000,000)	(79,000,000)
Net cash used in financing activities		(5,000,000)	-	(5,000,000)	(79,000,000)
Net (decrease)/increase in cash and cash equivalents		(3,104,242)	150,000	(2,954,242)	6,711,123
Cash and cash equivalents at beginning of year		11,839,731	455,186	12,294,917	5,583,794
Cash and cash equivalents at end of year	16	8,735,489	605,186	9,340,675	12,294,917

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES

(a) Company and charitable status

The Black Stork Charity, a public benefit entity, is incorporated in the United Kingdom and registered in England and Wales as a company limited by guarantee not having a share capital. At the end of the year there was a sole member and seven Trustees of the Charity. The member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The Charity is a registered charity under the Charities Act 2011. The registered office is given on page 3.

(b) Basis of accounting

The financial statements are prepared under the historical cost convention modified to include certain items at fair value, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and the Companies Act 2006.

The principal accounting policies are set out below.

(c) Preparation of financial statements – going concern basis

The Trustees have reviewed the entire project budget and cashflow forecast for the period to the end of 2022, taking into account any impact from the COVID-19 pandemic as well as the Charity's future strategy. The fundraising campaign has been completed and reliance on donations is low. Bridge financing arrangements remain in place to ensure that capital commitments can be honoured when they fall due. Having considered the level of unrestricted funds, the facilities available and the financial commitments expected, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the accounts have been prepared on the basis that the Charity is a going concern.

(d) Basis of consolidation

The financial statements have been prepared in respect of the Charity and its wholly owned subsidiary undertaking BS Stanford Limited, a company incorporated and registered in England and Wales. These financial statements have been consolidated on a line-by-line basis and the results of the subsidiary undertaking are disclosed in note 14. The consolidated entity is referred to as 'the Group'. The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activities.

(e) Statement of cash flows

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

(f) Fund accounting

The Charity maintains restricted and unrestricted funds.

General reserves are unrestricted funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds that are set aside at the discretion of the Trustees for specific purposes.

Unrealised investment gains are unrestricted funds resulting from fair value movements on investment properties.

Restricted funds represent grants and donations received which are to be used in accordance with specific restrictions imposed by the donor. Funds received from the use of Social Investment assets also have restrictions applied to them and are therefore accounted for as restricted funds.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

(g) Income

Income is recognised when the Group and the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The following accounting policies are applied to income:

Donations and all other receipts from fundraising are included in income when these are receivable.

Gifts in kind – properties, investments and other fixed assets donated to the Charity are included in income from donations at market value at the time of receipt.

Donated services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities represents two charges payable by the MoD under the lease of the Defence facility. The Estate Service Charge, which represents a contribution towards the costs of maintaining the Stanford Hall Rehabilitation Estate grounds, is accounted for when receivable. The Life Cycle Charge, which relates to the maintenance of the Defence facility buildings, is accounted for when the Charity is entitled to the income which occurs when the corresponding expenditure is incurred. Payments in advance of entitlement to the income are included as a restricted fund creditor.

Investment income in the form of bank interest is accounted for when receivable.

(h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on raising funds includes the costs incurred in generating fundraising income.

Expenditure on charitable activities includes direct costs related to the objectives of the Charity.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include finance, personnel and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7. Governance costs include audit fees, insurance premiums and an allocation of staff costs.

(i) Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

(i) Taxation (continued)

financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

(j) Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation and any provisions for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold buildings: residential lodges – 2% per annum
Freehold buildings: Stanford Hall Rehabilitation Estate office – 2.5% per annum
Vehicles, plant and equipment - 25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(k) Fixed Asset Investments

Social investment

Social investments include programme related investments which are held specifically to enable a third party to undertake particular activities using the asset that contribute to the investing charity's charitable purposes. The Charity holds a social investment property to fulfil its charitable objectives. The social investment property is stated at cost net of depreciation and any provisions for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. Residual value represents the estimated fair value of the asset expected at the end of its useful life. No depreciation is provided for on the social investment due to the anticipated high residual value which would result in immaterial depreciation for the asset. An impairment review is carried out annually.

Investment properties

Investment properties are held to earn rental income or for capital appreciation and are measured at fair value annually with any change recognised in the Statement of Financial Activities.

Investment in subsidiary

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

(l) Foreign Currency

The functional currency of the Charity and Group is pound sterling. Transactions denominated in foreign currencies are recorded at the exchange rate ruling on the date of the transaction.

(m) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Charity and Group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(n) Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

3. ANALYSIS OF INCOME FROM DONATIONS

2020	**Unrestricted funds £**	**Restricted funds £**	**Total funds 2020 £**
Donations	1,627,958	150,000	1,777,958
Donated services	295,487	-	295,487
	1,923,445	150,000	2,073,445

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3. ANALYSIS OF INCOME FROM DONATIONS (continued)

2019	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Donations	51,744,975	8,305,186	60,050,161
Gift in kind	-	68,580	68,580
Donated services	305,487	-	305,487
	52,050,462	8,373,766	60,424,228

The donated services reflect the provision of professional services and facilities by organisations keen to support the Charity.

4. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

2020	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Life Cycle Charge	-	377,484	377,484
Estate Service Charge	-	377,380	377,380
	-	754,864	754,864

2019	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Life Cycle Charge	-	347,965	347,965
Estate Service Charge	-	297,979	297,979
	-	645,944	645,944

The provision of the DMRC to the MoD satisfied the Charity's objects with the lease agreement facilitating charitable activities at the site. The lease also generates income from charitable activities for the Charity in the form of charges payable by the MoD. The above charges were receivable and are restricted as required under the lease. The Life Cycle Charge was applied against maintenance costs at the Defence facility and the Charity recognises this income as costs are incurred. The Estate Service Charge was receivable towards the upkeep of the Stanford Hall Rehabilitation Estate grounds which provide an important part of the treatment process for Defence facility patients.

5. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

The following expenditure has been incurred with the aim of raising funds, largely through the collection of pledge instalments relating to the DNRC Programme and the construction of the Defence Establishment.

	2020 £	2019 £
Advertising and awareness raising costs	180	1,128
Support costs (see note 7)	5,801	14,544
Other fundraising costs	14,456	78,368
	20,437	94,040

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

5. ANALYSIS OF EXPENDITURE ON RAISING FUNDS (continued)

Other fundraising costs include staff costs and professional fees.
The above support costs include £1k (2019: £3k) of donated services.
The cost ratio to income for the year is 0.7% (2019: 0.2%).

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Charitable activities relate to the furtherance of the Charity's objectives through the execution of the DNRC Programme and the wider work undertaken in rehabilitation, as explained in the Trustees Annual report.

	2020 £	2019 £
Direct charitable costs	1,428,446	1,747,640
Support costs (see note 7)	208,891	224,704
	1,637,337	1,972,344

Included in these costs are donated services of £295k (2019: £303k), £40k (2019: £48k) of which are support costs.

Direct charitable costs are lower in 2020 than 2019, in part due to the prior year including greater costs on consumables to complete the furnishing of buildings within the Defence establishment. Greater costs were also incurred in 2019 on enabling the National opportunity.

7. ANALYSIS OF SUPPORT COSTS

2020	Raising funds £	Direct charitable £	Total 2020 £	Basis of allocation
Governance	800	49,007	49,807	In line with activity
Finance	1,771	95,232	97,003	Allocated on time
Office, secretarial and HR	3,230	64,652	67,882	Allocated on time
	5,801	208,891	214,692	

2019	Raising funds £	Direct charitable £	Total 2019 £	Basis of allocation
Governance	-	59,911	59,911	In line with activity
Finance	1,837	108,540	110,377	Allocated on time
Office, secretarial and HR	12,707	56,253	68,960	Allocated on time
	14,544	224,704	239,248	

Included in the above support costs are donated services of £41k (2019: £51k).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

8. NET INCOME FOR THE YEAR

Net income is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets – owned	64,082	62,553
Auditor's remuneration:		
Fees payable to the Charity's auditor for the audit of the Charity's annual financial statements	12,240	12,000
Fees payable to the Charity's auditor for other services to the Group: the audit of the Charity's subsidiary	2,800	2,750

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

Group and Charity	**2020 No.**	**2019 No.**
Charitable activities	3	2
Support	2	2
	5	4

Their aggregate remuneration comprised:

Group and Charity	**2020 £**	**2019 £**
Wages and salaries	344,550	252,889
Social security costs	36,113	26,731
	380,663	279,620

The number of Group employees whose emoluments, including benefits in kind but excluding pension contributions and employers' NI, were in excess of £60,000 was:

	2020 No.	**2019 No.**
£60,000 - £70,000	1	2
£130,000 - £140,000	1	-

The senior management personnel of the Group and Charity are listed on page 3. The total remuneration of those individuals totalled £427k (2019: £502k), £239k (2019: £399k) of which was not directly incurred by the Charity due to their services being either donated or seconded directly to the subsidiary company by a third party.

Trustees' Remuneration

No Trustee received remuneration during the current or the prior year. Total travel and subsistence expenses of £nil (2019: £1k) were paid to Trustees (2019: 2 Trustees).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

10. TAX ON PROFIT OF TRADING SUBSIDIARY

	2020 £	2019 £
Analysis of tax charge on current activities		
UK corporation tax at 19% (2019: 19%) based on profit for the year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	46,711	94,070
Current tax charge for the year:		
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	8,875	17,873
Tax relief for gift aid donation	(8,875)	(17,873)
	-	-

A current tax rate of 19%, being the UK corporation tax rate throughout the period, has been applied to the year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Vehicles / Plant and Equipment £	Total £
Cost			
At 1 January 2020	1,034,532	196,220	1,230,752
Additions	-	7,602	7,602
At 31 December 2020	1,034,532	203,822	1,238,354
Depreciation			
At 1 January 2020	46,985	94,200	141,185
Charge for year	23,493	40,589	64,082
At 31 December 2020	70,478	134,789	205,267
Net book value			
31 December 2020	964,054	69,033	1,033,087
31 December 2019	987,547	102,020	1,089,567

Charity	Freehold land and buildings £	Vehicles / Plant and Equipment £	Total £
Cost			
At 1 January 2020	1,034,966	140,709	1,175,675
Additions	-	7,602	7,602
At 31 December 2020	1,034,966	148,311	1,183,277
Depreciation			
At 1 January 2020	46,985	38,689	85,674
Charge for year	23,493	40,589	64,082
At 31 December 2020	70,478	79,278	149,756
Net book value			
31 December 2020	964,488	69,033	1,033,521
31 December 2019	987,981	102,020	1,090,001

Freehold land and buildings consist of properties occupied by the Charity for its own purposes.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

12. SOCIAL INVESTMENTS

Group	Defence Establishment £	Stanford Hall Rehabilitation Estate £	Total £
Cost			
At 1 January 2020	265,037,695	4,321,170	269,358,865
Additions	1,616,144	-	1,616,144
Transfers	-	-	-
At 31 December 2020	266,653,839	4,321,170	270,975,009
Depreciation			
At 1 January 2020 and at 31 December 2020	-	-	-
Net book value			
31 December 2020	266,653,839	4,321,170	270,975,009
31 December 2019	265,037,695	4,321,170	269,358,865

Charity	Defence Establishment £	Stanford Hall Rehabilitation Estate £	Total £
Cost			
At 1 January 2020	272,647,188	4,348,932	276,996,120
Additions	1,664,627	-	1,664,627
Transfers	-	-	-
At 31 December 2020	274,311,815	4,348,932	278,660,747
Depreciation			
At 1 January 2020 and at 31 December 2020	-	-	-
Net book value			
31 December 2020	274,311,815	4,348,932	278,660,747
31 December 2019	272,647,188	4,348,932	276,996,120

The Defence establishment asset is leased to the Ministry of Defence under an operating lease with peppercorn annual rent. Borrowing costs amounting to £4.4m (2019: £4.4m) have been included in the cost of the Defence establishment. The Stanford Hall Rehabilitation Estate asset comprises the remainder of the estate on which the Defence facility is situated. This land includes running tracks and outdoor exercise areas on varied terrain and is an important element in the treatment process for Defence establishment patients.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

13. INVESTMENT PROPERTY

Valuation	Group £	Charity £
At 1 January 2020 and at 31 December 2020	1,130,000	1,130,000

Investment property consists of three properties (2019: three properties) on which rental income is earned.

All investment properties were valued as at 31 December 2019 by independent external valuers. The valuations were carried out on the basis of market value for existing use in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2017 and were performed by Strutt & Parker. Trustees deem that investment property values will not have changed materially by 31 December 2020 and the properties therefore continue to be carried at the valuation amounts.

14. SUBSIDIARY UNDERTAKING

Charity	2020 £	2019 £
Subsidiary undertaking	120,000	120,000

The investment relates to the entire ordinary share capital of BS Stanford Limited, a company incorporated in the United Kingdom and registered in England and Wales (registration number 7489494). The registered office of BS Stanford Ltd is 70 Grosvenor Street, London, W1K 3JP. The principal activity of the company is to provide Managing Contractor services to the Charity in relation to the design, management and construction of the DMRC. BS Stanford Limited donates its distributable profits to The Black Stork Charity. A summary of the results of the trading company for the year ended 31 December 2020 are shown below.

Profit and loss account	2020 £	2019 £
Turnover	1,699,198	3,317,416
Cost of sales	(1,649,707)	(3,220,820)
Gross profit	49,491	96,596
Administrative expenses	(2,800)	(2,750)
Operating profit	46,691	93,846
Net interest receivable	20	224
Amounts donated to the Charity	(46,711)	(94,070)
Retained profit	-	-
Balance brought forward	-	-
Balance carried forward	-	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

14. SUBSIDIARY UNDERTAKING (continued)

Balance sheet as at 31 December 2020:

	2020	2019
	£	£
Current assets	1,616,668	265,818
Creditors: Amounts falling due within one year	(1,496,668)	(145,818)
Net assets	120,000	120,000
Share Capital	120,000	120,000
Profit and loss account	-	-
Shareholder's funds	120,000	120,000

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Prepayments and accrued income	179,745	138,999	213,803	136,989
Taxation and social security	193,480	398,251	17,585	23,703
Amount owed by subsidiary undertaking	-	-	-	7
	373,225	537,250	231,388	160,699

Amount owed by subsidiary undertaking is repayable on demand with no interest being charged on the balance.

16. RESTRICTIONS ON CASH AND CASH EQUIVALENTS

Total cash and cash equivalents included cash amounting to £3.0m (2019: £1.8m) which was held in restricted accounts under the lease with the MoD to be spent on maintenance of the Defence facility and the Stanford Hall Rehabilitation Estate.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	37,404	-	115,424	-
Accruals and deferred income	1,819,937	565,444	650,134	625,865
Life Cycle Charge creditor	698,542	698,542	677,672	677,672
Taxation and social security	12,765	12,765	10,440	10,440
Amount owed to subsidiary undertaking	-	152,721	-	-
	2,568,648	1,429,472	1,453,670	1,313,977

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The Life Cycle Charge creditor represents restricted funds held by the Charity to be applied against future expenditure, estimated to be falling due within one year, in relation to the Defence facility as required under the lease with the MoD.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Other loans: repayable between one and five years	23,000,000	23,000,000	28,000,000	28,000,000
Life Cycle Charge creditor	2,013,360	2,013,360	644,416	644,416
	25,013,360	25,013,360	28,644,416	28,644,416

Creditors falling due after more than one year includes one loan (2019: one loan), which is unsecured (2019: unsecured). This loan is interest free, non-recourse and for a period to 6 July 2022.

The Life Cycle Charge creditor represents restricted funds held by the Charity to be applied against future expenditure, estimated to be falling due after more than one year, in relation to the Defence facility as required under the lease with the MoD.

19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Total funds 2019
		£	£	£
INCOME FROM:				
Donations	3	52,050,462	8,373,766	60,424,228
Income from charitable activities	4	-	645,944	645,944
Investment income - bank interest		82,177	550	82,727
Other trading activities - rental income		24,931	-	24,931
TOTAL INCOME		52,157,570	9,020,260	61,177,830
EXPENDITURE ON:				
Raising funds	5	(94,040)	-	(94,040)
Charitable activities	6	(1,308,705)	(663,639)	(1,972,344)
TOTAL EXPENDITURE		(1,402,745)	(663,639)	(2,066,384)
Net income before net gains on investments		50,754,825	8,356,621	59,111,446
Net (losses)/gains on investments		(208,388)	-	(208,388)
Net income for the year	8	50,546,437	8,356,621	58,903,058
Transfer between funds		8,000,000	(8,000,000)	-
NET MOVEMENT IN FUNDS		58,546,437	356,621	58,903,058
Total funds brought forward		194,953,593	150,000	195,103,593
TOTAL FUNDS CARRIED FORWARD		253,500,030	506,621	254,006,651

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

20. CASHFLOW STATEMENT

Reconciliation of net income to cash generated by operations:

	2020 £	2019 £
Net income for the year	1,263,337	58,903,058
Adjustments for:		
Interest receivable	(24,640)	(82,727)
Gift in kind – fixed assets	-	(68,580)
Fixtures, fittings and equipment	(1,007)	(5,975)
Losses on investments	-	208,388
Depreciation and impairment charges	64,082	62,553
Operating cashflow before movement in working capital	1,301,772	59,016,717
(Increase)/Decrease in debtors	(141,836)	31,159,989
Increase/(Decrease) in creditors	2,483,921	(19,552)
Cash generated by operating activities	3,643,857	90,157,154
Restricted funds	150,000	8,305,186
Unrestricted funds	3,493,857	81,851,968
Cash generated by operating activities	3,643,857	90,157,154

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

21. MOVEMENT IN UNRESTRICTED FUNDS

2020

Group	**At 1 January 2020**	**Income**	**Expenditure and losses**	**Transfers**	**At 31 December 2020**
	£	**£**	**£**	**£**	**£**
General reserves	9,973,033	2,015,616	(838,197)	(6,623,746)	4,526,706
Designated fund: Fixed assets	243,526,997	-	(46,937)	6,623,746	250,103,806
Total unrestricted funds	253,500,030	2,015,616	(885,134)	-	254,630,512

Charity	**At 1 January 2020**	**Income**	**Expenditure and losses**	**Transfers**	**At 31 December 2020**
	£	**£**	**£**	**£**	**£**
General reserves	9,853,034	2,062,306	(836,404)	(6,672,229)	4,406,707
Designated funds: Fixed assets	251,284,686	-	(46,937)	6,672,229	257,909,978
Total unrestricted funds	261,137,720	2,062,306	(883,341)	-	262,316,685

Analysis of transfers:

	Group	**Charity**
	£	**£**
Transfer to designated fund	(6,623,746)	(6,672,229)
	(6,623,746)	(6,672,229)

The fixed asset fund is an unrestricted designated fund and represents net resources invested in tangible fixed assets and fixed asset investments, less the bridging facilities utilised to acquire those fixed assets and fixed asset investments. The fund is therefore not readily available for other purposes.

The unrestricted general reserve represents surplus funds at the year-end held for investment by the Trustees into the ongoing DNRC Programme and the Charity's wider strategy.

The above transfers from the unrestricted general reserve to the designated fixed asset fund results from social investment additions in the year as well as the £5m repayment of bridging facilities.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

21. MOVEMENT IN UNRESTRICTED FUNDS (continued)

2019

Group	**At 1 January 2019**	**Income and gains**	**Expenditure**	**Transfers**	**At 31 December 2019**
	£	**£**	**£**	**£**	**£**
General reserves	34,003,945	52,157,570	(1,357,336)	(74,831,146)	9,973,033
Unrealised investment gain	70,000	-	(70,000)	-	-
Designated fund: Fixed assets	160,879,648	-	(183,797)	82,831,146	243,526,997
Total unrestricted funds	194,953,593	52,157,570	(1,611,133)	8,000,000	253,500,030

Charity	**At 1 January 2019**	**Income**	**Expenditure**	**Transfers**	**At 31 December 2019**
	£	**£**	**£**	**£**	**£**
General reserves	33,926,076	52,251,416	(1,360,559)	(74,963,899)	9,853,034
Unrealised investment gain	70,000	-	(70,000)	-	-
Designated funds: Fixed assets	168,504,584	-	(183,797)	82,963,899	251,284,686
Total unrestricted funds	202,500,660	52,251,416	(1,614,356)	8,000,000	261,137,720

Analysis of transfers:

	Group	**Charity**
	£	**£**
Transfer from restricted fund (see note 22)	8,000,000	8,000,000
Transfer to designated fund	(82,831,146)	(82,963,899)
	(74,831,146)	(74,963,899)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

22. MOVEMENT IN RESTRICTED FUNDS

2020

Group and Charity	**At 1 January 2020 £**	**Income £**	**Expenditure £**	**Transfers £**	**At 31 December 2020 £**
DNRC Programme	450,000	150,000	-	-	600,000
Golf clubhouse	5,186	-	-	-	5,186
Donated fixed asset	51,435	-	(17,145)	-	34,290
Life Cycle Charge	-	377,484	(377,484)	-	-
Estate Service Charge	-	377,380	(377,380)	-	-
Total restricted funds	506,621	904,864	(772,009)	-	639,476

During the year funds were received from one donor towards the DNRC Programme and, as required by that donor, these have been held as restricted funds until used. This donation of £150k towards educational provision in connection with the NHS facility had not been expended on its restricted purpose in the year and, in addition to £450k given by the same donor in previous years, was held as a restricted fund at the year end. These funds are due to be utilised during 2021.

Donations brought forward amounting to £5k towards the creation of a golf clubhouse on the Stanford Hall Rehabilitation Estate were not expended in the year and continued to be held as a restricted fund at the year end.

One donor had contributed fixed assets to the Charity in 2019 in the form of machinery to be utilised on the Stanford Hall Rehabilitation Estate. This has been depreciated in the year, as in 2019, in line with the Charity's fixed asset depreciation policy, and the Net Book Value of the asset was held as a restricted fund at the end of the year.

The Life Cycle Charge fund and the Estate Service Charge fund represent charges payable by the MoD in respect of the Defence facility and the wider estate grounds, and are restricted as required by the lease.

2019

Group and Charity	**At 1 January 2019 £**	**Income £**	**Expenditure £**	**Transfers £**	**At 31 December 2019 £**
DNRC Programme	150,000	8,300,000	-	(8,000,000)	450,000
Golf clubhouse	-	5,186	-	-	5,186
Donated fixed asset	-	68,580	(17,145)	-	51,435
Life Cycle Charge	-	347,965	(347,965)	-	-
Estate Service Charge	-	298,529	(298,529)	-	-
Total restricted funds	150,000	9,020,260	(663,639)	(8,000,000)	506,621

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

23. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

2020

	Unrestricted funds			
	General	Designated	Restricted funds	Total
Group	£	£	£	£
Fixed assets	-	273,103,806	34,290	273,138,096
Current assets	6,018,178	-	3,695,722	9,713,900
Creditors: amounts due < 1 year	(1,491,472)	-	(1,077,176)	(2,568,648)
Creditors: amounts due > 1 year	-	(23,000,000)	(2,013,360)	(25,013,360)
At 31 December 2020	4,526,706	250,103,806	639,476	255,269,988

	Unrestricted funds			
	General	Designated	Restricted funds	Total
Charity	£	£	£	£
Fixed assets	-	280,909,978	34,290	280,944,268
Current assets	4,759,003	-	3,695,722	8,454,725
Creditors: amounts due < 1 year	(352,296)	-	(1,077,176)	(1,429,472)
Creditors: amounts due > 1 year	-	(23,000,000)	(2,013,360)	(25,013,360)
At 31 December 2020	4,406,707	257,909,978	639,476	262,956,161

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

23. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS (continued)

2019

	Unrestricted funds			
	General	**Designated**	**Restricted funds**	**Total**
Group	**£**	**£**	**£**	**£**
Fixed assets	-	271,526,997	51,435	271,578,432
Current assets	10,313,567	-	2,212,738	12,526,305
Creditors: amounts due < 1 year	(340,534)	-	(1,113,136)	(1,453,670)
Creditors: amounts due > 1 year	-	(28,000,000)	(644,416)	(28,644,416)
At 31 December 2019	9,973,033	243,526,997	506,621	254,006,651

	Unrestricted funds			
	General	**Designated**	**Restricted funds**	**Total**
Charity	**£**	**£**	**£**	**£**
Fixed assets	-	279,284,686	51,435	279,336,121
Current assets	10,053,875	-	2,212,738	12,266,613
Creditors: amounts due < 1 year	(200,841)	-	(1,113,136)	(1,313,977)
Creditors: amounts due > 1 year	-	(28,000,000)	(644,416)	(28,644,416)
At 31 December 2019	9,853,034	251,284,686	506,621	261,644,341

24. FINANCIAL COMMITMENTS

Capital commitments are as follows:

Group and Charity	**2020**	**2019**
	£	**£**
Contracted but not provided for	25,179	602,123

The above commitments reflect the contracts entered into in order to deliver the construction of the Defence Establishment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

25. RELATED PARTY TRANSACTIONS

All transactions between the Charity and subsidiary, BS Stanford Limited, are eliminated on consolidation.

No Trustee received payment for professional or other services supplied to the Charity during the year (2019: £nil).

ACKNOWLEDGEMENTS

The target for the capital campaign to build the Defence facility was £300m, and this campaign was completed in the course of 2019 although pledge instalments continue to be collected. This has been possible because of the exceptional generosity of many donors – individuals, charitable foundations and companies – both in the UK and overseas, and not least the Grosvenor family which has contributed over £100m.

We should like to thank the following donors for their exceptional generosity:

- ABF The Soldiers' Charity
- His Majesty King Hamad bin Isa Al-Khalifa
- American Friends of Black Stork
- Anne Duchess of Westminster's Charity
- The Army Central Fund
- The Bacon Foundation
- BAE Systems
- The Bamford Charitable Foundation
- The Barclay Foundation
- Bayfield Charitable Trust
- The Michael Bishop Foundation
- Bloomberg Philanthropy
- Brendan and Helen Bechtel
- The Blavatnik Family Foundation
- Boodle Hatfield LLP
- Anthony Buckingham
- Bunzl Plc
- Burberry
- Denis Burrell
- The Cadogan Charity
- The Cahn Family
- The Charles Wolfson Charitable Trust
- City Veterans' Network
- Compass Group PLC
- The Eranda Rothschild Foundation
- Experian
- Garfield Weston Foundation
- Goldman Sachs Gives
- The Mike Gooley Trailfinders Charity
- The David and Claudia Harding Foundation
- Peter and Rosemary Hargreaves
- Headley Court Charity
- David Herro and Jay Franke
- The Hintze Family Charitable Foundation
- Committed by HM Treasury from The LIBOR Fund
- The Hobson Charity
- HSBC Holdings Plc
- ICAP plc
- Iceland Foods Charitable Foundation
- INEOS
- Knight Frank LLP
- Lloyds Banking Group
- Linney
- Andrew and Zoe Law
- Andrew and Nicola Loftus
- Richard and Linda Loftus
- Lord Leverhulme's Charitable Trust
- The Loveday Charitable Trust
- Jeremy Newsum
- Nuffield Trust for the Armed Forces of the Crown
- Paul Orchard-Lisle
- Palantir Technologies
- Pears Foundation
- Sir John and Lady Peace
- The Julia and Hans Rausing Trust
- Alan Rind
- Don and Jennifer Robert
- John and Sally Roberts
- The Rothermere Foundation
- The Royal British Legion
- The Royal Navy And Royal Marines Charity
- The Rumi Foundation
- The Sackler Foundation
- Lily Safra
- The Samworth Foundation
- Santander UK
- The Schroder Foundation
- Ellis and Eve Short
- Gordon and Jenny Singer
- The Sir Jules Thorn Charitable Trust
- The Stephen and Lucinda Bantoft Charitable Trust
- Barrie and Dena Webb
- The Westminster Foundation
- The Wolfson Foundation
- Jon Wood

And many other generous donors who wish to remain anonymous.