

**Future Care Capital  
(a company limited by  
guarantee)**

**Annual Report and Financial  
Statements**

31 August 2017

Company Registration Number  
02887166

Charity Registration Number  
1036232

## Contents

### Reports

Reference and administrative details	1
Chairman's report	2
Trustees' report	4
Independent auditor's report	17

### Accounts

Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Principal accounting policies	24
Notes to the accounts	27

<b>Patron</b>	Her Majesty, The Queen
<b>Trustees</b>	Andrew Whelan - Chair Zoe Amar Tijs Broeke Julian Chislett Mike Dixon Irene Gray Dr Andrew McCulloch Professor Rishabh Prasad
<b>Chief Executive Officer</b>	Dean James CBE (Until 6 <sup>th</sup> October 2017)
<b>Key Management Personnel</b>	Joel Charles, Deputy CEO Annemarie Naylor, Director of Policy and Consulting David Milne, Head of Finance
<b>Principal address and registered office</b>	Gillingham House Ground Floor 38-44 Gillingham Street London SW1V 1HU
<b>Charity number</b>	1036232
<b>Company number</b>	02887166
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Legal advisers</b>	Bates Wells & Braithwaite 10 Queen Street Place London EC4R 1BE  Anthony Collins 134 Edmund Street Birmingham B3 2ES (Appointed as new legal advisers September 2017)

## Chairman's report

### Redefining the future of health and care provision

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 ten 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, 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.

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 services.

**Chairman's report** (continued)

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 as. 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 is 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 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.

Andrew Whelan  
Chairman of the Board of Trustees, Future Care Capital

The Trustees of Future Care Capital present their statutory report together with the financial statements for year to 31 August 2017.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and equates to a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 24 to 26 of the attached financial statements and comply with the charitable memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice "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), effective from accounting periods commencing 1 January 2015 or later.

## **Governance, Structure and Management**

### ***Governance***

Future Care Capital is a charitable company limited by guarantee. It is governed by its Memorandum and Articles of Association adopted 11 March 1984 and last amended in February 2017. The charity changed its name from The Foundation for Training and Education in Care to Future Care Capital on 18 January 2017.

### ***Trustees***

The Trustees of Future Care Capital ("the Charity") are the charity's Trustees under charity law and the directors of the charitable company. The Trustees who served in office as Trustees during the period and subsequently are detailed in the reference and administrative information on page 1.

<b>Trustees</b>	<b>Appointed/Resigned</b>
Andrew Whelan – Chairman	
Zoe Amar	
Tijs Broeke	Appointed 30 November 2016
Julian Chislett	Appointed 30 November 2016
Mike Dixon	Appointed 30 November 2016
Irene Gray	Appointed 30 November 2016
Dr Andrew McCulloch	Appointed 30 November 2016
Professor Rishabh Prasad	Appointed 30 November 2016
Ken Terry	Resigned 8 January 2017

Future Care Capital benefits from a committed Board of Trustees who bring a breadth of managerial experience and willingly give their time to serve on the Board as well as to help promote the charity. The Board of Trustees sets the vision, strategic goals, plan and budget, monitors their implementation, determines the policy for investment of Future Care Capital's reserves, and ensures Future Care Capital complies with relevant legislation and regulations. Trustees take responsibility for one or more areas of responsibility, which may include being appointed to a committee.

## **Governance, Structure and Management** (continued)

### **Trustees** (continued)

The Board met five times in the financial period and the Risk and Audit Committee and General Purposes Committee each met twice. In November 2016 the Board agreed a new ten-year business plan for the charity, supported by professional advisors Deloitte LLP, which sets out the strategic direction of the organisation. The Board's principal activity was to oversee the completion of the start-up phase and agree the direction of travel for the charity's investment fund.

New Trustees are appointed for a four-year period by Future Care Capital's Board. They can be re-appointed at the end of their term of office for a further four years. Trustees currently represent employment interests in the health and adult social care sectors, charitable finance, digital communications and hold other roles in the voluntary sector. The Chair is appointed for a four-year period, and can serve a maximum of two terms of office.

New Trustees receive information supporting their induction, which includes relevant Charity Commission documents, a copy of the Articles of Association, the ten year business plan, the annual reports and accounts, governance arrangements and other relevant documents. Introductory training on the duties and obligations of Trustees is provided and additional training is provided on an ad-hoc basis depending on identified needs and any changes to legislation.

Future Care Capital's Governance arrangement comprise of the following:

**The Trustee Board:** which also acted as the Investment and the Remuneration Committee in-year, with specific Committees established post-year end as detailed below.

**Risk and Audit Committee:** to oversee risk, internal controls and compliance, ensuring Future Care Capital's financial health and operational viability, and that major risks are identified and effectively managed.

**General Purposes Committee:** to oversee the development of policy and advocacy, how Future Care Capital can positively influence policy makers, new projects and pilots and review proposals for revenue generation by the charity. The Committee will also consider the development of internal standard HR policies and associated protocols.

**Innovation Fund Investment Committee:** It was planned that a separate Investment Committee would be established in 2017 to govern the activities of the Innovation Fund. The Board has instead acted as the Investment Committee whilst decisions are taken about the structure and purpose of the fund. New revised timescales for the set-up of the fund mean the Investment Committee will be constituted in 2018, with several members including an independent chair. In principle, the committee will oversee Future Care Capital's overall investment strategy including the Investment Arm.

## **Governance, Structure and Management** (continued)

### **Trustees** (continued)

**Remuneration Committee:** to ensure that remuneration and all employment benefit arrangements, with particular reference to the Senior Management Team, support the strategic aims of FCC and contribute to the recruitment, motivation and retention of employees while complying with the requirements of current legislation and regulation. The Committee met from September 2017. Key Management Personnel's remuneration is determined by this Committee and assessed against industry benchmarks to ensure alignment. This includes the salaries of the Chief Executive, Deputy Chief Executive, Director of Policy and Consulting and Head of Finance, along with the Managing Partner of the Investment Fund. The remuneration and staff benefits policy for management and staff was approved by the Board following benchmarking and external advice from recruitment specialists. Further salary recommendations from this Committee for all staff are confirmed by the Board.

The Governance structure includes terms of reference of the Board and its Committees.

The Chair and the Trustees receive no remuneration for their work with the charity. The Trustees are entitled to reimbursement of expenses solely connected with the discharge of their duties. In the financial year a total of £876 in expenses was claimed by two Trustees (2016 – £nil).

Trustees make declarations regarding any conflict of interest and this is confirmed at each Board meeting. Trustees had no activities with related parties or co-operation with other organisations connected with charity from which they received benefits. The charity's policy regarding conflicts of interest is set out in its Articles of Association and it acts in full compliance with Charity Commission Guidelines and best practise.

### **Trustee governance**

To stay fit for purpose, the Board recognises that it must systematically refresh and develop. To achieve this, the Board has committed to and completed the recruitment of an additional six Trustees. It will arrange for specialist training and advice and plan the long-term succession for Trustees when they have completed their term of office or extend their office for a further period.

Third party professional indemnity insurance is provided for the Trustees to cover them against claims that may arise from their legitimate actions as Trustees.

### **Operational management**

Following the development of a strategic blueprint for the Charity in the last financial year, Trustees and the Executive Team agreed a new ten-year business plan in November 2016. During the financial period the Chief Executive recruited eight new roles.

During the financial period the Chief Executive retired due to ill health and recruitment is currently underway to fill the position.



## **Governance, Structure and Management** (continued)

### ***Operational management*** (continued)

Key decisions are managed through the Board of Trustees reviewing and approving the business plans and budgets. Authority is delegated to the Chief Executive who is responsible for developing plans, products and services within the overall guidelines and policies set by the Trustees. The Chief Executive is responsible for representing Future Care Capital externally and for ensuring that Future Care Capital's values are communicated and observed. He is responsible for recruitment, training and development of the executive team.

The Chief Executive is responsible for producing regular planning and performance updates, financial and management reports which are included on the Board agenda. In the absence of the Chief Executive the remaining senior management personnel work in a collegiate manner to manage and report upwards to the Board.

The charity does plan to attract volunteers in future and will develop a volunteer plan and induction package.

### ***Risk management***

The Risk Register developed by Trustees in the previous financial year was maintained and updated during the year, supported by the further development of a detailed risk management process. This involves identifying the risks faced by the organisation, prioritising these in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. Risk management is an integral part of decision making and routine management and is incorporated with the strategic and operational planning processes across the organisation. All staff are regularly asked to share any risks they may identify and add them to the strategic register. Separate risk assessments are performed for individual projects and separate registers maintained as appropriate.

The risks are categorised under reputational/vision, operational, financial/commercial, governance, delivery and environmental. The day-to-day management of risk is delegated to the executive team with regular reviews by the Risk and Audit Committee and the Board of Trustees.

The most significant risk to the charity in 2016/17 was that economic conditions (including the impact of the Brexit vote) could impact revenue generation and investment activities in the Investment Portfolio managed by Smith and Williamson. To mitigate this risk broad horizon scanning and strategic risk reviews are performed as a matter of course, and there are regular updates from Smith and Williamson provided to the board to keep Trustees apprised of performance and strategy, and further understand the distribution of risk in the portfolio. Trustees also agree ranges for different types of investment within the portfolio to allow the expert advisors latitude to diversify and reduce specific risk.

## **Governance, Structure and Management** (continued)

### ***Risk management*** (continued)

Reputational risk is also significant, especially as a start-up organisation, as it significantly affects the perception of FCC's expertise and subsequent influence and ability to make an impact. This is mitigated by having a clear media strategy and plan, a Crisis Communications Manual in place, designated FCC Spokesperson and all communications being cleared by the Director of Communications before dissemination.

### ***Public benefit***

In formulating Future Care Capital's strategic aims and planning future activities, the Trustees have given careful consideration to the Charity's public benefit aims and has complied with the duty in Section 17 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission.

Trustees ensured that the ten-year business plan agreed in November 2016 is in line with the public benefit aims requirements set out in guidance published by the Charity Commission and in law.

The charity has two collaborative but independent delivery vehicles, evidence-based advocacy and the innovation investment fund, which are aligned with the charity's core objects.

All charitable functions are linked and regularly reviewed to ensure they continue to meet public benefit regulations.

Future Care Capital's Vision and Mission show that it is committed to raising standards and quality in education, health and care and in promoting innovation for its beneficiaries – all those in receipt of care.

## **Financial review**

### ***Results for the period***

A summary of the period's results is given on page 20 (SOFA) of the financial statements.

Following the divestment of its trading activities with CACHE, the principal funding source for Future Care Capital was its Investment Portfolio managed by Smith and Williamson. This included unrealised gains of £1,095,000 (2016 - £1,098,000) and other income from the investment portfolio and cash holdings of £298,000 (2016 - £139,000). £1,001,647 was received in the year after the release of an Escrow Agreement, on the 27<sup>th</sup> October 2016, that represented a deferred payment of the proceeds of sale of CACHE. This was accounted for in 2014/15.

In 2016/17 total expenditure was £937,000 (2015/16 - £575,000), of which £544,000 (2015/16 - £551,000) related to start up activities of the new organisation and was in line with projections. Expenditure in the period supported the key objectives as set out on the next page.

## **Financial review** (continued)

### **Results for the period** (continued)

The charity's financial performance during the period is summarised in the statement of financial activities.

### **Pension fund**

The only historical pension liability relates to The Camden Pension Fund liability for a former member of staff that was revalued by an actuary as at 31<sup>st</sup> August 2016 and will be reassessed and revalued on 31<sup>st</sup> August 2019. This is explained further within the principal accounting policies on page 26.

### **Reserves policy**

Future Care Capital held free reserves of £13,423,000 (2016 - £13,100,000) at the year end, and the planned operating expenditure for the financial period was principally associated with strategic planning, recruitment and initial start-up activities.

The organisation's reserves policy was reviewed in-year and agreed by the board to hold a minimum of the sum of the total planned capital exposure for the investment plan, totalling £2,500,000, plus a 12-month forecast of operating expenditure at £1,000,000, both as set out in the ten-year business plan.

Reserves are currently significantly above the level required by the policy. Funds will be drawn-down to fund operational and investment activity and this will be actively monitored. If reserves reach within 20% of the levels stated within the reserves policy, activity plans and budgets will be reviewed to ensure an adequate level of reserves are maintained.

### **Investment policy and performance**

The Trustees have invested Future Care Capital's assets in accordance with the Trustees' powers and responsibilities under the Charities Act 2011 and in accordance with the Memorandum and Articles of Association. In 2016, £11,087,000 from the proceeds of the sale of CACHE was invested in an external investment portfolio managed by Smith and Williamson. The Smith and Williamson investment mandate incorporates provisions around ethical investing, including restrictions on types of investments held such as alcohol, tobacco, gambling and armaments through negative screening.

The principal aim of the investments is to preserve capital in real terms and to reinvest gains within the portfolio. During the start-up phase of the charity, however, costs are being funded by investment returns and funds will be drawn down as appropriate to fund ongoing operations until other revenue streams are established. The investments are regularly monitored so that they are not inimical to the charity's objects. Within the period the investments yielded a financial return of £1.1m from £12.5m total invested, achieving an 8.8% total return. The charity also held funds within an interest-bearing account for operating expenditure and within a current account to the same end.

### **Objects and aims of the charity**

The charitable objects for which Future Care Capital is established in its governing document are to promote education, training, quality and standards in care, health and education and allied disciplines.

Future Care Capital aims to be the leading independent voice for applying evidence to help improve standards of education and training and support better quality of services in the care, health and education sectors, as a sustainable charitable organisation.

### **Beneficiaries**

Future Care Capital's beneficiaries are all of those in receipt of care.

### **Key Goals and Aspirations**

Future Care Capital's key goals and aspirations are to:

- ◆ be recognised as a leading advocate and thought leader in education, training, care and health;
- ◆ improve the standards of education and training to impact the quality of services; and
- ◆ sustainably grow its impact.

### **Strategy for achieving objects**

The charity's core offerings will be delivered through two distinct, yet collaborative arms:

- ◆ ***Evidence based Advocacy*** – developing new policy propositions and solutions supported by evidence-based research, stimulating debate and innovation through events, publications, projects and discussions with diverse stakeholders including the general public.
- ◆ ***Innovation Investment Fund*** – In pursuance of FCC's charitable mission, the charity will deploy its resources to identify and support innovation through the launch of a dedicated investment fund. The fund will invest in early stage technology based health and care entities with high societal benefit.

### **Values**

The charity adopts an agile approach to delivery underpinned by an enabling internal culture and supporting systems that reflect its core values of empathy, diversity, openness and professionalism.

### **Measuring our future impact**

The charity has set out clear metrics by which it will in future measure its impact through achieving its goals, within its strategic blueprint.

### **Objectives for the period**

Future Care Capital's primary objectives for the period to fulfil the public benefit aims were to:

- ◆ Develop a ten-year business plan for the policy and advocacy function of the charity and for the social impact investment arm to support the re-launch of the charity.
- ◆ Invest the charity's reserves in an external investment fund and/or funds to preserve capital and generate income to support the charities on-going activities.
- ◆ Recruit a new executive team to help deliver the charity's vision, mission and values.
- ◆ Complete the start-up activities and re-launch the charity.
- ◆ Publish policy that influences change in health and care policy.
- ◆ Complete all major internal policies and governance arrangements.
- ◆ Begin the setup of the innovation fund that will invest in enterprises based on their potential for positive societal benefit.

### **Review of significant activities undertaken to achieve charitable objectives**

The charity focused its attention on establishing a new organisation based on the strategic vision agreed in the previous financial year. The Board translated its vision into a 10-year business plan, re-launched the charity in February 2017 and delivered the start-up activities for the core charitable operations.

Significant activities undertaken within the period include:

#### ***Completion of the start-up plan***

The start-up plan was presented by the new Chief Executive to the Board of Trustees in July 2016 and commenced forthwith. The start-up of the core charitable operations was completed in the year.

#### ***Ten-year business plan***

The plan sets out how Future Care Capital will deliver its core charitable operations. Over the next ten years Future Care Capital will focus on developing new health and social care policy, campaign for those in receipt of care and support the delivery of innovation through pilot schemes. The plan also sets out the key revenue propositions the charity will build, including consulting, events, restricted income for research and skills development. Options and analysis were also developed for Board decision on establishment of an investment fund.

**Review of significant activities undertaken to achieve charitable objectives** (continued)

***Appointment of key management and operational roles***

The Board delegated responsibility for the appointment of key management personnel to the Chief Executive. Nine new appointments were made during the financial year, including the appointment of a Managing Partner of the Innovation Fund. One employee left during the year.

***Formal launch of Future Care Capital***

In February 2017, the charity held a re-launch event in the Houses of Parliament with the then Minister of State for Apprenticeships and Skills. The event was also an opportunity to raise awareness of the challenges faced by Future Care Capital's beneficiaries. An unpaid carer attended the event and delivered a presentation on the challenges faced by people accessing social care provision.

***Completion of a 3 year policy plan, consultancy framework and external communications strategy***

The executive team completed a policy plan, consultancy framework and external communication strategy that was approved by Trustees on the General Purposes Committee in March 2017.

***Innovation Fund start-up***

Following agreement of the ten-year business plan in November 2016, the Board agreed to take forward recommendations to establish an innovation fund. The Chief Executive recruited a Managing Partner to deliver the investment start-up in July 2017.

Post-year end the legal entities required to deliver the investment activity were established in the appropriate structure as advised by the fund's solicitors. These are:

- ◆ FCC Ventures Limited (Company number 11026303) – a wholly owned subsidiary of Future Care Capital;
- ◆ FCC General Partner Limited (Company number 11026643) – a wholly owned subsidiary of FCC Ventures Limited; and
- ◆ FCC Nominees Limited (Company number 11026249) – a wholly owned subsidiary of Future Care Capital.

***First policy paper launch on health and care data***

In July 2017, Future Care Capital published its first major policy report, "*Intelligent sharing: unleashing the potential of health and care data*". The report explores how the UK might support data-driven innovation and enterprise to deliver better health and care outcomes. It also makes plain that to achieve this we need to be bold and blaze a trail in the development of data ethics and rights to proactively build trust and safeguard everyone's privacy. The report received both sector and national press coverage.

**Review of significant activities undertaken to achieve charitable objectives** (continued)

***Development of internal policies and procedures***

Throughout the year the Executive Team produced all the main internal policies and procedures for the management of core charitable operations. Internal policies were approved by Trustees who sit on the Risk and Audit and General Purposes Committees.

***New permanent office***

The Executive Team sourced and moved into a new permanent office in central London in May 2017. All costs associated with the office move are reported in this year's annual accounts.

**Plans for future periods**

Set out below are the aims and objectives the ten-year plan as agreed in November 2016 will deliver, and a brief explanation of how the charity will seek to achieve them. These represent a continuation and expansion of the activities completed during the financial period.

***Campaigning and lobbying***

- ◆ Advocacy and campaigning on behalf of our beneficiaries for higher quality care.
- ◆ Campaigns to raise awareness of available care opportunities and on living healthier lives.
- ◆ Public engagement and education on the future design of health and care and new policy and service constructs.

***Evidence generation and policy development***

- ◆ Undertaking of in-house research and data analysis, public consultations and developing and publishing new policy ideas and delivery constructs in health and care.
- ◆ Monitoring new developments in health and care and emerging best practice and innovations.
- ◆ Commissioning research from partners and collaborating with other organisations on new policy and in pilots and projects to test new practises.

***Conferences and events***

- ◆ Organising sector conferences and events, bringing together public and private providers, charitable organisations and researchers.
- ◆ Encouraging collaboration and networking.
- ◆ Creating and hosting networks of experts.

**Review of significant activities undertaken to achieve charitable objectives** (continued)

***Establishing an innovation fund(s) that will deliver positive societal benefit***

- ◆ Set up the innovation fund(s).
- ◆ Investing in innovative enterprises which address the challenges Future Care Capital wish to impact.
- ◆ Supporting the development of innovative enterprises; the best will scale up and aim for significant societal impact making a commercial return for the charity and other investors.

***Providing consultancy and training***

- ◆ Offering consultancy services to clients in the sector, particularly with regard to innovation, data and technology and training and education.
- ◆ Developing and delivering a skills proposition in health and social care.
- ◆ Developing income for the charity from events, research funding, consulting, skills training and other activities.

**Going concern**

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 charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due over the next 12 months. For further detail please refer to the Going Concern note on page 22 of the accounts.

**Diversity**

Future Care Capital recognises the importance of an inclusive society that brings opportunities and access, not barriers, to individuals.

The charity appreciates the benefits of a diverse workforce and is committed to building a team that captures a range of experiences that bring benefit to individuals and our beneficiaries.

Future Care Capital encourages all people it works with and for to contribute to an environment in which people feel comfortable expressing how they feel and what they need, knowing they will be treated with fairness and respect and that their contribution will be valued.

The work culture within Future Care Capital reflects the vision, mission and values of the charity and places inclusion of all abilities and backgrounds at the heart of everything it does. A diversity policy was developed during the financial year to complement Future Care Capital's organisational values.



**Diversity** (continued)

Future Care Capital will make reasonable adjustments to support staff, and where appropriate, will offer additional support to individuals to ensure they are able to fully participate in the charity's work.

**Statement of trustees' responsibilities**

The trustees (who are also directors of Future Care Capital for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 of the income and expenditure of the charitable company 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 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charitable company will continue in operation.

The trustees are responsible for keeping proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Statement of trustees' responsibilities** (continued)

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.

Andrew Whelan  
Chair of the Board of Trustees

## **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 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 (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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**Conclusions relating to going concern** (continued)

- ◆ 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

**Matters on which we are required to report by exception** (continued)

- ◆ 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.

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

Hugh Swainson (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

## Statement of financial activities Year to 31 August 2017

	Notes	2017 Total funds £000	2016 Total funds £000
<b>Income from:</b>			
Investments	1	298	139
<b>Total income</b>		<b>298</b>	<b>139</b>
<b>Expenditure on:</b>			
Raising funds	2	92	24
Charitable activities			
. FCC start-up costs	3	544	551
. Investment fund start up		92	—
. Policy and Advocacy		209	—
<b>Total expenditure</b>		<b>937</b>	<b>575</b>
Deficit for the year before investment gains		(639)	(436)
Net gains on the revaluation and disposal of investments	8	1,095	1,098
<b>Net movement in funds</b>	4	<b>456</b>	<b>662</b>
<b>Reconciliation of funds</b>			
Balances brought forward at 1 September 2016		13,200	12,538
Balances carried forward at 31 August 2017		13,656	13,200

All other activities of the charity 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 31 August 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Fixed assets</b>					
Tangible assets	7		48		—
Investments	8		13,495		12,173
			<b>13,543</b>		12,173
<b>Current assets</b>					
Debtors	9	10		1,028	
Cash at bank and in hand		399		294	
		<b>409</b>		1,322	
<b>Creditors:</b> amounts falling due within one year	10	(111)		(101)	
<b>Net current assets</b>			<b>298</b>		1,221
Provision for liabilities and charges	11		(185)		(194)
<b>Total net assets</b>	14		<b>13,656</b>		13,200
<b>The funds of the charity</b>					
Unrestricted funds					
. General funds	13		13,471		13,100
. Designated funds	13		185		100
<b>Total funds</b>	13		<b>13,656</b>		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 31 August 2017

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

The charity 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 charity 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
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>456</b>	<b>662</b>
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<b>34</b>	<b>5,915</b>

#### 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



**Statement of cash flows** 31 August 2017

<b>Total cash and cash equivalents</b>	<b>980</b>	<b>685</b>
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## **Principal accounting policies 31 August 2017**

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 charity 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 charity to continue as a going concern. The trustees are of the opinion that the charity 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 charity 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 charity 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 charity.

**Income recognition** (continued)

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 charity.

**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.

## Principal accounting policies 31 August 2017

### **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 an 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<sup>st</sup> 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.

**1 Income from investments**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Income from investments	<b>296</b>	116
Interest on cash deposits	<b>2</b>	23
	<b>298</b>	139

**2 Expenditure on raising funds**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Investment managers fees	<b>92</b>	24

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

**3 Costs of activities in furtherance of the charity's objectives**

<b>Charitable activities</b>	FCC Start-up	Investment fund	Policy and	<b>2017</b>	2016
	£'000	start-up	advocacy	<b>£'000</b>	£'000
		£'000	£'000		
Direct costs					
. Staff	152	58	130	<b>340</b>	22
. Other	367	34	73	<b>474</b>	411
Support costs	25	—	6	<b>31</b>	118
<b>2017 Total funds</b>	<b>544</b>	<b>92</b>	<b>209</b>	<b>845</b>	<b>551</b>
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:

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Depreciation of tangible fixed assets	<b>3</b>	—
Auditor's remuneration		
. Audit	<b>6</b>	4
. Non-audit	<b>9</b>	6

## 5 Trustees

During the year two trustees were reimbursed expenses of £876 (2016 no trustees - £nil). 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 (2016 – £796). 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	—
	<b>371</b>	<b>22</b>

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

	2017 £'000	2016 £'000
Direct costs	340	22
Support costs	31	—
	<b>371</b>	<b>22</b>

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	<b>5</b>	<b>1</b>

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 (2016 - none) earning over £60,000 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 (2016 - £22,082). The charity'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	Office equipment, fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 September 2016	—	—	—
Additions	19	33	52
At 31 August 2017	19	33	52
<b>Depreciation</b>			
At 1 September 2016	—	—	—
Charge for the year	2	2	4
At 31 August 2017	2	2	4
<b>Net book values</b>			
At 31 August 2017	17	31	48
At 31 August 2016	—	—	—

## 8 Fixed asset investments

	2017 £'000	2016 £'000
<b>Market value at 1 August 2016</b>	<b>11,782</b>	—
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
<b>Market value at 31 August 2017</b>	<b>12,914</b>	11,782
<b>Cash held in short term deposits and by investment managers</b>	<b>581</b>	391
<b>Value of listed investments at 31 August 2017</b>	<b>13,495</b>	12,173
<b>Cost of listed investments at 31 August 2017</b>	<b>10,940</b>	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	4,982
Alternative investments	1,942	1,771
	<b>12,914</b>	11,782

## 9 Debtors

	2017 £'000	2016 £'000

Notes to the accounts 31 August 2017

Other debtors	—	1,012
Prepayments and accrued income	<b>10</b>	16
	<b>10</b>	1,028

**10 Creditors**

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

**11 Provision for liabilities and charges**

	2017 £'000	2016 £'000
At 1 September	194	76
Increase in provision	—	118
Released in the period	<b>(9)</b>	—
<b>At 31 August</b>	<b>185</b>	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<sup>st</sup> 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 charity during the period was £10,979 (2016 – £ nil). The sum of £9,535 was owing to the pension fund at 31 August 2017 (2016 – £nil) 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	—
<b>Balance at 31 August 2017</b>	<b>13,471</b>	<b>185</b>	<b>13,656</b>

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
	<b>13,952</b>	<b>(296)</b>	<b>13,656</b>

## 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 charity'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	—
	<b>248,563</b>	<b>—</b>