FUTURE
CARE
CAPITAL

Annual Report

and Financial Statements

2016/17

Contents

Chairman's Report

Redefining the future of health and care provision

Andrew Whelan
Chairman of the Board of Trustees
Future Care Capital

It has been an exciting and incredibly fast-paced year as we moved on from the divestiture of our former charitable operations to focus on a new direction – to offer a new positive vision for health and care policy across the country.

At the start of the financial year, the Board worked closely with the newly formed executive team to develop a 10-year business plan that combined our ambitions to influence health and care policy, and develop an Innovation Fund that will deliver societal benefit. In November 2016, we agreed a plan which clearly sets out the building blocks for a new sustainable national charity. The executive team have translated our business plan into a functioning charitable organisation, including appropriate financial, governance and risk controls to manage operational delivery. Building our policy and

advocacy function was a priority in the business plan. We planned to move quickly to start putting forward practical policy solutions to address some of the biggest challenges faced by our ageing population.

We officially re-launched the charity under our new name, Future Care Capital (FCC), in February 2017. The launch took place in the Houses of Parliament and was supported by the then Minister of State for Apprenticeships and Skills. It was an opportunity for the charity to raise awareness of some of the issues faced by our beneficiaries. We were joined at the launch by an unpaid carer, Mr Love, who talked about the challenges of supporting his 92-year-old mother's care needs. His story is a powerful reminder of the challenges faced by our beneficiaries in the care system.

> "We made several policy recommendations that seem to have captured the interest of the wider sector and Whitehall..."

To coincide with our re-launch, we unveiled our Vision 2030 paper which set out ideas for the future of health and care. We are committed to a unified health and care system and nurturing a society that cares for everyone. Our vision is underpinned by the concept of a Care Covenant, a new agreement between the state and public, which spells out a commitment to support the health and care needs of everyone throughout their life.

Our most significant policy launch during the financial year was the publication of our first report, "Intelligent sharing: unleashing the potential of health and care data", in July 2017. The report argues that using data more strategically can empower individuals to better manage a health condition, raise care standards, impact the experience of service-users and assist health and care professionals in commissioning the most effective interventions.

We made several policy recommendations that seem to have captured the interest of the wider sector and Whitehall, including the establishment of a National Health and Care Data Donor Bank, a trusted vehicle for consenting individuals to donate their data for the purposes of research and innovation that would positively impact outcomes and support professionals to transform important

The launch of Future Care Capital, February 2017

services.

Beyond our policy work the year has seen other success. Future Care Capital has moved to a new permanent office. We move forward with the establishment of our own Innovation Fund, one of the charity's two core collaborative, but independent, delivery vehicles. A Managing Partner, Bradley Hardiman, was recruited towards the end of the financial year. The fund is a key part of our business plan and it will be an opportunity to lead the sector in funding new health and care innovation and to address a gap in the market for non-clinical health and care ventures at seed funding stage. The fund will aim to support the development of such innovation to scale up investments with a goal of significant societal impact. We will invest in enterprises based on their potential for positive societal benefit as well as financial returns.

Post year-end external legal advisors have been appointed to input into the set-up process, advise on efficient and effective legal structures and ensure compliance with all relevant legislation. We have made significant progress with the establishment of the special purpose

vehicles to administer fund activities in a Limited Liability Partnership structure. Bradley Hardiman has also been engaging with both potential investors in the fund, sources of deal flow and potential investee companies to establish relationships that can be formalised as we approach full operation.

The recruitment of an Innovation Fund Investment Panel to advise on investments also continues apace, with five members recruited and an independent chair with a wide range of relevant experience already on board.

The proceeds from the divestiture of our previous charitable functions remain largely with an external investment fund that is managed and will be used for future charitable purposes. A screening process is in place to monitor investments to ensure our financial arrangements continue to be aligned with our charitable objects. Despite the financial commitments associated with start-up activity, the charity had net assets at 31 August 2017 of £13.656m, achieved through prudent financial management and investment gains.

Dean James retired on health grounds in October 2017 and recruitment for a new Chief Executive is underway. We are very grateful to Dean for all his hard work in guiding FCC through the start-up phase and contributions to the growth of the organisation to date. The Board and executive team wish him a happy retirement.

We have now successfully completed all the start-up activity associated with our core policy and advocacy operations and are well on the path to launching our Innovation Fund. As we move forward, we will harness the momentum gained in the financial year to progress the fund, launch two new major health and care policy papers, and deliver a programme of events to stimulate debate and discussion about the future of health and care provision.

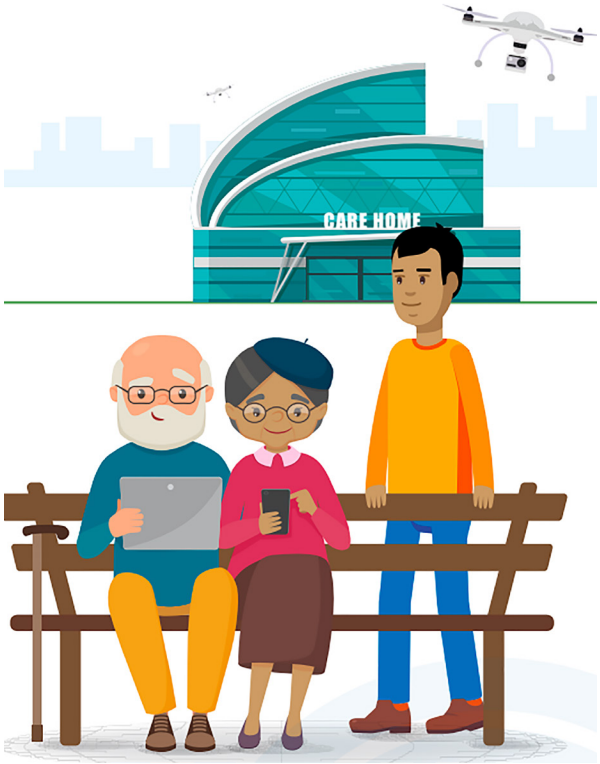
There is a lot of work to be done and I am extremely proud of the accomplishments of the team to date as we take the lead in defining a new positive vision for health and care policy across the country.

Building a new, positive vision for health and care in later life

A new settlement for the health and care provision is increasingly becoming one of the most important domestic challenges the Government must tackle. Future Care Capital is at the heart of the debate about delivering a new clear vision for health and care that meets the public's growing needs in later life. Much of our work has been to look at some of the critical challenges. We know that an increasing number of older people are developing long-term physical and mental health conditions, and professionals across the sector are over-stretched, raising implications for the quality and standards of care. Many unpaid carers are also struggling to achieve a work-life-care-balance.

> "Our plan sets out practical ideas that can deliver real change so that older generations are able to access the right level of support in later life."

We have developed a 2030 Vision, calling for the unification of health and care provision, underpinned by a Care Covenant, that aims to deliver an intergenerational care settlement, while recognising the benefits of living longer.



Our vision is designed to encourage a much wider conversation about building a society that cares for everyone. It is important that we are honest about the challenges we face before the current care deficit becomes unmanageable, taking generations to reverse.

For too long funding has dominated discussions about how to deliver better and more sustainable health and care provision. Although we recognise the issue, we also believe it is important to listen to local communities and professionals in the sector who understand what really works on the ground. Far too often local and national priotities aren't aligned. This is where devolution has an important role. The Government's devolution deal in Greater Manchester allowed the Combined Authority and CCGs to develop a business plan for the integration of health and social care across the city region. This model might be part of the future established local health and care commissioning landscape in future years.

Health and care provision should be responsive to peoples' individual needs. One way to deliver greater responsiveness is through technology, in particular, the use of data to help improve outcomes. Frontline systems need to be better integrated; if more health and adult social care professionals have access to the same systems to manage patient records with real-time updates, this could help deliver more rapid diagnoses ensuring the public receive improved care.

> "The Government must, in the short-term, deliver a new workforce skills framework to address retention, recruitment and standards across the 'careforce'."

There also needs to be a substantial culture change. Public health needs to focus more on measures to compress morbidity so that we are more able to prevent some of the critical pressures that hit health and care services. Only by greater investment in pre-care measures can we avoid such a cliff edge. This means there needs to be a concerted effort to better manage public health, as well as designing communities for age and mobility, helping to

preserve individuals' independence while reducing social iscolation. This is a pressing mission in our society: nobody should be isolated in a world that is supposed to be better connected than ever before.

This year we have started to put the building blocks of our 2030 Vision together. We are also planning to develop an ambitious and positive policy response to some of the critical issues facing adult social care; workforce retention and recruitment, the work-life-care balance, unification of provision and healthy and caring economies.

To help encourage the development of practical recommendations, we have set out three key milestones to tackle the current care deficit. The Government must, in the short-term, deliver a new workforce skills framework to address retention, recruitment and standards across the 'careforce'. Local and national Government should also look at investing more in technology and home adaptations, as a medium term measure, to better facilitate independent living. Both these measures should be anchored by the long term goal of agreeing to the unification of our health and care services, underpinned by a new Care Covenant.

Our plan sets out practical ideas that can deliver real change so that older generations are able to access the right level of support in later life. Retaining wellbeing at every stage of our lives is a basic human right, we must never lose sight of that fact and work tirelessly to ensure no one generation is forgotten.

Joel Charles
Deputy Chief Executive
Future Care Capital

Intelligent Sharing

Unleashing the potential of health and care data

In July 2017, we published Intelligent sharing: unleashing the potential of health and care data in the UK to transform outcomes – a report examining how the UK might support data-driven research and innovation to transform health and care. The report built upon the findings of a number of case studies produced in conjunction with agencies operating at the frontline to integrate health and social care records. It explored international examples of tried and tested ways in which to approach the development of 'trusted vehicles' for the handling of individuals' health and care data. In particular, it called upon Government to take steps to encourage a culture of 'data philanthropy' amongst individuals as well as businesses in the public interest. It also reflected upon key Government strategies designed to further the UK's track record in research and innovation and, with that, the potential to transform health and care outcomes by harnessing the potential of data in an increasingly digital operating environment. We made plain that, to achieve this, the UK needs to blaze a trail in 'data ethics' to build trust proactively whilst safeguarding individuals – a recommendation which was subsequently echoed in Government moves to establish a world class Centre for Data Ethics and Innovation.

Read Intelligent Sharing - Unleashing the potential of health and care data here

Media Round-Up

A summary of FCC's publications from the financial year

February 2017 saw the formal launch of Future Care Capital. A key area of focus was the General Election in April 2017. We put forward several key recommendations for the consideration of all political parties on how best to improve health and care, including providing better support for unpaid carers.

Our online crowdsourcing platform was launched in May 2017, with the aim of gauging the public's view on health and care across the country.

Our first policy paper was published in July 2017, entitled Intelligent Sharing: Unleashing the potential of data in the UK to transform outcomes. It was featured in the Huffington Post, as well as smaller sectorial publications.

During 2017, our blogs and press releases covered: technology futures for health and care; new approaches to help innovate and manage health and care; a focus on skills to deliver sustainable social care and championing community-led health and care solutions.

FOCUS ON SKILLS TO DELIVER SUSTAINABLE SOCIAL CARE IN THE FUTURE

by Joel Charles, Deputy Chief Executive, Future Care Capital

Social care has been a growing political priority for several years and was brought into sharp focus during the General Election campaign. There are many challenges facing social care over the next decade, one issue that is pressing now more than ever is a renewed workforce, recruitment and skills plan for workers across the sector.

A cornerstone of a robust and sustainable social care system is a workforce fit-for-purpose for the challenges ahead. Care workers are some of the most dedicated and hardworking professionals in our society, but there is a debate around how to ensure they have the right opportunities to thrive and progress in their roles in the future.

If you look at the social care workforce, the statistics show some key long-term issues for the sector. The Guardian reported back in 2013 that by 2025 there could be a shortfall of 1 million in the social care workforce[1]. This figure might be a conservative estimate based on current age demographics. The Chancellor acknowledged the Government would be focusing on social care when he delivered the Budget this year, putting an additional £2 billion into the local government settlement for social care. He also reflected on the scale of future need, stating there would be 2 million more people over 75 in 10 years' time[2]. Linked to workforce shortages and an aging population is the rise in complex long-term conditions. It is estimated by the Alzheimer's Society that people living with dementia in the United Kingdom doubles every 20 years[3].

The country is at a crossroads this means that we need to tackle workforce issues now before we reach a cliff edge in provision. When you talk to professionals across the care sector, there are some common issues that urgently need addressing: retention, new skills opportunities and a more exciting career path to attract younger workers. For example, Skills for Care has found that 43% of the workforce have no relevant qualifications, and the turnover of nurses in the sector is high at around 30%[4].

Future Care Capital is a new charity committed to engaging everyone in the design of health and care provision. In July, we are publishing our first policy paper that will look at unleashing the potential of health and care data to transform outcomes in the United Kingdom. One of our key recommendations in the paper focuses on establishing health and care data-driven business clusters. These clusters could achieve two things:

1. Encourage and support early stage health and care start-ups and small and medium sized enterprises to succeed.
2. Provide skills training to help prepare the future health and care workforce for the increase in demand for data-related job opportunities.

We will be publishing a more detailed paper on how to address workforce issues next year, but more could be done now to address the workforce and skills gaps in care:

1. We need an enhanced role for social care nurses to improve retention and attract more a new class of nursing for care and associated qualifications.
2. A new masters degree could focus on specialist pathways around end of life care, mental health, management and leadership in the care sector to attract graduates to the profession.
3. Health Care Assistants should be able to access learning new opportunities with a focus on better care standards and how to support patients with complex needs, including mental health.

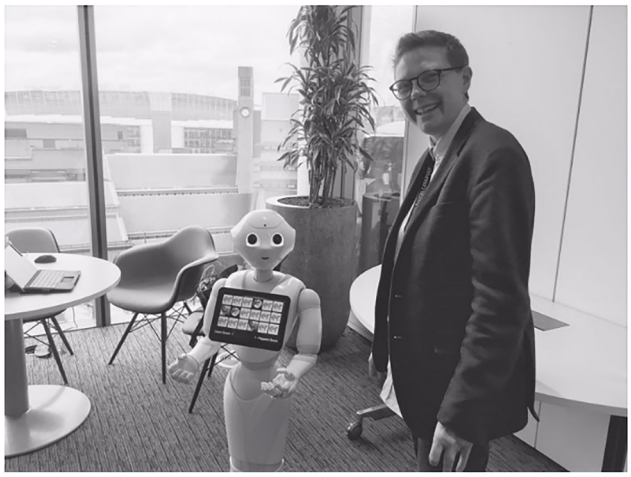
The growing challenge of building a social care system fit for the 21st century will not go away. If we act now and address some of the key workforce issues in the sector, we will take an important step towards laying solid foundations for a more sustainable social care system across the country in future.

[1] Where will the social care jobs of the future be?, Guardian online, sourced 3rd July, https://www.theguardian.com/social-care-network/2013/sep/30/where-social-care-jobs-future

[2] Budget 2017: social care funding set for major changes, Financial Times, sourced 3rd July 2017, https://www.ft.com/content/10f71b3e-0408-11e7-aa5b-6bb07f5bd12?mhq5j=e3

[3] Facts for the media, Alzheimer's Society online, sourced 3rd July 2017, https://www.alzheimers.org.uk/info/20023/news_and_media/511/facts_for_the_media

[4] The state of the adult social care sector and workforce in England, Skills for Care, March 2015, http://www.skillsforcare.org.uk/Document-library/NMDS-SC,-workforce-intelligence-and-innovation/NMDS-SC/State-of-2014-ENGLAND-WEB-FINAL.pdf



Annemarie meets Pepper, an adult social care robot companion, at the Unlocking the Potential of Data in Social Care Conference.

Timeline of Key Activity

November 2016
10-year business plan and innovation fund approved

February 2017
Relaunch of Future Care Capital

February 2017
FCC unveils Vision 2030

May 2017
FCC moves to new permanent offices in Victoria, London

July 2017
Intelligent Sharing: unleashing the potential of health and care data

Independent Auditor's Report to the Members of Future Care Capital

Opinion

We have audited the financial statements of Future Care Capital (the 'Charitable Company') for the year ended 31 August 2017 which comprise of the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 of 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 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 Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standards, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report 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 Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemptions 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, 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 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 Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Statement of Financial Activities

Year to 31 August 2017

	Notes	2017 Total funds £0	2016 Total funds £0
Income from:			
Investments	1	**298**	139
Total income		**298**	139
Expenditure on:			
Raising funds	2	**92**	24
Charitable activities			
. FCC start-up costs		**544**	551
. Investment fund start up	3	**92**	—
. Policy and Advocacy		**209**	—
Total expenditure		**937**	575
Deficit for the year before investment gains		**-639**	-436
Net gains on the revaluation and disposal of investments	8	**1,095**	1,098
Net movement in funds	4	**456**	662
Reconciliation of funds			
Balances brought forward at 1 September 2016		**13,200**	12,538
Balances carried forward			

All other activities of the Company during the above two financial periods were derived from continuing operations.

All recognised gains and losses are included in the above statement of financial activities.

Balance Sheet

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	7		**48**		—
Investments	8		**13,495**		12,173
			13,543		12,173
Current assets					
Debtors	9	**10**		1,028	
Cash at bank and in hand		**399**		294	
		409		1,322	
Creditors: amounts falling due within one year	10	**-111**		-101	
Net current assets			**298**		1,221
Provision for liabilities and charges	11		**-185**		-194
Total net assets	14		**13,656**		13,200
The funds of the charity					
Unrestricted funds					
. General funds	13		**13,471**		13,100
. Designated funds	13		**185**		100
Total funds	13		**13,656**		13,200

The financial statements were approved and authorised for issue by the Board of Trustees on 26 February 2018.

Andrew Whelan

Chair of the Board of Trustees

Company Limited by Guarantee Registration Number 02887166

(England and Wales)

Statement of cash flows

Year to 31 August 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	**34**	5,915
Cash flows from investing activities:			
Investment income		**298**	116
Proceeds from the disposal of investments		**2,628**	403
Purchase of investments		**-2,665**	-11,087
Net cash provided by investing activities		**261**	-10,568
Change in cash and cash equivalents in the year		**295**	-4,653
Cash and cash equivalents at 1 September 2016	B	**685**	5,338
Cash and cash equivalents at 31 August 2017	B	**980**	685

The Company achieved a net cash inflow from operating activities of £34,000 (2016 - £5,915,000). Cash outflows relating to start-up activity and Policy and Advocacy activity were offset by the receipt of the final £1 million relating to the sale of CACHE. The Company also achieved a net cash inflow from investing activities of £261,000 (2016 – outflow of £10,568,000) primarily as a result of the receipt of investment income of £298,000 (2016 – purchase of investments of £11,087,000). Together, this resulted in a net increase in cash in the year of £295,000 (2016 – net decrease of £4,653,000). The 2016 figures include impact from discontinued operations.

Notes to the statement of cash flows for the year to 31 August 2017

A. Reconciliation of net movement in funds to net cash provided by operating activities

	2017 £'000	2016 £'000
Net movement in funds (as per the statement of financial activities)	**456**	662
Adjustments for:		
Unrealised gains on investments	**-1,095**	-1,098
Investment income	**-298**	-116
Depreciation charge	**4**	—
Purchase of tangible fixed assets	**-52**	—
Decrease in debtors	**1,018**	9,111
Increase (decrease) in creditors	**10**	-2,761
(Decrease) increase in provision for liabilities and charges	**-9**	118
Net cash provided by (used in) operating activities	**34**	5,915

B. Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	**399**	294
Cash held by investment managers	**581**	391
Total cash and cash equivalents	**980**	685

Principal Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 August 2017.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Company constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest £'000.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Companyto continue as a going concern. The trustees are of the opinion that the Company will have sufficient resources to meet its liabilities as they fall due over

the next 12 months. The most significant areas of judgement that affect items in the accounts are detailed in the risk management and significant activities sections of the trustees' report. With regard to the next accounting period, the year ending 31 August 2018, the most significant areas that affect the carrying value of the assets held by the Company are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

All income is included in the statement of financial activities when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

i. Interest receivable

Interest is included in the accounts when receivable by the Company.

ii. Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held is included when receivable and the amount can be measured reliably by the Company.

Expenditure recognition

Expenditure is accounted for on an accruals basis and is recognised in the period to which it relates.

Cost allocation

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Tangible fixed assets

Tangible fixed assets with a cost over £250 are capitalised. Fixed assets are initially recognised at cost and are depreciated by equal annual instalments over their estimated useful lives.

The current estimated rates of depreciation are:
Computer equipment 33.3%
Office equipment, fixtures and fittings 33.3%

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.
Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be measured reliably.

Provision for pension of ex-employee

As disclosed in note 11 the Company has a commitment to make a payment to Camden Pension Scheme in relation to a historic pension liability . At the Company's request, the liability at 31 August 2016 was valued by a qualified actuary which it discloses in the financial statements as a provision. This will be reassessed and revalued on 31 August 2019. Changes to this provision are charged as an operating expense.

Fund accounting

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose or project.

Transfers between funds are made as determined by the Board of Trustees.

Notes to the accounts

1 Income from accounts

	2017	2016
	£'000	£'000
Income from investments	**296**	116
Interest on cash deposits	**2**	23
	298	139

2 Expenditure on raising funds

	2017	2016
	£'000	£'000
Investment managers fees	**92**	24

The investment manager fees all relate to Smith and Williamson's management of the investment portfolio.

3 Costs of activities in futherance of the charity's objectives

Charitable activities	FCC Start-up £'000	Investment fund start-up £'000	Policy and advocacy £'000	**2017 £'000**	2016 £'000
Direct costs					
. Staff	152	58	130	**340**	22
. Other	367	34	73	**474**	411
Support costs	25	—	6	**31**	—
2017 Total funds	544	92	209	**845**	551
2016 Total funds	551	—	—	551	

Staff costs have been allocated to support costs on the basis of time spent on each charitable activity.

4 Net movement of funds

This has been arrived at after charging:

	2017	2016
	£'000	£'000
Depreciation of tangible fixed assets	**3**	—
Auditors' remuneration		
. Audit	**6**	4
. Non-audit	**9**	6

5 Trustees

During the year two trustees were reimbursed expenses of £876 (No trustees - £nil in 2016). One trustee was presented with a gift costing £30.

No trustees received remuneration in respect of their services as trustees.

During the year, trustee indemnity insurance was purchased. The premium is not separately identifiable within total insurance costs (£796 in 2016). In July 2017 the cover was increased to £5,000,000.

6 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	318	20
Social security costs	32	2
Pension costs	21	—
	371	22

The above costs have been allocated to direct and support costs as follows:

	2017 £'000	2016 £'000
Direct costs	340	22
Support costs	31	—
	371	22

No agency staff nor interim/fixed term temporary staff were employed during the two financial periods covered.

	2017 No.	2016 No.
The average number of employees	5	1

The number of employees earning over £60,000 in the period excluding pension contributions was:

	2017 No.	2016 No.
£60,000 - £70,000	1	—
£90,001 - £100,000	1	—

All employees earning over £60,000 (none in 2016) participated in the Company's defined contribution scheme and contributions of £11,980 (2016 - £nil) were made on their behalf.

Total remuneration for key management personnel, including employers pension contributions and employers' national insurance, was £297,996 (£22,082 in 2016). The Company's key management personnel are defined as the Chief Executive Officer, Deputy Chief Executive, Director of Policy and Consulting, Head of Finance and Managing Partner of the Investment Fund.

7 Tangible fixed assets

	Computer equipment £'000	Equipment fixtures and fittings £'000	Total £'000
Cost			
At 1 September 2016	—	—	—
Additions	19	33	**52**
At 31 August 2017	19	33	**52**
Depreciation			
At 1 September 2016	—	—	—
Charge for the year	2	2	**4**
At 31 August 2017	2	2	**4**
Net book values			
At 31 August 2017	17	31	**48**
At 31 August 2016	—	—	—

8 Fixed asset investments

	2017 £'000	2016 £'000
Market value at 1 August 2016	**11,782**	—
Additions at cost	**2,665**	11,087
Disposals at carrying value (2017 proceeds £2,627,977, realised gains £60,434; 2016 proceeds £403,071, realised losses £36,305)	**-2,568**	-439
Net unrealised gains	**1,035**	1,134
Market value at 31 August 2017	**12,914**	11,782
Cash held in short term deposits and by investment managers	**581**	391
Value of listed investments at 31 August 2017	**13,495**	12,173
Cost of listed investments at 31 August 2017	**10,940**	10,641

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2017 comprised the following:

	2017 £'000	2016 £'000
UK bonds	**1,038**	817
UK fixed interest	**793**	654
Overseas index linked	**320**	317
UK equities	**3,474**	3,241
Overseas equities	**5,347**	4,981
Alternative investments	**1,942**	1,771
	12,914	11,782

9 Debtors

	2017 £'000	2016 £'000
Other debtors	-	1,012
Prepayments and accrued income	10	16
	10	1,028

10 Creditors

	2017 £'000	2016 £'000
Amounts falling due within one year		
Trade creditors	2	30
Taxation and social security	—	3
Other creditors	7	—
Accruals	102	68
	111	101

11 Provision for liabilities and charges

	2017 £'000	2016 £'000
At 1 September	194	76
Increase in provision	—	118
Released in the period	-9	—
At 31 August	185	194

The Company has a commitment to make a payment to Camden Pension Scheme in relation to enhanced pension benefits granted to an ex-employee as compensation for the years of prospective service that he was not able to earn. At the Company's request, the liability at 31 August 2016 was valued by a qualified actuary who calculated that the value of the relevant liability value as at that date was £194,000. During the year 2016/17 £9,000 was paid to reduce the provision (2015/16 – the provision was increased by £118,000). The provision will be reassessed and revalued at 31 August 2019.

12 Pension Schemes

Defined contribution scheme

The Future Care Capital Pension Plan started in April 2017 and is managed by Smart Pension. Here the total contribution by the Company during the period was £10,979 (£nil in 2016). The sum of £9,535 was owing to the pension fund at 31 August 2017 (£nil in 2016) and was settled subsequent to year-end.

13 Statement of funds

	General fund £'000	RCP Pension Fund £'000	**2017 Total funds £'000**
At 1 September 2016	13,100	100	**13,200**
Income	298	—	**304**
Expenditure	-937	—	**-937**
Gains and losses	1,095	—	**1,095**
Transfers	-85	85	**-**
Balance at 31 August 2017	13,471	185	**13,656**

The RCP Pension Fund represents the commitment to make a payment to the Camden Pension Scheme in relation to enhanced pension benefits granted to an ex-employee.

14 Analysis of net assets between funds

	Current assets £'000	Liabilities £'000	**2017 £'000**
General reserve	13,767	-296	**13,471**
RCP pension fund	185	—	**185**
	13,952	-296	**13,656**

15 Related parties

Other than the transactions relating to trustees outlined in note 5, there were no related party transactions in the period.

16 Operating lease commitments

At 31 August 2017 the total of the Company's future minimum payments under non-cancellable operating leases was:

	Buildings	
	2017 £	2016 £
Amounts due within one year	**87,744**	—
Amounts due within one and five years	**160,819**	—
	248,563	—

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Future Care Capital
Gillingham House
38-44 Gillingham Street
London, SW1V 1HU

Website: www.futurecarecapital.org.uk

Twitter: @FCC_UK
Facebook: www.facebook.com/FutureCareCapitalUK/
Email: enquiries@futurecarecapital.org.uk

Report Design: Ellen Fife, Digital and Marketing Officer, Future Care Capital
Royal Patron: Her Majesty the Queen
Company Registration: 2887166 | Charity Registration Number: 1036232