

Charity Registration No. 1185308

**DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Maj Matthew Perkins RAMC Lt Col Timothy Clarke RAMC (Chair) Susan Huggins OBE MBA Peter Corbett (Appointed 26 November 2020) Lucy Rhodes (Appointed 1 September 2021)
<b>Charity number</b>	1185308
<b>Principal address</b>	Stanford Hall Stanford Hall Estate Stanford on Soar Loughborough LE12 5BL
<b>Auditor</b>	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
<b>Bankers</b>	Holt's Military Banking "Centre of Excellence" The Royal Bank of Scotland plc Holt's Military Banking 200 Fowler Avenue Fowler Business Park Farnborough GU14 7JP
<b>Solicitors</b>	Russell-Cooke LLP 2 Putney Hill London SW15 6AB
<b>Investment advisors</b>	CCLA Investment Management COIF Charity Funds 80 Cheapside London EC2V 6DZ

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# **DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND**

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# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2021**

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This is the first Annual Report since the charity transferred its activity to the newly created Charitable Incorporated organisation on April 1st 2020 and it is therefore appropriate to start by explaining why we took this step, what effect it has had so far, and how we expect it to impact our plans for the future.

In 2017, before the Defence Medical Rehabilitation Centre relocated from Headley Court, Surrey to Stanford Hall, Leicestershire, the Defence Medical Rehabilitation Centre Benevolent Fund (DMRC BF) understood that the largest risk to the charity's success and longevity was the lack of public understanding of the DMRC BF's work. We saw the opportunity to highlight the superb work the charity does in support of DMRC patients and staff, which would aid in our survival.

Much of the British population had heard of DMRC Headley Court due to the Iraq and Afghanistan conflicts, treating and caring for the very seriously injured, most visually with lost limbs, but many with hidden injuries. However, they were unaware of the Charity and how it supports the holistic, occupational and social integration initiatives and specialist equipment, not available from the public purse. The DMRC BF pays for a diverse range of social activities which are integrated into the patient's individual rehabilitation programmes and is used as an incentive for patients to achieve specific clinical physical and psychological goals.

To address this opportunity, we decided to change the legal status of the charity to a Charitable Incorporated Organisation (CIO) and set the ambitious task of raising sufficient income to ensure our survival and continue supporting our beneficiaries in our new home.

In 2020, we completed that transformation to a CIO and transferred net assets of £939,853 to the new entity. Due to the generosity of the public, supporters and grant-giving organisations, the DMRC BF has grown since and given the bold strategy we embarked on, we have been able to weather the global pandemic and build a strong foundation for the future and a brand that people are starting to recognise.

Despite COVID-19 restrictions forcing the cancelation of many of our planned activities in 2020, we have still been able to deliver to our beneficiaries at DMRC, with packages of entertainment and welfare when they have been isolated from their loved ones. We have also had the privilege of working with the National Forest, National Arboretum, ABF, Veterans Foundation, Greenwich Foundation and many other charities, giving our service personnel the best chance at rehabilitation whilst at DMRC. We have also received corporate support from Door Creative, PhD Marketing, CO-OP, Waitrose, Pilgrim brewery and Ballantynes of Walkerburn, widening the brands support for our beneficiaries.

It would be unfair not to remark in the reflection of our CIO inaugural year, that significant planning by our volunteer workforce was still required, even though execution was not possible. We employed our first (and only) member of staff this year to help develop the DMRC BF. Despite the pandemic we have managed to secure significant further funding, largely due to legacies and generous donations, setting us up for delivering rehabilitation-based activities previously run by Battleback and delivery of an ambitious programme of activity over the next few years.

To all those that continue to support us at the very forefront of delivering care to our most injured service personnel, whether by donating time, money or supporting those that do, my most sincere thanks for all you do.

*Tim Clarke*

**Lt Col Timothy Clarke RAMC**

Chairman

Dated: ...12 Nov.21.....

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The charity's objects are:

- a. the promotion of the efficiency of the armed forces of the Crown;
- b. the advancement of health of military personnel currently under the care of the DMRC; and
- c. the relief of need of military personnel currently under the care of the DMRC;

by supporting the physical and psychological rehabilitation of patients of the DMRC, particularly but not exclusively by providing specialist medical equipment and opportunities for occupational, social and adventure activities.

The strategies employed to achieve the charity's aims and objectives and our major activities to achieve them are as described in the Chair's statement above.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

### **Achievements and performance**

Achievements and performance during the year to further the charity's purposes for the public benefit are stated in the Chair's statement above.

### **Financial review**

On April 1st 2020 the net assets of the legacy charity were transferred into the newly created legal entity in the sum of £939,853.

During the year a further £1.2 million was raised due to the generosity of a range of organisations and individuals.

Covid significantly restricted the charity's ability to develop new activities during the year and therefore a significant surplus of just over £1 million was generated for year, resulting in retained reserves of £2,073,401 being carried forward for the future.

The charity is in the process of developing a new medium to long term strategy which will include both significant growth in the range and scope of its operating activities and a substantial capital project to develop accommodation to support our beneficiaries who play a significant part in assisting their rehabilitation. The reserves available will be used to implement these strategies along with further fundraising activities.

### **Reserves policy**

Reserves are required to help mitigate risks and cover timing differences between receipt of income and disbursement of expenditure.

The trustees believe that an amount equal to 12 months of operating expenditure plus an amount equal to the cost of major capital projects included in the 2021/22 operating plan would be appropriate.

The current level of reserves held is in excess of this amount, therefore the trustees are developing medium to long term plans to increase the charity's level of activity for the benefit of our target beneficiaries.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Investment policy**

The trustees believe that funds that may be required to fund short term projects and to meet our reserves policy should be held in cash accounts available at short notice and that funds above this level should be invested for the medium to long term with a view to optimising the expected return without taking undue risk.

At the balance sheet date this policy had only been partly been implemented, however the remaining steps to fully implement this policy were implemented in April 2021.

### **Risk management**

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This process previously identified the need to transform the previously unincorporated charity into a Charitable Incorporated Organisation and this has now been completed.

The trustees believe that there are currently no significant risks without appropriate mitigation that warrant inclusion in the annual report.

A further review will be undertaken in 2021/22.

### **Future Plans**

The DMRC Benevolent Fund is currently undergoing a strategic review post pandemic, which is scheduled for completion in the first quarter of 2022. This will see significant expenditure, which has been delayed over the past 18 months, and start to realise the Charities short and medium term plans.

The most significant of these are firstly a capital works project to purchase and develop a number of houses to use in conjunction with our beneficiaries rehabilitation and supporting the families of our staff (c.£500,000). Secondly, we are excited to be planning the rejuvenation of external multi-activity based rehabilitation both at DMRC Stanford Hall, surrounding areas and potentially further afield to support the holistic and individualised care plans for the beneficiaries.

We also excited to announce the completion of the board of trustees in 2021, which it is hoped will be a significant step in bring in expertise and experience that will help with the growth and stability of the Charity.

### **Structure, governance and management**

Defence Medical Rehabilitation Centre Benevolent Fund is a Charitable Incorporated Organisation incorporated in England and Wales on 19 September 2019.

The charity's governing document is its constitution which follows the Charity Commission guidelines for a Charitable Incorporated Organisation (Foundation Structure) who's only voting members are its trustees. The Charity constitution details the roles, responsibilities, liabilities and constraints relevant to the Trustees, members and volunteers in the running of the charity.

The Charity comprises a Board of Trustees of no less than 3 and not more than 10 persons. The DMRC Stanford Hall Commanding Officer shall be considered a member of the board of Trustees (as ex-officio) for as long as they hold that office. Conditions for the Ex-Officio Trustee can be found in the Charity constitution.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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The Charity trustees have a statutory obligation, under the Charities Act 2011, to have regard to the public benefit guidance when exercising any powers or duties to which the guidance is relevant. The trustee's decisions have the purpose of fulfilling the aims and objects of the Charity and delivering benefit, out with that provided by the public purse, to the patients and staff of DMRC Stanford Hall (the beneficiaries). The DMRC Benevolent fund provides public benefit in supporting the Armed forces and Staff of DMRC Stanford Hall, contributing to UK Defence and her interests, maximising the rehabilitation potential of those under the Units care and working with other Charities to support the needs of the beneficiaries.

The trustees who served during the year and up to the date of signature of the financial statements were:

Maj Matthew Perkins RAMC

Lt Col Timothy Clarke RAMC (Chair)

Susan Huggins OBE MBA

Peter Corbett

(Appointed 26 November 2020)

Lucy Rhodes

(Appointed 1 September 2021)

The Trustees may delegate any of their powers or functions to one or more sub-committees or advisory panels consisting of such members of their body or the DMRC staff as they think fit.

Currently there is one sub-committee of the board to which some matters are delegated by the Trustees, which is known as "the Committee".

The Committee is the operational element of the Charity and comprises several DMRC Stanford Hall personnel in charity roles as voluntary secondary duties:

- a. Chair (currently also a Trustee)
- b. Secretary
- c. Fundraising manager
- d. Property manager
- e. Treasurer
- f. Development and Events Manager (employed civilian)

### **Related parties and co-operation with other organisations**

The charity is in the process of finalising a Memorandum of Understanding (MoU) with DMRC Stanford Hall, the military unit which it exists to support, and which employs some of the trustees, committee members and volunteers of the charity.

The charity also cooperates closely with a number of military and other charities.

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

Related party transactions, if any, are reported in the annual report.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

*Tim Clarke*

**Lt Col Timothy Clarke RAMC (Chair)**

Trustee

Dated: 12 Nov 21.....



# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

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#### Opinion

We have audited the financial statements of Defence Medical Rehabilitation Centre Benevolent Fund (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

#### 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 charity 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 charity'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 annual report. Our opinion on the financial statements does not cover the other information and 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 themselves. 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.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, 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 charity'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 cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- Ensuring that the Audit Team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, with specific susceptible areas (e.g. income recognition) having been outlined at the planning stage.
- Enquiry of management and those charged with governance around actual and potential litigation and claims and fraudulent transactions.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.


#### Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Melvin Bailey (Senior Statutory Auditor)**  
for and on behalf of Rogers Spencer

17/11/21  
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**Chartered Accountants**  
**Statutory Auditor**

Newstead House  
Pelham Road  
Nottingham  
NG5 1AP

Rogers Spencer is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	2020 £
<b><u>Income from:</u></b>			
Donations and legacies	2	1,146,737	-
Other trading activities	3	2,731	-
Investments	4	2,488	-
Income from transfer of funds from the unincorporated charity		939,853	-
<b>Total income</b>		<b>2,091,809</b>	<b>-</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	69,252	-
Net gains/(losses) on investments	9	50,844	-
<b>Net movement in funds</b>		<b>2,073,401</b>	<b>-</b>
Fund balances at 1 April 2020		-	-
<b>Fund balances at 31 March 2021</b>		<b>2,073,401</b>	<b>-</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## BALANCE SHEET

AS AT 31 MARCH 2021

		£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	11		33,272		-
Investments	10		659,481		-
			<u>692,753</u>		<u>-</u>
<b>Current assets</b>					
Stocks	12	7,493		-	
Debtors	13	6,236		-	
Cash at bank and in hand		1,371,041		-	
		<u>1,384,770</u>		<u>-</u>	
<b>Creditors: amounts falling due within one year</b>	14	(4,122)		-	
		<u></u>		<u>-</u>	
Net current assets			1,380,648		-
<b>Total assets less current liabilities</b>			<u>2,073,401</u>		<u>-</u>
<b>Income funds</b>					
Unrestricted funds			2,073,401		-
			<u>2,073,401</u>		<u>-</u>

The financial statements were approved by the Trustees on ...02 Nov 21.....

*Matt Perkins*

Maj Matthew Perkins RAMC  
Trustee

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	16		1,074,554		-
<b>Investing activities</b>					
Purchase of tangible fixed assets		(18,495)		-	
Purchase of investments		(500,000)		-	
Investment income received		2,488		-	
<b>Net cash used in investing activities</b>			(516,007)		-
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			558,547		-
Cash transferred from unincorporated charity			813,699		-
Debtors less creditors from 1 April 2020			(1,205)		
<b>Cash and cash equivalents at end of year</b>			1,371,041		-

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

Defence Medical Rehabilitation Centre Benevolent Fund is a Charitable Incorporated Organisation incorporated in England and Wales on 19 September 2019. The address of the principal office is given in the legal and administrative information of these financial statements.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The charity remained dormant throughout the period to 31 March 2020.

#### 1.2 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance
Fixtures and fittings	25% reducing balance
Computers	33 1/3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.3 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.4 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies (Continued)

#### 1.6 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.7 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Donations and legacies

	Unrestricted funds	Total
	2021 £	2020 £
Donations and gifts	1,146,737	-

### 3 Other trading activities

	Unrestricted funds	Total
	2021 £	2020 £
Merchandise income	2,731	-

### 4 Investments

	Unrestricted funds	Total
	2021 £	2020 £
Income from listed investments	1,859	-
Interest receivable	629	-
	2,488	-



# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Charitable activities

	Total 2021 £	2020 £
Staff costs	21,673	-
Depreciation and impairment	3,945	-
Social activities and functions	26,646	-
Merchandise	2,185	-
Postage, Freight & Courier	211	-
Insurance	648	-
Travel expenses	3,577	-
Printing & Stationery	649	-
IT Software and Consumables	374	-
Subscriptions	77	-
Bank charges	1,051	-
Trustee expenses	605	-
Sundry expenses	1,896	-
	<u>63,537</u>	<u>-</u>
Share of governance costs (see note 6)	5,715	-
	<u>69,252</u>	<u>-</u>

### 6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	3,600	3,600	-	-	-
Accountancy	-	2,115	2,115	-	-	-
	<u>-</u>	<u>5,715</u>	<u>5,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysed between Charitable activities	-	5,715	5,715	-	-	-
	<u>-</u>	<u>5,715</u>	<u>5,715</u>	<u>-</u>	<u>-</u>	<u>-</u>

Governance costs includes payments to the auditors of £3,600 for audit fees.

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	-
	<u>1</u>	<u>-</u>
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	21,333	-
Other pension costs	340	-
	<u>21,673</u>	<u>-</u>

### 9 Net gains/(losses) on investments

	Unrestricted funds	Total
	2021 £	2020 £
Revaluation of investments	50,844	-
	<u>50,844</u>	<u>-</u>

### 10 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2020	-
Additions	608,637
Valuation changes	50,844
	<u>659,481</u>
At 31 March 2021	659,481
<b>Carrying amount</b>	
At 31 March 2021	659,481
	<u>659,481</u>
At 31 March 2020	-
	<u>-</u>

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 11 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
Additions	18,722	16,991	1,504	37,217
At 31 March 2021	18,722	16,991	1,504	37,217
<b>Depreciation and impairment</b>				
Depreciation charged in the year	3,744	-	201	3,945
At 31 March 2021	3,744	-	201	3,945
<b>Carrying amount</b>				
At 31 March 2021	14,978	16,991	1,303	33,272

### 12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	7,493	-

### 13 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	6,236	-

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	265	-
Trade creditors	114	-
Other creditors	88	-
Accruals and deferred income	3,655	-
	4,122	-

### 15 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

# DEFENCE MEDICAL REHABILITATION CENTRE BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16	Cash generated from operations	2021 £	2020 £
	Surplus for the year	2,073,401	-
	Adjustments for:		
	Investment income recognised in statement of financial activities	(2,488)	-
	Fair value gains and losses on investments	(50,844)	-
	Depreciation and impairment of tangible fixed assets	3,945	-
	Transfer of funds from former unincorporated charity	(939,853)	-
	Movements in working capital:		
	(Increase) in stocks	(7,493)	-
	(Increase) in debtors	(6,236)	-
	Increase in creditors	4,122	-
	<b>Cash generated from/(absorbed by) operations</b>	<b>1,074,554</b>	<b>-</b>