

The
Black Stork
Charity



DNRC
REPAIRING
OUR SERIOUSLY
WOUNDED

THE BLACK STORK CHARITY (The DNRC Charity)

Trustees' Annual Report and
Financial Statements for the
year ended 31 March 2024


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Chairman's introduction

In my last report I indicated that the principal activity of the Charity had become its 'enabling' activity to ensure that the significant second component of the overall DNRC Programme occurred on time – i.e. the National Rehabilitation Centre (NRC – construction funded by government and planned to start in early 2023 in order to take the first patients at the end of 2024). I also remarked that much of its activity had been affected by NHS processes – and that remains the case with processes having by now occupied 5½ years of the Charity's time and expenditure. However, I am confident that 'process' on that scale is now at an end and construction is well underway but, perhaps inevitably, is behind schedule. That, of course, has delayed the moment when the first patients will be admitted, but the Charity is also now positive about that happening in mid-2025 – probably in August. The NRC itself has significant clinical matters to attend to given the novelty of what is about to be undertaken – i.e. this is the first clinical rehabilitation establishment in the NHS. Consequently, developing a workforce from scratch is no mean task and is being made possible, in part, by diverting £1.5m from one DNRC major donor's gift. The matter of the MoD 'sharing' facilities and expertise with the NRC to mutual advantage has also been firmly on the agenda in this period. It has not been a straightforward task but should be in place when patients arrive. Whilst on the subject of the MoD's Defence Medical Rehabilitation Centre (DMRC), in the period March 2023 to March 2024 a total of 8,443 patients benefitted from DMRC care of whom 8,207 were outpatients and 236 were in-patients. In addition, the DMRC staff provided considerable support to Ukraine through training Ukrainian personnel, fitting prosthetics and supporting the building of rehabilitation hospitals in Ukraine.

Whilst the second element of the overall DNRC Programme is likely to draw to a close next year, it is not the end of the journey. The vital third phase will be the realisation of the conceptual basis (conceived at the outset in 2010), whereby the NRC becomes the 'national hub' which spawns 'spokes' around the country in the following decades. Only then will the Grosvenor family's true legacy be achieved – a legacy which promises to transform totally the way in which specialist rehab is done in this country with huge benefits for individuals and the national workforce – not least, as it turns out, in the changed circumstances following BREXIT and COVID. The ambitious target is set for the first spoke(s) to have been identified is 2030. The period 2026/7 will be when the newly established NRC sets out to prove its credentials as the 'national hub' in the clinical field, in the training and education arena (where a virtual 'Rehabilitation Academy' is in prospect) and finally in the R&D realm which is the area most in need of development (and where a new NRC Research Director has recently been appointed). Thus qualified, the NRC Board will embark on the task of making the case with government on the 'spokes' front.



Mark Preston
17 October 2024

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 March 2024.

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



The Defence rehab establishment on the eastern side of the estate – operational since 2018



The NHS rehab facility on the western side of the estate – under construction and expected to be operational in mid-2025

Officers and professional advisers

Trustees and directors

Mark Preston (Chairman)
Annabel Farbon

Registered office

70 Grosvenor Street
London
W1K 3JP

Registered company number 07619703

Registered charity number 1141934

Senior management

Director of the DNRC Programme
Construction Executive
Finance and Administrative Director

General Sir Timothy Granville-Chapman
Stephen Brewer
Catherine Fradley

Auditor

UHY Hacker Young
Thames House
Roman Square
Sittingbourne
ME10 4BJ

Legal advisor

Boodle Hatfield
240 Blackfriars Road
London SE1 8NW

Bankers

National Westminster Bank
Public Sector and Charities team
Parklands
3 De Havilland Way
Horwich
Bolton BL6 4YU

Review of achievements and plans for the future

The Defence Facility – fully established

There is little new to report on the activities of the DMRC as the establishment continues to function in its fully developed state, having taken its first patients in 2018. It also continues to be active in the research field – manifest, not least, in the activity of its Academic Department of Military Rehabilitation (ADMR).

In the last report 2 significant 'snagging' issues were reported which have now been remedied to the satisfaction of the MoD. As also reported, there remains the possibility of fire regulatory compliance issues having to be attended to in the light of the Grenfell Tower Inquiry.

The National opportunity - ongoing

As the Chairman has outlined in his introduction, the NHS process to ensure construction of the NRC has taken 5½ years rather than the estimated 2 years – but it is now very likely that the first patients will be treated in the new NRC in mid-2025. Thereafter, the emphasis on the 'national' front will switch to the NRC Board developing the full *concept* for the NRC which is the establishment over the next decades of rehab 'spokes' stemming from the 'national hub' now being constructed on the Stanford Hall Estate (SHRE).

The aerial architectural impression of the NRC viewed from the south is shown below:



and from the north:



Review of achievements and plans for the future (continued)

The basis on which the estate is managed

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 with an opportunity at the 60 year point for a *new* lease for a further 34 years to be considered. The 65 year lease will be granted to NUH in the first instance as an Agreement for Lease (AfL) following the exchange of contracts between NUH and its construction partner when the Charity will assign planning rights to allow NHS construction to proceed. The actual lease will not be granted until construction is complete and the NHS is about to accept its first patients (anticipated as occurring in mid-2025).

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 BS Stanford Limited (BSS) through regular meetings on site and is outlined in the lease (the BSS task will be assimilated in the Charity from mid-2025 onwards). A similar arrangement will be instituted with NUH when it also becomes a tenant – but some change to the governance arrangements may occur.

Financial review

Total income for the year decreased by £2.4m to £1.6m (2023: £4m).

Donations of £1m (2023: £1.6m) decreased by £0.6m due to delays in receipt of outstanding pledges in respect of the DNRC Programme. A donation of £150k received (2023: £150k) will be applied towards educational provision in connection with the NRC and has been accounted for as a restricted donation as in prior accounting periods.

Income from charitable activities was £0.5m (2023: £1.1m). This income is received from the MOD, as tenant, towards maintenance of the Defence facility and Stanford Hall Rehabilitation Estate (SHRE) grounds to ensure they remain in excellent condition for the rehabilitation of patients of the facility. It is treated as restricted income and recognised to the extent relevant expenditure is incurred. Amounts received from the MoD which are not spent during the year are held as a creditor until used to fund future expenditure. The decrease from 2023 reflects lower expenditure on maintenance during the year pending agreement of a revised maintenance programme which was agreed shortly after the year end.

Income from trading activities decreased by £1.2m to £0.1m (2023: £1.3m). £1.2m of NRC enablement costs were invoiced to NUH in the prior year being NRC entrance works undertaken by BS Stanford Limited as contractor but reimbursable in full by NUH. The work had largely been completed by the end of the prior year.

Expenditure on raising funds increased slightly to £3k (2023: £2k), being ongoing costs relating to stewardship of major donors and collection of pledge instalments following the closure of the DNRC fundraising campaign in 2019.

£1.1m expenditure on charitable activities was £2.1m lower (2023: £3.2m). The decrease is mainly due to £1.2m lower NRC entrance works construction costs as noted above, £0.6m lower life cycle maintenance also noted above, £0.5m lower NRC enabling expenditure (£0.4m staff training and educational provision in advance of the facility opening was paid in 2023), offset by £0.1m increased estate running costs and a contribution of £0.1m paid towards neuro ward remedial works in the DMRC.

Financial review (continued)

Consolidated net assets of £269.2m (31 March 2023: £268.8m) represent the investment in fixed assets and the reserves necessary to continue the delivery of the DNRC Programme and therefore fulfils 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 Trustees review the Charity's reserves policy annually, taking into account planned activities and forecast expenditure required to deliver these plans. Following the completion of the Defence Facility, the Charity's main objectives are collection of outstanding fundraising pledges (which will be used to repay the balance remaining under the loan facility), liaising with the MoD as 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 £3.1m (31 March 2023: £2.2m), together with anticipated donation pledges, will be used to deliver these objectives and associated overhead costs. The Trustees have agreed that a minimum cash reserve of £1m be held, which is deemed sufficient to meet two years running costs excluding expenditure which is funded by income received under the MoD lease. The trustees have assessed the level of future Charity expenditure required to enable the NRC and for ongoing management of the Stanford Hall Rehabilitation Estate and consider that the year end general reserve balance is more than sufficient.

Going concern

The trustees have recently considered forecast cashflows to March 2029. The Charity receives sufficient income from the MoD as tenant to meet expenditure on the Defence Facility and wider Stanford Hall Rehabilitation Estate. As the construction costs of the NRC are being funded by the NHS, the Charity has no significant financial commitments or operating costs.

The trustees have considered the level of unrestricted funds and facilities available and have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these accounts. Accordingly, the accounts have been prepared on the basis that the Group is a going concern.

Post balance sheet events

Other than the completion of the sale of Rowan House, which was classified as an asset held for sale in the Balance Sheet at 31 March 2024, there have been no significant events affecting the Charity since 31 March 2024.

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 March 2024, the details of which are given in note 15 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 Charity and ensuring that its activities comply with UK law and its agreed charitable objects. It sets the strategy for the Charity, the responsibility for the execution of which is delegated to the senior management team of the Charity (detailed on page 3) principally through the Programme Director. The Board convened three times during the financial year and it receives reports from the Senior Management 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.

The Charity has a sole member who approves trustee appointments.

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

Mark Preston	Chairman
Anna Bond	Resigned 29 March 2024
Annabel Farbon	

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 now principally involves the Ministry of Defence (MoD), Department of Health and Social Care (DHSC), NHS England (NHSE), and the New Hospital Programme (NHP).

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 now the NRC.

The Charity owns the freehold title to the SHRE which was purchased by the 6th Duke of Westminster in 2011 and subsequently gifted to the Charity 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. The DNRC Programme Director together with BSS are fully involved in 'enabling' the NRC Programme, not least now in relation to the forthcoming NRC construction.

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 foreseeable risks associated with the Defence establishment where 'snagging', delayed somewhat by COVID, is now complete. The risk of delay to the NRC construction programme has now materialised and it is known that the first patients will not be treated until mid-2025 as opposed to late 2024.

Senior management remuneration policy

One of the three members of the senior management team was employed by the Charity throughout the year. The other two senior managers were donated free of charge – additional disclosure is made in the notes to the financial statements.

The remuneration policy covers all employees and is the responsibility of the Trustees. It 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 the year.

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.

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.

Structure, governance and management (continued)

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

A resolution for the reappointment of UHY Hacker Young as the Charity's auditor will be proposed at a future Trustee meeting.

The Trustees' annual report including strategic report were approved by the Board of Trustees (in their capacity as company directors) on 17 October 2024 and signed on its behalf by:



Mark Preston - Chairman

**Financial statements
for the year ended 31 March 2024**

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

Opinion

We have audited the financial statements of the Black Stork Charity (the 'parent charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Group Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 or 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.

Other information

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

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees 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.

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

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.

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.

How the audit was considered capable of detecting irregularities, including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charitable company, including the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

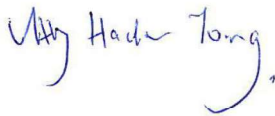
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.



Allan Hickie BSc FCA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Thames House
Roman Square
Sittingbourne
Kent. ME10 4BJ

Date: 18 October 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account) Year ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations	3	814,792	150,000	964,792	1,570,976
Charitable activities	4	-	476,059	476,059	1,074,227
Investments - bank interest		21,094	5,588	26,682	9,677
Trading activities	5	116,661	-	116,661	1,306,285
TOTAL INCOME		952,547	631,647	1,584,194	3,961,165
EXPENDITURE ON:					
Raising funds	6	(2,893)	-	(2,893)	(2,193)
Charitable activities	7	(650,573)	(481,647)	(1,132,220)	(3,249,682)
TOTAL EXPENDITURE		(653,466)	(481,647)	(1,135,113)	(3,251,875)
NET INCOME	9	299,081	150,000	449,081	709,290
OTHER RECOGNISED GAINS/(LOSSES):					
Losses on revaluation of fixed assets	14	(32,830)	-	(32,830)	-
NET MOVEMENT IN FUNDS		266,251	150,000	416,251	709,290
Total funds brought forward		268,604,553	173,232	268,777,785	268,068,495
Total funds carried forward	23/25	268,870,804	323,232	269,194,036	268,777,785

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 20 for comparative consolidated statement of financial activities analysed by funds.

BALANCE SHEETS

At 31 March 2024

		2024		2023	
	Notes	Group £	Charity £	Group £	Charity £
Fixed assets					
Tangible assets	12	890,730	891,164	916,861	917,295
Investments – social investments	13	271,306,246	279,000,421	271,306,246	279,000,421
Investments – investment property	14	600,000	600,000	1,130,000	1,130,000
Investments – subsidiary undertakings	15	-	114,623	-	120,000
		<u>272,796,976</u>	<u>280,606,208</u>	<u>273,353,107</u>	<u>281,167,716</u>
Current assets					
Asset held for sale	14	497,170	497,170	-	-
Debtors: amounts falling due within one year	16	58,476	32,646	276,719	45,604
Cash at bank and in hand	17	10,264,758	10,147,334	8,095,898	8,044,624
		<u>10,820,404</u>	<u>10,677,150</u>	<u>8,372,617</u>	<u>8,090,228</u>
Creditors: amounts falling due within one year	18	(2,425,861)	(2,397,231)	(2,041,917)	(1,876,841)
NET CURRENT ASSETS		8,394,543	8,279,919	6,330,700	6,213,387
Creditors: amounts falling due after one year	19	(11,997,483)	(11,997,483)	(10,906,022)	(10,906,022)
NET ASSETS		<u>269,194,036</u>	<u>276,888,644</u>	<u>268,777,785</u>	<u>276,475,081</u>
FUNDS					
Unrestricted funds					
General funds		3,073,828	2,959,204	2,251,446	2,134,133
Designated funds		265,796,976	273,606,208	266,353,107	274,167,716
Total unrestricted funds	23	268,870,804	276,565,412	268,604,553	276,301,849
Restricted funds	24	323,232	323,232	173,232	173,232
TOTAL FUNDS		<u>269,194,036</u>	<u>276,888,644</u>	<u>268,777,785</u>	<u>276,475,081</u>

The surplus of the parent charity for the year ended 31 March 2024 for Companies Act purposes is £446,393 (2023: £711,976).

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 17 October 2024.

They were signed on its behalf by:



Mark Preston (Chairman of Trustees)

CONSOLIDATED CASHFLOW STATEMENT

Year ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Net cash flow from operating activities	21	1,992,178	150,000	2,142,178	4,667,146
Cash flows from investing activities					
Interest received		26,682	-	26,682	9,677
Purchase of vehicles, plant & equipment		-	-	-	(4,850)
Purchase of social investment related property		-	-	-	(50,000)
Net cash used in investing activities		26,682	-	26,682	(45,173)
Cash flows from financing activities					
Cash outflows from loans repaid		-	-	-	(3,000,000)
Net cash used in financing activities		-	-	-	(3,000,000)
Net increase in cash and cash equivalents		2,018,860	150,000	2,168,860	1,621,973
Cash and cash equivalents at beginning of year		7,922,666	173,232	8,095,898	6,473,925
Cash and cash equivalents at end of year	17	9,941,526	323,232	10,264,758	8,095,898

Analysis of changes in net debt

	At 1 April 2023 £	Cashflows £	At 31 March 2024 £
Cash at bank and in hand	8,095,898	2,168,860	10,264,758
Debt:			
Loans falling due after more than one year	(7,000,000)	-	(7,000,000)
Total	1,095,898	2,168,860	3,264,758

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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 two 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 FRS102 – second edition)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019 and the Companies Act 2006.

The principal accounting policies are set out below.

(c) Preparation of financial statements – going concern basis

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report which also describes the financial position of the Group including its net assets and reserves policy. Taking these into consideration, and having reviewed future cashflows, the level of unrestricted funds and loan facilities available, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

(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 15. 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.

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Year ended 31 March 2024

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 received, as until this point the Charity is not considered to have entitlement to these sources of income.

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.

Trading activities includes rental income from investment properties, other parkland income and BS Stanford turnover largely comprising NRC enabling expenditure reimbursed by Nottingham University Hospitals (NUH).

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 collecting outstanding pledges from the fundraising campaign and ongoing stewardship of major donors.

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 8. Governance costs comprise costs relating to the public accountability of the Charity and its compliance with regulation and good practice including audit and legal fees.

(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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

(i) Taxation (continued)

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 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.

(l) Assets held for sale

Assets held for sale are carried at fair value less costs to sell. Impairment is considered at the point of classification of the item as 'held for sale' and subsequently.

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

(n) 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.

(o) 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 accounting judgements, other than those noted below involving estimations, applied in the preparation of the accounts.

Key sources of estimation uncertainty

a) Valuation of investment property

An independent external valuation of the investment properties was undertaken in December 2019 on the basis of market value for existing use in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2017. A desk top valuation by the same valuer was undertaken for the purposes of these financial statements which considered market data for property in the locality. As a result, the Trustees consider the carrying valuation of investment property to be appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

b) Residual value of social investment property

The lease of the social investment property contains provisions for the payment of an annual Life Cycle Charge, the purpose of which is to ensure that the individual elements of Defence Establishment are maintained and/or replaced at appropriate intervals. Maintenance of the Defence Establishment in this manner should ensure that no material dilapidations will have accrued at the end of the lease term and that there is no significant reduction in value of the social investment property. Not providing for depreciation is therefore considered necessary for the accounts to give a true and fair view. The Trustees have reviewed the buildings for factors which would indicate that the carrying value of social investment property is impaired. No such factors have been identified.

c) Classification of life cycle creditor

The life cycle creditor comprises cumulative annual life cycle receipts from the MoD less maintenance/replacement expenditure incurred since the start of the lease plus interest received on ringfenced unspent funds. In determining the split of the creditor between less than and more than one year, expenditure forecasts prepared by the MoD are used as a best estimate.

3. ANALYSIS OF INCOME FROM DONATIONS

2024	Unrestricted funds £	Restricted funds £	Total funds £
Donations	503,095	150,000	653,095
Donated services	311,697	-	311,697
	<u>814,792</u>	<u>150,000</u>	<u>964,792</u>
2023	Unrestricted funds £	Restricted funds £	Total funds £
Donations	1,117,379	150,000	1,267,379
Donated services	303,597	-	303,597
	<u>1,420,976</u>	<u>150,000</u>	<u>1,570,976</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

4. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

2024	Unrestricted funds £	Restricted funds £	Total funds £
Life Cycle Charge	-	17,305	17,305
Estate Service Charge	-	458,754	458,754
	-	476,059	476,059
2023	Unrestricted funds £	Restricted funds £	Total funds £
Life Cycle Charge	-	657,469	657,469
Estate Service Charge	-	416,758	416,758
	-	1,074,227	1,074,227

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 INCOME FROM TRADING ACTIVITIES

2024	Unrestricted funds £	Restricted funds £	Total funds £
Turnover	59,669	-	59,669
Rental & parkland income	56,992	-	56,992
	116,661	-	116,661
2023	Unrestricted funds £	Restricted funds £	Total funds £
Turnover	1,250,702	-	1,250,702
Rental & parkland income	55,583	-	55,583
	1,306,285	-	1,306,285

Prior year turnover principally reflected expenditure reimbursed by Nottingham University Hospitals (NUH) during the year in respect of NRC enabling activity. This continued into 2023/24 but to a lesser extent.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

6. 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 which enabled construction of the Defence Establishment.

	2024	2023
	£	£
Support costs (see note 8)	-	22
Other fundraising costs	2,893	2,171
	<u>2,893</u>	<u>2,193</u>

The cost ratio to income for the period is 0.2% (2023: 0.1%).

7. 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 'enablement' of the establishment of the NRC, as explained in the Trustees Annual report. Current year costs include £26k (2023: £1,222k) expenditure incurred by the subsidiary company, BS Stanford Limited, in respect of NRC entrance works which is reflected in income from trading activities.

	2024	2023
	£	£
Direct charitable costs	1,034,506	3,154,972
Support costs (see note 8)	97,714	94,710
	<u>1,132,220</u>	<u>3,249,682</u>

Included in these costs are donated services of £312k (31 March 2023: £304k), £44k (31 March 2023: £44k) of which are support costs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

8. ANALYSIS OF SUPPORT COSTS

2024	Raising funds £	Direct charitable £	Total £	Basis of allocation
Governance	-	15,646	15,646	In line with activity
Finance	-	41,600	41,600	Allocated on time
Office, secretarial and HR	-	40,468	40,468	Allocated on time
	-	97,714	97,714	

2023	Raising funds £	Direct charitable £	Total £	Basis of allocation
Governance	22	15,280	15,302	In line with activity
Finance	-	41,305	41,305	Allocated on time
Office, secretarial and HR	-	38,125	38,125	Allocated on time
	22	94,710	94,732	

Included in the above support costs are donated services of £44k (2023: £44k).

Governance costs largely comprise amounts paid to the Group's auditor in respect of the external audit.

9. NET INCOME FOR THE YEAR

Net income is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets – owned	26,131	44,484
Auditor's remuneration:		
Fees payable to the Charity's auditor for the audit of the Charity's annual financial statements	12,400	11,940
Fees payable to the Charity's auditor for other services to the Group: the audit of the Charity's subsidiary	3,100	2,850

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

10. 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	2024 No.	2023 No.
Charitable activities	2	2
	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

Group and Charity	2024 £	2023 £
Wages and salaries	97,419	92,183
Social security costs	5,769	6,807
	<u>103,188</u>	<u>98,990</u>

No employee earned total employee benefits in excess of £60,000 during either the current or prior year.

The key management personnel of the Group and Charity comprise the Trustees and senior management, who are listed on page 3. The total remuneration of those individuals totalled £336k (2023: £325k), of which £273k (2023: £265k) was not directly incurred by the Charity as their services were donated.

Trustees' Remuneration

No Trustee received any remuneration or benefits in kind during the year or prior year. During the year to 31 March 2024 no Trustee received reimbursement of expenses (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

11. TAX ON LOSS OF TRADING SUBSIDIARY

	2024 £	2023 £
UK corporation tax at 19% (2023: 19%) based on loss for the year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (prior year: lower than) the standard rate of corporation tax of 19% (31 March 2023: 19%) for small companies. The differences are explained below:

	2024 £	2023 £
Loss before tax	(2,689)	(2,688)
Current tax charge for the year:		
Loss at standard rate of corporation tax of 19% (2023: 19%)	(512)	(511)
Unprovided deferred tax	512	511
	-	-

The small profits rate of 19% has been used in the above calculation, as it is not anticipated that the company will make future profits in excess of £50,000.

A deferred tax asset has not been recognised in respect of certain timing differences relating to losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £1,022 (2023: £672).

There is no expiry date on timing differences, unused tax losses or credits. There are no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

12. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Vehicles / Plant and Equipment £	Total £
Cost			
At 1 April 2023 and 31 March 2024	1,034,532	208,672	1,243,204
Depreciation			
At 1 April 2023	123,338	203,005	326,343
Charge for year	23,493	2,638	26,131
At 31 March 2024	146,831	205,643	352,474
Net book value			
At 31 March 2024	887,701	3,029	890,730
At 31 March 2023	911,194	5,667	916,861
Charity			
Cost	£	£	£
At 1 April 2023 and 31 March 2024	1,034,966	153,161	1,188,127
Depreciation			
At 1 April 2023	123,338	147,494	270,832
Charge for year	23,493	2,638	26,131
At 31 March 2024	146,831	150,132	296,963
Net book value			
31 March 2024	888,135	3,029	891,164
31 March 2023	911,628	5,667	917,295

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

13. SOCIAL INVESTMENTS

Group	Defence Establishment £	Stanford Hall Rehabilitation Estate £	Total £
Cost			
At 1 April 2023 and 31 March 2024	266,935,076	4,371,170	271,306,246
Depreciation			
At 1 April 2023 and at 31 March 2024	-	-	-
Net book value			
31 March 2024	266,935,076	4,371,170	271,306,246
31 March 2023	266,935,076	4,371,170	271,306,246
Charity			
Cost			
At 1 April 2023 and 31 March 2024	274,601,489	4,398,932	279,000,421
Depreciation			
At 1 April 2023 and at 31 March 2024	-	-	-
Net book value			
31 March 2024	274,601,489	4,398,932	279,000,421
31 March 2023	274,601,489	4,398,932	279,000,421

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 (31 March 2023: £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 March 2024

14. INVESTMENT PROPERTY

Valuation	Group £	Charity £
At 1 April 2023	1,130,000	1,130,000
Impairment provision	(32,830)	(32,830)
Transfer to current assets	(497,170)	(497,170)
At 31 March 2024	<u>600,000</u>	<u>600,000</u>

Investment property consists of two properties (2023: three properties) on which rental income is earned. During the year, the Trustees agreed to market one of the properties for sale with the property being sold in April 2024. This property has been transferred to current assets after adjustment for impairment to reflect the net proceeds received from the sale.

The 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 March 2024 and the properties therefore continue to be carried at the valuation amounts.

15. SUBSIDIARY UNDERTAKING

Charity	2024 £	2023 £
Subsidiary undertaking – at cost 1 April 2023	120,000	120,000
Impairment provision	(5,377)	-
Valuation at 31 March 2024	<u>114,623</u>	<u>120,000</u>

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 DNRC. During the year, the Charity has impaired the investment so that the carrying value represents the subsidiary undertakings net asset value. A summary of the results of the trading company for the year ended 31 March 2024 are shown below.

Profit and loss account	2024 £	2023 £
Turnover	64,211	1,254,317
Cost of sales	(64,079)	(1,254,212)
Gross profit	132	105
Administrative expenses	(3,100)	(2,856)
Operating loss	(2,968)	(2,751)
Net interest receivable	279	63
Retained loss	(2,689)	(2,688)
Balance brought forward	(2,688)	-
Balance carried forward	<u>(5,377)</u>	<u>(2,688)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

15. SUBSIDIARY UNDERTAKING (continued)

Balance sheet as at 31 March 2024:

	2024 £	2023 £
Current assets	147,796	287,721
Creditors: Amounts falling due within one year	(33,173)	(170,409)
Net assets	114,623	117,312
Share capital	120,000	120,000
Profit and loss account	(5,377)	(2,688)
Shareholder's funds	114,623	117,312

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Group £	Charity £	Group £	Charity £
Prepayments and accrued income	45,516	19,686	268,960	33,683
Taxation and social security	12,960	12,960	7,759	11,921
	58,476	32,646	276,719	45,604

17. RESTRICTIONS ON CASH AND CASH EQUIVALENTS

Total cash and cash equivalents included cash amounting to £7.3m (2023: £5.7m) 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.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Group £	Charity £	Group £	Charity £
Trade creditors	10,074	10,074	176,906	14,820
Accruals and deferred income	81,468	53,312	645,865	641,704
Life Cycle Charge creditor	2,325,843	2,325,843	1,215,870	1,215,870
Taxation and social security	8,476	3,459	3,276	3,276
Amount owed to subsidiary undertaking	-	4,543	-	1,171
	2,425,861	2,397,231	2,041,917	1,876,841

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

18. 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.

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

	2024		2023	
	Group £	Charity £	Group £	Charity £
Other loans: repayable between one and five years	7,000,000	7,000,000	7,000,000	7,000,000
Life Cycle Charge creditor	4,997,483	4,997,483	3,906,022	3,906,022
	<u>11,997,483</u>	<u>11,997,483</u>	<u>10,906,022</u>	<u>10,906,022</u>

Creditors falling due after more than one year includes one loan (2023: one loan), which is unsecured (2023: unsecured). This loan is interest free, non-recourse and for a period to 6 July 2027.

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.

20. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Total funds 2023
		£	£	£
INCOME FROM:				
Donations	3	1,420,976	150,000	1,570,976
Charitable activities	4	-	1,074,227	1,074,227
Investment income - bank interest		8,025	1,652	9,677
Other trading activities	5	1,306,285	-	1,306,285
TOTAL INCOME		<u>2,735,286</u>	<u>1,225,879</u>	<u>3,961,165</u>
EXPENDITURE ON:				
Raising funds	6	(2,193)	-	(2,193)
Charitable activities	7	(1,703,354)	(1,546,328)	(3,249,682)
TOTAL EXPENDITURE		<u>(1,705,547)</u>	<u>(1,546,328)</u>	<u>(3,251,875)</u>
NET INCOME FOR THE YEAR BEING NET MOVEMENT IN FUNDS		<u>1,029,739</u>	<u>(320,449)</u>	<u>709,290</u>
Total funds brought forward		267,574,814	493,681	268,068,495
TOTAL FUNDS CARRIED FORWARD		<u>268,604,553</u>	<u>173,232</u>	<u>268,777,785</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

21. CASHFLOW STATEMENT

Reconciliation of net income to cash generated by operations:

	2024	2023
	£	£
Net income for the year	449,081	709,290
Adjustments for:		
Interest receivable	(26,682)	(9,677)
Depreciation	26,131	44,484
Operating cashflow before movement in working capital	448,530	744,097
Decrease in debtors	218,243	2,235,597
Increase in creditors	1,475,405	1,687,452
Cash generated by operating activities	2,142,178	4,667,146
Restricted funds	150,000	(307,590)
Unrestricted funds	1,992,178	4,974,736
Cash generated by operating activities	2,142,178	4,667,146

22. FINANCIAL INSTRUMENTS

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Financial assets measured at fair value through income and expenditure	1,097,170	1,097,170	1,130,000	1,130,000

Financial assets measured at fair value through income and expenditure comprise investment properties and assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

23. MOVEMENT IN UNRESTRICTED FUNDS

2024

Group	At 1 April 2023 £	Income £	Expenditure and losses £	Transfers £	At 31 March 2024 £
General reserves	2,251,446	952,547	(660,165)	530,000	3,073,828
Designated fund:					
Fixed assets	266,353,107	-	(26,131)	(530,000)	265,796,976
Total unrestricted funds	268,604,553	952,547	(686,296)	-	268,870,804

Charity	At 1 April 2023 £	Income £	Expenditure and losses £	Transfers £	At 31 March 2024 £
General reserves	2,134,133	1,374,248	(1,079,177)	530,000	2,959,204
Designated funds:					
Fixed assets	274,167,716	-	(31,508)	(530,000)	273,606,208
Total unrestricted funds	276,301,849	1,374,248	(1,110,685)	-	276,565,412

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.

Analysis of transfers:

	Group £	Charity £
Transfer to general reserves	530,000	530,000
	530,000	530,000

The above transfer from the designated fixed asset fund to the unrestricted general reserve reflects the reallocation of one of the investment properties to assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

23. MOVEMENT IN UNRESTRICTED FUNDS (continued)

2023

Group	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General reserves	4,244,932	2,735,286	(1,673,922)	(3,054,850)	2,251,446
Designated fund: Fixed assets	263,329,882	-	(31,625)	3,054,850	266,353,107
Total unrestricted funds	267,574,814	2,735,286	(1,705,547)	-	268,604,553

Charity	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General reserves	4,124,933	1,484,521	(420,471)	(3,054,850)	2,134,133
Designated funds: Fixed assets	271,144,491	-	(31,625)	3,054,850	274,167,716
Total unrestricted funds	275,269,424	1,484,521	(452,096)	-	276,301,849

Analysis of transfers:					
				Group £	Charity £
Transfer to designated fund				(3,054,850)	(3,054,850)
				(3,054,850)	(3,054,850)

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 £3m repayment of bridging facilities in the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

24. MOVEMENT IN RESTRICTED FUNDS

2024

Group and Charity	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
DNRC Programme	173,232	150,000	-	323,232
Life Cycle Charge	-	17,305	(17,305)	-
Estate Service Charge	-	464,342	(464,342)	-
Total restricted funds	173,232	631,647	(481,647)	323,232

During the year, a donation of £150k was received which was added to the DNRC Programme restricted fund. The donor has specified that these donations are used towards educational provision in connection with the NHS facility. No expenditure was incurred during the year, with the year end balance of £323k being carried forward for allocation in the next financial year and beyond.

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.

2023

Group and Charity	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
DNRC Programme	480,822	150,000	(457,590)	173,232
Donated fixed asset	12,859	-	(12,859)	-
Life Cycle Charge	-	657,469	(657,469)	-
Estate Service Charge	-	418,410	(418,410)	-
Total restricted funds	493,681	1,225,879	(1,546,328)	173,232

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. The assets had been fully depreciated by the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 2024

25. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

2024

Group	Unrestricted funds		Restricted funds	Total
	General £	Designated £	£	£
Fixed assets	-	272,796,976	-	272,796,976
Current assets	3,173,846	-	7,646,558	10,820,404
Creditors: amounts due < 1 year	(100,018)	-	(2,325,843)	(2,425,861)
Creditors: amounts due > 1 year	-	(7,000,000)	(4,997,483)	(11,997,483)
At 31 March 2024	3,073,828	265,796,976	323,232	269,194,036

Charity	Unrestricted funds		Restricted funds	Total
	General £	Designated £	£	£
Fixed assets	-	280,606,208	-	280,606,208
Current assets	3,030,592	-	7,646,558	10,677,150
Creditors: amounts due < 1 year	(71,388)	-	(2,325,843)	(2,397,231)
Creditors: amounts due > 1 year	-	(7,000,000)	(4,997,483)	(11,997,483)
At 31 March 2024	2,959,204	273,606,208	323,232	276,888,644

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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

2023

Group	Unrestricted funds		Restricted funds	Total
	General £	Designated £	£	£
Fixed assets	-	273,353,107	-	273,353,107
Current assets	2,457,886	-	5,914,731	8,372,617
Creditors: amounts due < 1 year	(206,440)	-	(1,835,477)	(2,041,917)
Creditors: amounts due > 1 year	-	(7,000,000)	(3,906,022)	(10,906,022)
At 31 March 2023	2,251,446	266,353,107	173,232	268,777,785

Charity	Unrestricted funds		Restricted funds	Total
	General £	Designated £	£	£
Fixed assets	-	281,167,716	-	281,167,716
Current assets	2,175,497	-	5,914,731	8,090,228
Creditors: amounts due < 1 year	(41,364)	-	(1,835,477)	(1,876,841)
Creditors: amounts due > 1 year	-	(7,000,000)	(3,906,022)	(10,906,022)
At 31 March 2023	2,134,133	274,167,716	173,232	276,475,081

26. FINANCIAL COMMITMENTS

Capital commitments are as follows:

Group	2024 £	2023 £
Contracted for but not provided for	-	23,180

The prior year commitment reflects a final retention payable under the main contract for the NRC entrance by the charity's subsidiary, BS Stanford Limited.

27. 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 (2023: £nil).

There are no related party transactions in the reporting period that require disclosure (2023: nil).

THE BLACK STORK CHARITY

Bust of the 6th Duke in the DMRC patient area

