

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

**formerly Council for Awards in
Care, Health and Education**

**Annual Report and Financial
Statements**

Period from 2 September 2015 to 31
August 2016

Company Registration Number
02887166

Charity Registration Number
1036232

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Reference and administrative information

Patron	Her Majesty, The Queen
Trustees	Andrew Whelan - Chair Zoe Amar Tijs Broeke Julian Chislett Peter Cullimore Mike Dixon Irene Gray Dr Andrew McCulloch Professor Rishabh Prasad Ken Terry
Chief Executive Officer	Dean James CBE
Principal address and registered office	10 Queen Street Place London EC4R 1EE
Charity number	1036232
Company number	02887166
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Legal advisers	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH

Chairman's report



A new direction for Future Care Capital – transforming health and care

Our charity has undergone significant change during the past financial year.

We are now embarking on a new and exciting future for the charity, as we focus on how we will offer new ideas to transform health and care provision for all generations in society and continue to create positive, social impact for our beneficiaries.

Future Care Capital was founded in 1945 and has a long heritage in health, care and education. Against the backdrop of a challenging operating environment for our awarding organisation business and having identified the growing issues in social care across the country, including the rise in the elderly population and the need to match care with health improvements, the Trustees determined that the charity should embark on a new strategic direction.

The first step was the divestiture of our awarding organisation business and assets, The Council for Awards in Care, Health and Education (CACHE), which was successfully completed in September 2015 with CACHE moving to its new home with the Northern Council for Further Education (NCFE).

This was followed by the development of a strategy for the new enterprise. In November 2015, the Board formulated a 'Strategic Blueprint' to guide to charity's future activities whilst closely observing our charitable objects: to promote education, training, quality and standards in care, health and education and allied disciplines.

The blueprint sets out our plans to deliver the charity's objects and increase impact in a sustainable, innovative and targeted manner.

The Board's ambition is clear. Future Care Capital will become a 'go to' organisation for advice, opinion, and innovative new ideas on health, care and education. The core mission will be evidence based advocacy and policy research. Additionally, the charity will actively invest its resources in social impact through an independent, investment arm, developing funds to promote and scale social enterprises in health, care and education.

A successful organisation must have the right set of values to deliver its core propositions. The Board agreed that empathy, diversity, professionalism and openness would be the cornerstone of the charity's value footprint going forward.

Chairman's report (continued)

The Board's strategic vision would amount to nothing if we did not ensure all our charitable activities were focused on helping our beneficiaries, those on receipt of care. Social care is a growing issue across the country. The rise in the elderly population, particularly if not matched by health improvements, will place increasing pressure on the public finances, as a relatively smaller working-age population supports growing spending on health, social care and pensions.

Future Care Capital plans to form new, positive ideas to help shape health and care policy so that our beneficiaries receive the services they need. It is important to us that we give recipients of care a voice and improve the quality of care they receive.

Although the Board felt there was no time pressure to launch the organisation externally in the financial year, it was important to use the months ahead to build the organisation. A 12 to 18 month planning horizon was agreed as part of the strategic blueprint, which included the recruitment of new Trustees to increase the range of expertise at Board level, to recruit a Chief Executive to develop the organisation and press on with start-up activities immediately thereafter.

Towards the end of the financial year the Board successfully recruited Dean James CBE and appointed him Chief Executive. Dean's career spans public, private and third sectors. He is a welcome founding member of the charity's executive team.

Dean James moved quickly to implement the start-up plan, which included the recruitment of six new Trustees and an executive team. He has implemented additional governance and financial procedures to underpin the new organisation. His plan took into consideration the key risks set out in our strategic blueprint, including financial, delivery and reputational areas of the charity that were identified by Trustees. Appropriate mechanism and controls are in place to manage these risks.

During the financial year, the Board also moved the proceeds of the sale of CACHE into an external investment fund to be managed and used for future charitable purposes. All investments are regularly monitored so that they are not inimical to the charity's objects. The charity is well funded to achieve its goals with total unrestricted reserves of £13.200m.

Future Care Capital is a growing organisation and the foundations are in place for the charity to expand the range of activities we plan to achieve in the future. In the next year we will accelerate our plans to ensure we can deliver a positive impact for our beneficiaries.

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 the period 2 September 2015 to 31 August 2016.

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 20 to 22 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. Following the sale of its awarding organisation (the Council for Awards in Care, Health and Education (CACHE)) in September 2015 the charity changed its name to The Foundation for Training and Education in Care and again changed its name to Future Care Capital in 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.

Trustees	Appointed/Resigned
Andrew Whelan – Chair	Appointed 27 November 2013
Zoe Amar	Appointed 27 November 2013
Tijs Broeke	Appointed 30 November 2016
Julian Chislett	Appointed 30 November 2016
Peter Cullimore	Appointed 19 April 1994, resigned 31 March 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	Appointed 15 November 2007, resigned 8 January 2017

Governance, Structure and Management (continued)

Trustees (continued)

Future Care Capital has a committed Board of Trustees who bring a breadth of managerial experience and who willingly give their time to serve on the Board and 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 meets relevant legislation and regulation. Trustees take responsibility for one or more areas of responsibility, which may include being appointed to a committee.

The Board met five times in the financial period and further engaged in a series of workshops to formulate the strategic blueprint for the charity, supported by professional advisors Deloitte LLP. The Board's principal activity was strategic planning for the start-up of the new enterprise and hence it retained all Board accountabilities without the need to delegate to committees.

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 adult social care sector, 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.

Due to the sale of CACHE the number of Trustees on the Board reduced and was three at the end of the financial year. The Trustees planned to recruit six additional Trustees to the Board as part of the re-launch of the charity. The recruitment of new Trustees was externally advertised and conducted with the support of a specialist recruiter. This exercise commenced in May 2016 and was completed in November 2016. New Trustees were to be drawn from the fields of health, care, finance and external communications.

New Trustees receive information supporting their induction, which includes relevant Charity Commission documents, a copy of the Articles of Association, the strategic 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.

In the period the Trustees undertook a review of the charity's governance and designed the new Board and Governance Structure. This new Governance arrangement comprised of the following:

The Board: which also acts as the Investment and the Remuneration Committee

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;

Governance, Structure and Management (continued)

Trustees (continued)

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;

Investment Committee: A separate Investment Committee which will be established in 2017. In principle, the committee will oversee Future Care Capital's overall investment strategy including the Investment Arm.

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 period the amount of expenses claimed by Trustees was £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 to the Board. 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. The cost of this insurance in the year was £796 (2015 - £4,938).

Management

The strategic blueprint for the Charity was developed by the Trustees. During the financial period the Trustees recruited a new Chief Executive through an open competition supported by a recruitment specialist organisation. The Chief Executive commenced employment on 1 July 2016 and there were no other employees in the financial year.

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.

Governance, Structure and Management (continued)

Management (continued)

The Chief Executive is responsible for producing regular planning and performance updates, financial and management reports which are included on the Board agenda.

The remuneration and staff benefits policy for management and staff was approved by the Board following benchmarking and external advice from recruitment specialists.

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

Risk management

During the formulation of the Strategic Blueprint for the future activities of the charity the Trustees gave detailed consideration to the major risks to which the Charity would in future be exposed. This involved identifying the risks it faced, prioritising these in terms of potential impact and likelihood of occurrence and identifying means of mitigating the high risks. A risk register identifying major risks was developed and reviewed by the Trustees.

The risks are categorised under financial/commercial risks, delivery risks and reputational/vision risks. 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 Board also reviewed the role of the Board in the management of key risks for charities with reference to the Charity Commission Guidelines and best practise.

The most significant risk to the charity in 2015/16 was its ability to maintain the value of the cash proceeds from the sale from CACHE, with which to promote its charitable objects. To mitigate this risk the charity took professional advice and appointed investment managers Smith and Williamson to invest the majority of its financial reserves.

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 2100 to have regard to public benefit guidance published by the Charity Commission.

Trustees conducted a review of their public benefit aims in November 2015 as part of work undertaken to prepare a strategic blueprint for the organisation. The blueprint sets out key legal and charitable requirements Future Care Capital will comply with. 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 17 of the financial statements.

Following the divestment of its trading activities with CACHE, the principal funding source for Future Care Capital were the gains of £1,098,000 made upon its Investment Portfolio invested through Smith and Williamson and other income from the investment portfolio and cash holdings of £139,000. £1,000,000 was received in the year after the release of an Escrow Agreement, on the 27th October 2016, that represented a deferred payment of the proceeds of sale of CACHE. This was accounted for in 2014/15.

In 2015/16 expenditure of £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.

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

Pension fund

As part of the on-going management of risk, in the previous year the Board took the decision to settle the liability on the CACHE LPFA defined benefit pension scheme.

The only remaining historical pension liability relates to The Camden Pension Fund liability for a former member of staff that will continue on the current basis. This is explained further within the principal accounting policies on page 22.

Reserves policy

Future Care Capital holds free reserves of £13,200,000 at the period end, and had minimal planned operating expenditure for the financial period, principally associated with strategic planning, recruitment and initial start-up activities.

The organisation's reserves policy is currently actively under review and will be determined following Board approval of the ten year business plan for the charity.

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. Under the Memorandum and Articles of Association the Charity has the power to make any investment that the Trustees see fit. The sum of £11,087,000 from the proceeds of the sale of CACHE was invested in external investment funds managed by Smith and Williamson. The Trustees formally determined the investment policy, contractual mandate and target returns for this investment. The principal aim of the investments is to preserve capital in real terms and to reinvest gains within the portfolio. 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 over £11m invested, achieving a 9% total return. The charity also held funds within an interest bearing account for operating expenditure and within a current account to the same end.

Objectives 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 objectives

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

Policy and Advocacy – a policy and advocacy arm that develops new policy concepts and solutions, supported by evidence based research, stimulates debate through events, publications, projects and discussion with senior stakeholders and the public. It will also generate income through consultancy and other activities aligned to its charitable objects.

Strategy for achieving objectives (continued)

Social Impact Investment – an investment arm comprising growth and/or innovation funds set up and managed by the charity, investing in social enterprises which have positive social impact in health, care and education and advance quality and standards. The funds will aim at scaling the social impact of these enterprises and will generate a commercial return for the charity and the investors.

Future Care Capital plans a 'collaboration hub' to complement policy and research work through knowledge sharing of best practice, innovation, evidence and insight into care, health, education and training.

Values

The charity will adopt 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

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

- ◆ Develop a strategic blueprint 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 six new Trustees to expand the experience of the board to help deliver the charity's vision, mission and values.
- ◆ Recruit a Chief Executive to lead the start-up activities and re-launch the charity.
- ◆ Agree the start-up plan to move forward with implementing the new enterprise.
- ◆ Commence work on a detailed, 10-year business plan for the policy and advocacy function of the charity and for the social impact investment arm.
- ◆ Develop the future Governance arrangements for the charity, including the Committee structure, supported by updated policies.
- ◆ Prepare the charity for an early 2017 launch.

Review of significant activities undertaken to achieve charitable objectives

Following the sale of the Charity's awarding organisation business and assets, the charity has focused its attention on the charity's future strategy and on planning activities for re-launching the charity with a renewed Vision and Mission. The Board has translated its strategic blueprint into a detailed 10-year business plan, commence the start-up activities and has formally relaunched the charity in February 2017.

Significant activities undertaken within the period include:

Strategic Blueprint

The Board of Trustees was supported by Deloitte LLP in formulating a strategic blueprint for the organisation. The Board agreed a new vision, mission and set of values to realign the charity's focus on advocacy and social impact investment in November 2015.

Recruitment of six new Trustees

The Trustees started the recruitment process for six new Trustees to increase the breadth of experience on the Board in May 2016. An external recruitment agency was appointed to shortlist a number of potential new Trustees for selection with the aim of concluding the exercise by September 2016.

Establishing the Investment Policy and Portfolio of Investments

Trustees agreed the investment policy and investment portfolio approach, appointing Smith and Williamson to manage its investments on its behalf on 27 January 2016.

Appointment of a Chief Executive Officer and key management roles

In accordance with the strategic blueprint a Chief Executive was appointed in July 2016 to commence start-up activities and take forward the key objectives set out in the strategic blueprint. A recruitment process was begun to appoint a Managing Partner(s) for the Social Impact Fund.

Formulation and commencement 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. It mirrors the main objectives and timeline set out in the strategic blueprint plan.

Initial development of a 10 Year Business Plan

A key deliverable in the strategic blueprint was for formulation of a detailed 10 Year Business Plan for the new enterprise. Work on the plan was initiated as part of the start-up plan.

Development of new governance structure and policies

The new high-level governance structure for the charity, including its future committee structure, and key policies were approved in draft form by the Trustees in August 2016.

Plans for future periods

Following the formulation of the strategic blueprint, the Trustees have committed to a 10 year business plan in November 2016. Set out below are the aims and objectives the plan will deliver and a brief explanation on how the charity will seek to achieve them:

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.

Establishing a social enterprise incubator and scaling social impact

- ◆ Establishing the social investment fund(s).
- ◆ Investing in innovative social enterprises which address the challenges Future Care Capital wish to impact.
- ◆ Supporting these enterprises to scale their operations to achieve wider social impact whilst 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.

Providing consultancy and training (continued)

- ◆ Developing and delivering training in health and social care.
- ◆ Developing income for the charity from consulting, training and other activities.

Going concern

The Trustees are fully assured that the Charity has adequate resources to continue in operational existence for the foreseeable future. They believe that there are no material uncertainties that call into doubt the Charity's ability to continue. The accounts have therefore been prepared on the basis that the Charity is a going concern.

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.

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.

Responsibilities of the Trustees

The Trustees of Future Care Capital (who are also directors of Future Care Capital for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial period in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the profit or loss of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Responsibilities of the Trustees (continued)

- ◆ 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

So far as each of the Trustees at the date of this report is aware, there is no relevant audit information of which the Charity's auditor is unaware. Each 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 Charity's auditor is aware of that information.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees of Future Care Capital on 17 May 2017, and is signed as authorised on its behalf by:

Andrew Whelan

Chair of the Board of Trustees

Independent auditor's report to the Members of Future Care Capital

We have audited the financial statements of Future Care Capital for the period ended 31 August 2016, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

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 2016 and of its income and expenditure for the period 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.

Opinion on other matter 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- ◆ adequate accounting records have not been kept; 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.

Hugh Swainson
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

30 May 2017

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities Period from 2 September 2015 to 31 August 2016

	Notes	2016 Total funds £000	2015 Total funds £000
Income from:			
Investments	1	139	68
Charitable activities			
. Registration of learners and related income		—	8,223
. Other income		—	57
. Profit on disposal of awarding business		—	7,170
Total income		139	15,518
Expenditure on:			
Raising funds	2	24	—
Charitable activities			
. Registration, assessment, examination and related activities		—	6,735
. Pension liability settlement		—	3,744
. FCC start-up costs	3	551	—
Total expenditure		575	10,479
(Deficit)/surplus for the year before investment gains and actuarial gains		(436)	5,039
Net gains on the revaluation and disposal of investments	7	1,098	—
Actuarial gains on defined benefit pension scheme		—	5,039
Net movement in funds	4	662	5,039
Reconciliation of funds			
Balances brought forward at 2 September 2015		12,538	7,499
Balances carried forward at 31 August 2016		13,200	12,538

In the prior year, all charitable activities income and expenditure was derived from discontinued operations, being the activities of the CACHE business which was sold on 1 September 2015. 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 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Investments	7		12,173		—
			12,173		—
Current assets					
Debtors	8	1,028		10,139	
Cash at bank and in hand		294		5,336	
		1,322		15,475	
Creditors: amounts falling due within one year	9	(101)		(2,861)	
Net current assets			1,221		12,614
Provision for liabilities and charges	10		(194)		(76)
Total net assets	13		13,200		12,538
The funds of the charity					
Unrestricted funds					
. General funds	12		13,100		12,438
. Designated funds	12		100		100
Total funds	12		13,200		12,538

The financial statements were approved and authorised for issue by the Board of Trustees on 17 May 2017.

Andrew Whelan

Chair of the Board of Trustees

Company Limited by Guarantee Registration Number 02887166 (England and Wales)

Statement of cash flows Period from 2 September 2015 31 August 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	5,915	(3,879)
Cash flows from investing activities:			
Investment income		116	—
Proceeds from the disposal of investments		403	—
Purchase of investments		(11,087)	—
Net cash used in investing activities		(10,568)	—
Change in cash and cash equivalents in the year		(4,653)	(3,879)
Cash and cash equivalents at 2 September 2015	B	5,338	9,217
Cash and cash equivalents at 31 August 2016	B	685	5,338

Notes to the statement of cash flows for the year to 31 August 2016.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2016 £'000	2015 £'000
Net movement in funds (as per the statement of financial activities)	662	5,039
Adjustments for:		
(Gains) losses on investments	(1,098)	—
Investment income	(116)	—
Depreciation charge	—	375
Purchase of tangible fixed assets	—	(79)
Surplus on disposal of tangible fixed assets	—	4,160
Decrease (increase) in debtors	9,111	(8,945)
(Decrease) in creditors	(2,761)	(4,429)
Increase in provision for liabilities and charges	118	—
Net cash provided by (used in) operating activities	5,915	(3,879)

B Analysis of cash and cash equivalents

	2016 £'000	2015 £'000
Cash at bank and in hand	294	5,338
Cash held by investment managers	391	—
Total cash and cash equivalents	685	5,338

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 period from 2 September 2015 to 31 August 2016.

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.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

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. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2017, 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.

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 resources for which it was incurred.

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

The company entered into an agreement with an ex-employee in 1994 to supplement his pension entitlements with Camden Borough Council, which includes pension benefits to his widow in the event that he pre-deceases her. The company has undertaken an actuarial revaluation of this liability as at 31 August 2016 which it discloses in the financial statements as a provision. 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

	2016 £'000	2015 £'000
Income from investments	116	—
Interest on cash deposits	23	68
	139	68

2 Expenditure on raising funds

	2016 £'000	2015 £'000
Investment managers fees	24	—

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

	Direct cost £'000	Staff costs £'000	Other costs (note 10) £'000	2016 £'000	2015 £'000
Charitable activities					
FCC Start-up costs	411	22	118	551	—
Registration, assessment, examination and related activities	—	—	—	—	6,735
Pension liability settlement	—	—	—	—	3,744
2016 Total funds	411	22	118	551	10,479
2015 Total funds	741	4,020	5,718	10,479	

Staff and other costs are all incurred directly in support of the charitable activity and include expenditure on technology, finance, management and administration, offices costs, course development, customer support and promotion.

4 Net movement of funds

This has been arrived at after charging:

	2016 £'000	2015 £'000
Depreciation and amortisation of tangible fixed assets	—	375
Auditors' remuneration		
. Audit	4	19
. Non-audit	6	9
Interest paid	—	35

5 Trustees

During the year no trustees were reimbursed any expenses (2015 – nine trustees were reimbursed £2,157).

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

During the year, insurance was purchased to indemnify the trustees against default on their part for a premium of £796 (2015 – £4,938).

6 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	20	3,138
Social security costs	2	303
Pension costs	—	321
	22	3,762

In addition to the above, during the prior year agency staff and interim/fixed term temporary staff were required to provide the necessary resources to cover for the vacant posts. No equivalent amount was incurred in 2016 (2015 – £234,897).

	2016 No.	2015 No.
The average number of employees calculated on a full-time equivalent basis was	1	94

The number of employees earning over £60,000 per annum excluding pension contributions was:

	2016 No.	2015 No.
£60,000 - £70,000	—	3
£70,000 - £80,000	—	2

No employees (2015 – four employees) earning over £60,000 participated in the company's defined contribution scheme and contributions of £nil (2015 - £24,564) were made on their behalf.

Total remuneration for key management personnel, including employers pension contributions, was £22,082 (2015 - £335,121).

7 Fixed asset investments

	2016 £'000
Market value at 2 September 2015	—
Additions at cost	11,087
Disposals at carrying value (proceeds £403,071, realised losses £36,305)	(439)
Net unrealised gains	1,134
Market value at 31 August 2016	11,782
 Cash held in short term deposits and by investment managers	 391
 Value of listed investments at 31 August 2016	 12,173
 Cost of listed investments at 31 August 2016	 10,641

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2016 comprised the following:

	2016 £'000
UK bonds	817
UK fixed interest	654
Overseas index linked	317
UK equities	3,241
Overseas equities	4,981
Alternative investments	1,771
	11,782

8 Debtors

	2016 £'000	2015 £'000
Other debtors	1,012	10,107
Prepayments and accrued income	16	32
	1,028	10,139

9 Creditors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Trade creditors	30	—
Taxation and social security	3	—
Other creditors	—	16
Accruals and deferred income	68	440
Bank loans	—	2,405
	101	2,861
Deferred income		
Balance at 2 September 2015	—	2,044
Amount released to SOFA	—	(2,044)
Balance at 31 August 2016	—	—
Bank mortgage		
Due within one year	—	2,405
Total at 31 August 2016	—	2,405

The mortgage was secured to Barclays Bank PLC by fixed charged on the freehold of Apex House, with the repayment term being 25 years.

The outstanding mortgage was settled in full on 2 September 2015.

10 Provision for liabilities and charges

	2016 £'000	2015 £'000
At 2 September	76	86
Increase in provision	118	—
Released in the period	—	(10)
At 31 August	194	76

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 (previous valuation was £129,000 as at 31 August 2008). During the year 2015/16 the provision was therefore increased by £118,000 (2014/15 – £9,550 was released).

11 Pension schemes

i. Defined contribution scheme

The CACHE Group Personal Pension Plan started in November 2009 and is managed by AEGON Scottish Equitable. The scheme was closed at the end of the previous year.

Here the total contribution by the charity during the period was £nil (2015 – £169,465). The sum of £nil was owing to the pension fund at 31 August 2016 (2015 – £27,761).

ii. Defined benefit scheme

The charity closed its defined benefit pension scheme to new members with effect from 31 May 2010. Following a review of the existing pension scheme arrangements the charity has withdrew from the London Pensions Fund Authority (LPFA), and the scheme was closed at the end of the previous year.

Employer contributions for the period ended 31 August 2016 amounted to £nil (2015 – £254,954).

In the previous year the charity recognised an exceptional one-off charge of £3.744m in the statement of financial activities to reflect the LPFA pension liability settlement.

12 Statement of funds

	General fund £'000	RCP Pension Fund £'000	2016 Total funds £'000
At 2 September 2015	12,438	100	12,538
Income	139	—	139
Expenditure	(575)	—	(575)
Gains and losses	1,098	—	1,098
Balance at 31 August 2016	13,100	100	13,200

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.

13 Analysis of net assets between funds

	Net current assets £'000	Liabilities £'000	2016 £'000
General reserve	13,294	(194)	13,100
RCP pension fund	100	—	100
	13,394	(194)	13,200

14 Related parties

There were no related party transactions in the period.