

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

**Annual Report and Financial  
Statements**

31 August 2019

Company Registration Number  
02887166

Charity Registration Number  
1036232

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<b>Patron</b>	Her Majesty, The Queen
<b>Trustees</b>	Andrew Whelan - Chair Julian Chislett Mike Dixon Irene Gray Neil Churchill Sylvia Lowe Lise Pape Jonathan Steel Michael Dumigan
<b>Chief Executive Officer</b>	Greg Allen
<b>Key Management Personnel</b>	David Milne, Director of Finance and Corporate Services Annemarie Naylor, Director of Policy and Strategy Joel Charles, Director of Government Relations and Impact Sue Wixley, Director of Marketing and Communications Dave Dawes, Commercial Director Bradley Hardiman, Managing Partner – Innovation Fund
<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>	Anthony Collins 134 Edmund Street Birmingham B3 2ES

## Redefining the future of health and care provision

Future Care Capital has continued to grow in maturity, impact and influence throughout this year, and I would like to thank the executive team for their continued dedication and hard work. We continue to focus on how best we respond to the changing political landscape so that we can make the most of the opportunity available in order to make a real difference, challenge existing health and care assumptions and help deliver for the many beneficiaries the charitable sector is there to serve. This year's annual report highlights what Future Care Capital has been doing to shine a light on specific health and care issues that require a national policy response, alongside our complementary focus on innovation and investment.

Under Greg Allen's leadership, the charity has bolstered its organisational capacity and capability and raised its profile. New appointments have included Sue Wixley, as Director of Marketing and Communications, and Dave Dawes, joining as Commercial Director to identify and generate revenue. We have also added capacity in more junior roles.

The charity's overriding objective is to stimulate and lead the debate and bring about a step-change in understanding what a fit-for-purpose unified health and care system looks like. To this end, the Care Covenant work is a key programme for the charity and has increased its engagement with the sector and a wider audience. We are seeking to engage a host of different players to join us in shaping a collective vision for the stewardship of health and well-being across communities. We have been setting out how we will achieve this through online discussion, meetings, roundtables and opinion pieces.

Our major publications and policy work this year focussed on progressing our work to promote investment in and usage of health and care data and technology in the service of our beneficiaries.

- *Facilitating Care Insight to Develop Caring Economies*, produced in partnership with Cambridge Econometrics, explored the risks and opportunities different parts of the country face in planning and managing adult social care provision due to data limitations and the lack of investment in analytic capability.
- In *Taking Next Steps to Harness the Value of Health and Care Data*, we explored demand for data from NHS Trusts in England and invited discussion about how best to realise its potential for the purposes of research and innovation. The Government subsequently published a framework to realise the benefits of health and care data and agreed to explore our call for better use of operational data to improve patient care and productivity.
- In *A Forgotten Army: Coping as a Carer*, which was kindly supported by a grant from Legal & General, we shared our in-depth research with YouGov about the strains impacting the growing number of unpaid carers and their needs.
- We commissioned a detailed analysis of residential social care to understand what publicly available and open data can tell us about the structure and stability of associated markets, provider performance and financial risk and assess how this might inform the monitoring and regulation of the sector to improve quality. *Data that Cares* was released in Autumn 2019.

Before, during and after these publications we have actively sought input and engagement from experts in the sector, across government and providers and directly from our beneficiaries. Each publication contains key recommendations to address the issues and challenges our research highlights and we continue to pursue opportunities to effect legislative and policy change to amplify our impact.

Through our advocacy work we are positioning ourselves as experts in the area of health and care data usage, influencing discourse across the sector at a national level as well as engaging directly with parliamentarians and officials to support further investigation of related issues. This is reflected in our championing of a 'UK Sovereign Health Fund' to harness the value of data for the purposes of research and innovation, while safeguarding the interests of the NHS and those it exists to serve.

We have supported cross-party efforts in Parliament to develop a national strategy which aims to increase healthy life expectancy by five more years. These strategic challenges and issues have been the backbone of our work to deliver tangible policy and beneficiary impact.

To promote our ideas and engage in debate, we were involved in several events throughout the year both as hosts and guest speakers. Notably we hosted fringe events at the Labour and Conservative Party conferences with key speakers including Barbara Keeley MP, Shadow Minister for Mental Health and Social Care. These events explored what might be next for social care in the context of the delayed Green Paper on adult social care and ongoing suggestions of a cross-party commission on health and care funding. These, and other discussions and appearances, reflected on the reform agenda, engaged the main political parties about the options available and encouraged more action to address the challenges the sector continues to face.

We expanded our complement of Trustees to add experience in areas identified by our 2018 trustee skills audit. We appointed five new Trustees in-year from a variety of charitable, public sector and commercial backgrounds who bring broad experience of health and social care, marketing, commercial and financial insight.

The raising of the Innovation Fund has not progressed as quickly as planned but we remain committed to our objective to invest in early stage companies that are complementary to our charitable objectives via delivering high-tech health and care innovations. We are reviewing our approach to raise the Fund.

The charity ended the financial year at 31 August 2019 in a healthy financial position with net assets of £11.97m, achieved through prudent financial management and investment returns. These returns totalled £0.56m income and unrealised returns from investments over the period, as well as grant income for project funding and modest consulting income. Our investments continue to be monitored to ensure our financial arrangements are aligned with our charitable objects.

In these ways, we have continued to build our influence this year and have significantly raised our profile both in the sector and the media. This is bearing fruit, enabling us to make a difference for our ultimate beneficiaries - those in receipt of care. Next year's focus will be on bringing to life our recommendations from the charity's publications this year, and conducting further research to improve the quality and standards of care. There will continue to be a focus on building new relationships in Parliament to make the case for a cross-party approach to tackle long-term health and care challenges. We will also host and lead a national conversation through our Care Covenant programme and begin to co-create a vision with experts the Government and the public around vibrant communities and the collective stewardship of health and well-being.

I am grateful to the team for their efforts, commitment and successes in 2018/19.

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 2019.

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 25 to 27 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).

## **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.

### ***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	Resigned 7 December 2018
Julian Chislett	
Mike Dixon	
Irene Gray	
Professor Rishabh Prasad	Resigned 17 January 2019
Neil Churchill	Appointed 20 March 2019
Sylvia Lowe	Appointed 20 March 2019
Lise Pape	Appointed 20 March 2019
Jonathan Steel	Appointed 20 March 2019
Michael Dumigan	Appointed 9 May 2019

Future Care Capital benefits from a committed Board of Trustees who bring a breadth of managerial experience and give their time generously 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 seven times in the financial period, the General Purposes Committee and the Risk and Audit Committee met three times each and the Remuneration Committee twice. The board's principle activities were to oversee the ramp-up of the charities operations to full strength, monitor the strategic direction for income generation to build a sustainable future, and the set-up of the charity's Innovation 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 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 10-year business plan and current strategy refresh documents, 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 the following:

**The Trustee Board:** 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.

**Risk and Audit Committee:** oversees 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:** oversees 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.

**Remuneration Committee:** ensures that remuneration and all employment benefit arrangements, with particular reference to the Senior Management Team, support the strategic aims of Future Care Capital and contribute to the recruitment, motivation and retention of employees while complying with the requirements of current legislation and regulation. 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 and all other Key Management Personnel, 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.

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

### ***Trustees*** (continued)

The Governance structure includes the 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 £338 in expenses was claimed by two trustees (2018 - £946 by one trustee).

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 practice.

### ***Trustee governance***

To stay fit for purpose, the Board recognises that it must systematically refresh and develop. A skills audit undertaken towards the end of the previous period was used as a basis for the recruitment of five new Trustees in period to complement existing capabilities and replace outgoing Trustees. A specialist recruitment agency was used for this process.

New Trustees were recruited with a focus on commercial marketing, PR, business development and commercial financial/accounting skills. The board is now at full strength. A further skills audit will take place in next year to ensure the continuing relevant mix of experience and skills. Alongside this there will be a review of Trustee effectiveness to ensure the Board remains aligned with the Charity Governance Code principles of organisational purpose, leadership, integrity, decision-making, diversity, openness and accountability, and to enable continuous improvement.

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 organisational review completed in the previous period the recruitment of two new Directors to the Senior Management Team was completed in 2018/19. Sue Wixley was appointed as Director of Marketing and Communications and Dave Dawes joined as Commercial Director. Three more junior roles were also added to the organisation in period.

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 also responsible for producing regular planning and performance updates, financial and management reports which are included on the Board agenda, and is supported in this by the Senior Management Team. Bradley Hardiman resigned as Managing Partner of the Innovation Fund in period, and the Chairman of the Board, Chief Executive and Director of Finance and Corporate Services are stewarding ongoing Fund activities and administration whilst the Board reviews and confirms the approach to raising the Fund.

### ***Risk management***

The Risk Register developed by Trustees was maintained and updated during the year in line with the detailed risk management framework. 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 2018/19 was a lack of sources of sustainable income, especially given reliance on the Investment Portfolio for operational funding and how economic conditions (including the uncertainty and impact around Brexit) could impact investment values and returns. To mitigate this risk, a revenue generation strategy has been produced, and a Commercial Director recruited to spearhead the development of sustainable revenue generation, which is underway with a series of initiatives to be delivered in the next period. In addition, 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 decided to position the portfolio more defensively to address uncertainties in financial markets .

There is also financial risk around Future Care Capital holding direct investments into companies as part of the establishment of the Innovation Fund – namely Healthera. Ongoing monitoring takes place by holding an Observer position on the board, currently occupied by the Director of Finance and Corporate Services who reports progress and risks from Healthera at all Board of Trustee meetings. The intention remains to transfer the investment to the Innovation Fund once established.

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

### ***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.

Continuous monitoring at regular meetings of the Board ensures the charity's operations and activities remain in line with the public benefit aims requirements set out in guidance published by the Charity Commission and in law. The charity has built on its existing measures of impact and introduced a new framework to track how it achieves its wider goals and objectives

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 21 (SOFA) of the financial statements.

The principal funding source for Future Care Capital is the Investment Portfolio managed by Smith and Williamson. This included net investment gains of £279,000 (2018 - £192,000) and other income from the investment portfolio and cash holdings of £279,000 (2018 - £285,000). £35,000 (2018 – nil) was received in revenue from grants and consultancy.

In the year ended 31 August 2019 total expenditure was £1,510,000 (2018 - £1,214,000), of which £334,000 (2018 - £299,000) was related to expenditure on the Innovation Fund start-up activities. Expenditure in the period supported the key objectives as set out on page 10.

#### ***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 at 31 August 2019. This is explained further within the principal accounting policies on page 27.

#### ***Reserves policy***

Future Care Capital held free reserves of £11,781,000 (2018 - £12,744,000) at the year end, and the planned operating expenditure for the financial period was principally associated with policy and insight, the establishment of the Innovation Fund and advocacy work.

## **Financial review** (continued)

### **Reserves policy** (continued)

The organisation's reserves policy was re-confirmed in-year as appropriate, and agreed by the board to hold a minimum of the sum of the total outstanding planned capital exposure for the investment plan, totalling £2,750,000, plus a 12-month forecast of operating expenditure at £1,500,000 (individual annual year budget dependent), both as set out in the charity's Reserves Policy.

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. Burn-rate and returns are reviewed and discussed at each board meeting. A sustainable revenue generation strategy and plan are in progress to reduce reliance on drawing down reserves to fund operations, with active revenue generation initiatives in the plan for this period.

### **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. The charity's reserves continue to reside in a managed portfolio administered 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 ramp-up of the revenue generation strategy 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 net realised and unrealised gains of £279,000 and investment income of £279,000 on an average invested sum of £12,260,000 providing a total return of 4.6%. The charity also held funds within an interest-bearing account for operating expenditure and within a current account to the same end. Trustees repositioned the portfolio in-period to be more defensively positioned to minimise losses in the event of a market downturn.

The charity continues to hold a direct, mixed motive investment as a precursor to the Innovation Fund, in Healthera and valued at £250,000, which continues to perform well against plan.

### **Objects 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.

### **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 for our evidence-based intellectual insight and identified as the expert partner;
- ◆ Drive a step change in the understanding of a fit-for-purpose unified health and care system;
- ◆ Invest and influence for societal benefit;
- ◆ Bring the best of the best together to deliver a Care Covenant; and
- ◆ Become sustainably independent.

### **Strategy for achieving objects**

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

- ◆ ***Evidence based Policy and 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. We released three reports in year alongside supporting advocacy work – see pages 11 and 12.
- ◆ ***Innovation Investment Fund*** – In pursuance of Future Care Capital'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. Establishment activities continue, and one investment has been made as described on page 14.

### **Values**

The charity adopts a flexible 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 measure its impact through achieving its goals, within its KPI regime and emerging Impact framework.

### **Objectives for the period**

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

- ◆ Develop a 'bottom-up' map of the current health and care system
- ◆ Galvanise effort around delivering a Care Covenant
- ◆ Collaborating across the political spectrum to explore the value of healthcare data
- ◆ Central and local government engagement to achieve FCC's strategic ambitions
- ◆ Establishing an innovation fund(s) that will deliver positive societal benefit
- ◆ Delivering sustainable revenue generation

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

The charity focused its attention on continuing to build on previous recommendations by advocating for change across Government, departments and non-governmental bodies, alongside conducting new original research.

Significant activities undertaken within the period include:

#### **Policy and Insight**

##### ***Facilitating Care Insight to Develop Caring Economies – September 2018***

FCC published a research report 'Facilitating Care Insight to Develop Caring Economies' with Cambridge Econometrics. Their report looked at the risks and opportunities different parts of the country face in planning and managing adult social care provision.

The Census 2021 White Paper includes a role for the Office of National Statistics (ONS) to develop approaches to the integration of the 2021 census data with health and social care records. FCC's report specifically called on the ONS to improve upon the data it collects for the Census where it impacts care insights. The White Paper also acknowledges the need to better understand population dynamics so that decisions are made using the best available evidence, echoing the charity's call for more granular insights to better understand local care infrastructure challenges.

##### ***Taking Next Steps to Harness the Value of Health and Care Data – May 2019***

FCC has been working to develop ideas and spark a debate about harnessing the value of health and care data in the public interest and for public benefit.

The charity launched a discussion paper examining the steps that needed to maximise the value of health and care data. The charity reflected upon policy developments to stimulate debate about where they might help or hinder progress in improving outcomes for individuals, critical infrastructure and services, as well as in delivering economic development goals and bolstering the sustainability of health and care provision. FCC continues to work across Government to pursue this agenda as the charity believes there is the potential to harness the value of data to deliver better patient outcomes.

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

**Policy and insight** (continued)

***A Forgotten Army: Coping as a Carer – June 2019***

Future Care Capital commissioned YouGov to conduct a UK-wide research project focused on identifying gaps in support and sought to understand the views of unpaid carers. YouGov conducted an online survey of more than 2,000 unpaid carers, two focus groups and 20 in-depth interviews. This was part-funded by Restricted Funds provided as a grant from Legal & General.

The research found that the impacts of loneliness, poor mental and physical health, financial worries and a lack of flexibility to learn or train are producing far-reaching consequences. To tackle these issues we have put forward recommendations to deliver more targeted support to improve earlier identification and signposting for support, offer flexible learning for younger carers, introduce new training pathways, help to tackle the hidden costs of care as well as calling for enhanced carer rights to help them access mental and physical health services. FCC's report has delivered impact, giving unpaid carers a platform for their voices to be heard and receiving national press coverage.

FCC continues to pursue its recommendations and has discussed how best to improve the early identification of unpaid carers with the Government and organisations across sectors.

**Advocacy**

***Political Party Conference fringe events – September/October 2018***

In partnership with the IPPR, FCC staged fringe events at the Labour and Conservative Conferences. Key panellists included the Shadow Minister for Mental Health and Social Care, Barbara Keeley MP and the LGA Deputy Chairman and Cllr Izzi Seccombe.

Both events looked at 'what next for social care?' in the context of the Green Paper and the ongoing suggestions of a cross-party commission on health and care funding at the time. The events took stock of the reform agenda; engage politicians in a conversation about the options going forward; and encourage more action in addressing the challenges the sector is facing.

***Parliamentary Debate Briefing: this House takes note of the value of NHS and healthcare data and how it could be used to improve the health of our nation – September 2018***

FCC's briefing note built upon their report 'Unleashing the potential of health and care data' about how the UK might support data-driven research and innovation to transform health and care outcomes, and outlined the areas which the charity believed Parliamentarians should reflect upon. FCC was mentioned during the debate.

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

***Advocacy*** (continued)

***APPG on Rural Health and Social Care inquiry response – technology opportunities and challenges – February 2019***

The impact of our ageing population is being hard-felt in rural communities across the country as demand for health and care provision continues to grow. People who live in isolated rural areas must be empowered to play an active part in designing appropriate and responsive health and care services. In particular, the success of the Government's health and care tech strategy will be predicated upon the extent to which it is genuinely user-led.

FCC's inquiry response was informed its own research findings, consideration of new and emergent technologies, and health and care initiatives that are already in place, under development or being piloted.

***National Data Guardian: Response to consultation on priorities – March 2019***

The office of the National Data Guardian (NDG) advises and challenges the health and care system to help ensure that citizens' confidential information is safeguarded and used properly. FCC has a keen interest in health and social care data and technology, and welcomed the opportunity to engage with the National Data Guardian about its future priorities.

In its consultation response, FCC said that if the National Data Guardian is to make further progress in 'getting the basics right' to improve outcomes for individuals, then it was important that the NDG office devotes more time and energy to data impacting social care planning and provision than has been the case to date. The charity's detailed recommendations pointed toward areas the NDG might usefully explore in more depth. The NDG's response in July 2019 echoed FCC's call for a public debate about the fair distribution of benefits from health and care data assets.

***All-Party Parliamentary Group (APPG) for Longevity***

FCC works with the secretariat of the group to provide governance and political advice on a cross-party basis. The charity also helped the group prepare and send out briefing notes to Parliamentarians about the work of the APPG. FCC currently sits on all four of the advisory boards supporting the development of the APPG for Longevity's National Healthy Longevity strategy.

***Public Accounts Committee: Challenges in using data across Government – July 2019***

FCC's submission to the Public Accounts Select Committee focused upon the National Audit Office's (NAO) report concerning the Challenges in Using Data Across Government and, in particular, endorsed the view of the NAO that data controlled and/or generated with government should be treated as a strategic asset and protected, enhanced and deployed accordingly.

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

**Innovation Fund**

***Innovation Fund set-up and direct investment***

The set-up of the Innovation Fund continued, with the Managing Partner engaging throughout the year with potential Limited Partners to invest in the Fund. The legal entities required to deliver the investment activity remain in place:

- ◆ 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.

These entities remain dormant with no activities as the investment continues to be sought.

Future Care Capital continues to hold its direct investment in Healthera, a Cambridge Enterprise Seed Funds portfolio company as a precursor to the investment activity of the Innovation Fund. Healthera connects patients to a platform of hundreds of pharmacies and NHS GPs, allowing them to order and track their prescriptions, access clinical services, and monitor their medication intake in one digital end-to-end solution.

The investment is accounted for as a mixed motive investment, as:

- ◆ It represents an opportunity to positively impact the lives of a large group of Future Care Capital's core beneficiaries therefore furthering the charity's charitable purposes; and
- ◆ It is a 'venture' investment, anticipated to generate a future financial return to the charity.

In line with the charity's policy on mixed motive investments this investment, taking the form of ordinary shares, will be measured at cost less impairment on the Balance Sheet. The intention remains to transfer this investment to the Innovation Fund once it is established.

In the challenging and uncertain political and economic environment we have not progressed as quickly as planned with raising the Fund, and the Managing Partner resigned after year-end. An external consultant was engaged to review the approach and we are exploring a range of options to progress the Fund further.



### **Plans for future periods**

Set out below are the key objectives FCC will aim to deliver in the next period as agreed by the Board. These represent a continuation and expansion of the activities completed during the financial period.

#### ***A national conversation about the Care Covenant***

- ◆ Spark a new social movement in health and care that includes experts and members of the public in a frank conversation about future provision.
- ◆ Create influential and engaged social media forums in the country for discussing health and care needs.
- ◆ Position the Care Covenant as a leading vision for the peoples' priorities for a 21st century health and care system.
- ◆ Host a national conversation and connect with a wider group of beneficiaries to help aid FCC's charitable mission.

#### ***Collaborating across the political spectrum to explore the value of healthcare data***

- ◆ Leverage the UK's unique health data assets in line with the concept of a Sovereign Health Fund.
- ◆ Establish the UK as the go-to place, internationally, for healthcare R&D.
- ◆ Reduce the growing cost of healthcare provision in the UK.

#### ***Central and local government engagement to achieve FCC's strategic ambitions***

- ◆ Influence key government announcements on health and care.
- ◆ Develop greater policy insight and thinking to share with the government and Parliament.
- ◆ Work with influential All-Party Parliamentary Groups to further FCC's policy and advocacy ambitions.
- ◆ Seek pertinent press coverage and monitor debates in Parliament during key sittings that focus on health and care.
- ◆ Work with the Government to push for the publication of their plans for adult social care at the earliest opportunity.
- ◆ Harnessing the value of healthcare data and residential care research will act as the backbone of FCC's engagement plans during the last quarter of 2019, and into 2020.
- ◆ Planning for future elections, creating policy to share with the government and Parliament that enhances the health and care provision available to FCC's core beneficiaries.
- ◆ Position FCC as both a local and national advocate for health and care policy, becoming the go to organisation for insight on the ground.

**Plans for future periods** *(continued)*

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

- ◆ Establish the Innovation Fund(s).
- ◆ Invest in innovative enterprises which address the challenges Future Care Capital wish to impact, deliver societal impact and generate a commercial return.

***Delivering sustainable revenue generation***

- ◆ Generate income based on monetising our insight and impact work with innovations linked to our charitable objectives.
- ◆ Reduce reliance on existing reserves and improve future sustainability of the charity.

**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 25 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.

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.

**Fundraising**

Future Care Capital does not actively solicit donations directly from the public and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the charity would ensure personal data is appropriately protected.

### 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. 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 2019 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).

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 2019 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
- ◆ 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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) 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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

**Statement of financial activities (incorporating the income and expenditure account) Year to 31 August 2019**

	Notes	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £000	2018 Total funds £000
<b>Income from:</b>					
Donations and grants	1	—	29	29	—
Charitable activities					
. Consultancy		6	—	6	—
Investments	2	279	—	279	285
<b>Total income</b>		<b>285</b>	<b>29</b>	<b>314</b>	<b>285</b>
<b>Expenditure on:</b>					
Raising funds	3	60	—	60	80
Charitable activities	4				
. Innovation Fund		334	—	334	299
. Policy and insight		683	29	712	487
. Advocacy		404	—	404	348
<b>Total expenditure</b>		<b>1,481</b>	<b>29</b>	<b>1,510</b>	<b>1,214</b>
Deficit for the year before investment gains		(1,196)	—	(1,196)	(929)
Net gains on the revaluation and disposal of investments	9	279	—	279	192
Net expenditure		(917)	—	(917)	(737)
<b>Other recognised losses:</b>					
Actuarial loss on revaluation pension liability	13	(28)	—	(28)	—
<b>Net movement in funds</b>	5	<b>(945)</b>	<b>—</b>	<b>(945)</b>	<b>(737)</b>
<b>Reconciliation of funds</b>					
Balances brought forward at 1 September 2018		12,919	—	12,919	13,656
Balances carried forward at 31 August 2019		11,974	—	11,974	12,919

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 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	8		29		37
Fixed asset investments	9		11,877		12,642
Mixed motive investment	10		250		250
			<u>12,156</u>		<u>12,929</u>
<b>Current assets</b>					
Debtors	11	52		46	
Cash at bank and in hand		133		280	
		<u>185</u>		<u>326</u>	
<b>Creditors:</b> amounts falling due within one year	12	(174)		(161)	
<b>Net current assets</b>			11		165
<b>Total assets less current liabilities</b>			<u>12,167</u>		<u>13,094</u>
Provision for liabilities and charges	13		(193)		(175)
<b>Total net assets</b>	14		<u>11,974</u>		<u>12,919</u>
<b>The funds of the charity</b>					
Unrestricted funds					
. General funds	15		11,781		12,744
. Designated funds	15		193		175
Restricted funds	15		—		—
<b>Total funds</b>			<u>11,974</u>		<u>12,919</u>

The financial statements were approved and authorised for issue by the Board of Trustees on

Chair of the Board of Trustees

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



## Statement of cash flows 31 August 2019

	Notes	2019 £'000	2018 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in provided by operating activities	A	<b>(1,470)</b>	(1,199)
<b>Cash flows from investing activities:</b>			
Investment income		279	285
Proceeds from the disposal of investments		4,403	2,271
Purchase of investments		(3,112)	(1,606)
Purchase of mixed motive investments		—	(250)
<b>Net cash provided by investing activities</b>		<b>1,570</b>	700
<b>Change in cash and cash equivalents in the year</b>		<b>100</b>	(499)
<b>Cash and cash equivalents at 1 September 2018</b>	B	<b>481</b>	980
<b>Cash and cash equivalents at 31 August 2019</b>	B	<b>581</b>	481

The charity had a net cash outflow from operating activities of £1,470,000 (2018 – outflow of £1,199,000). Cash outflows in 2019 relating to Policy and Insight and associated Advocacy activities as well as set-up activity for the Innovation Fund were not offset by inflows in-year. The charity achieved a net cash inflow from investing activities of £1,570,000 (2018 – £700,000) primarily as a result of the receipt of investment income of £279,000 (2018 – £285,000) and proceeds from investment of £4,403,000 (2018 - £2,271,000) outweighing purchases of £3,112,000 (2018 - £1,606,000). Together, this resulted in a net increase in cash and cash equivalents in the year of £100,000 (2018 – net decrease of £499,000).

### Notes to the statement of cash flows for the year to 31 August 2019.

#### A Reconciliation of net movement in funds to net cash used in operating activities

	2019 £'000	2018 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(945)</b>	(737)
<b>Adjustments for:</b>		
Actuarial loss	28	–
Net gains on investments	(279)	(192)
Investment income	(279)	(285)
Depreciation charge	14	13
Purchase of tangible fixed assets	(6)	(2)
Increase in debtors	(6)	(36)
Increase in creditors	13	50
(Decrease) in provision for liabilities, excluding actuarial loss	(10)	(10)
<b>Net cash used in operating activities</b>	<b>(1,470)</b>	(1,199)

**Statement of cash flows** 31 August 2019

**B Analysis of cash and cash equivalents**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>133</b>	280
Cash held by investment managers	<b>448</b>	201
<b>Total cash and cash equivalents</b>	<b>581</b>	481

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 2019.

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 2020, 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.

Support costs are those costs which enable fund generating and charitable activities to be undertaken. Where activities incurred relate to more than one cost category, it is apportioned on the most appropriate basis and on a reasonable and consistent basis.

Facilities, IT and Recruitment costs are allocated between Direct and Support costs based on headcount, and apportioned to spend categories within support based on time spent on each charitable activity.

**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	20%

**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.

### **Mixed motive investments**

The charity recognises as mixed motive investments those assets which provide funding to an organisation in order to generate a financial return for the charity as well as furthering the charity's objects and charitable purposes.

Where the investment takes the form of ordinary or preference shares it is measured on the balance sheet at the reporting date either:

- At its fair value, if this can be measured reliably; or
- If its fair value cannot be measured reliably, at its cost less impairment.

Where the investment is measured at cost less impairment, the trustees assess the investment for objective evidence of impairment at the end of each reporting period.

### **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 13 the charity has a commitment to make payments to the Camden Pension Scheme in relation to an historic pension liability. At the charity's request, the liability at 31 August 2019 was valued by a qualified actuary (last valued as at 31 August 2016), which it discloses in the financial statements as a provision. This will be next be reassessed and revalued on 31 August 2022, and every three years thereafter. Payments in relation to the liability are recognised as an operating expense. Changes in the actuarial valuation of the provision are represented as an actuarial gain or loss on the statement of financial activities.

### **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.

Restricted funds comprise those funds given by donors to use for a specific purpose.

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

**1 Donations and grants**

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000	2018 £'000
Grants	—	29	29	—
	—	29	29	—

**2 Income from investments**

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000	2018 £'000
Income from investments	279	—	279	285
	279	—	279	285

**3 Expenditure on raising funds**

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000	2018 £'000
Investment manager's fees	60	—	60	80
	60	—	60	80

The investment manager fees all relate to Smith and Williamson's management of the investment portfolio, and have decreased due to an over-accrual in the prior year.

**4 Expenditure on charitable activities**

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2019 £'000
Direct costs				
. Staff	210	304	166	680
. Other	4	132	66	202
Support costs	120	276	172	568
<b>2019 Total funds</b>	<b>334</b>	<b>712</b>	<b>404</b>	<b>1,450</b>

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2018 £'000
Direct costs				
. Staff	173	243	125	541
. Other	67	103	108	278
Support costs	59	141	115	315
<b>2018 Total funds</b>	<b>299</b>	<b>487</b>	<b>348</b>	<b>1,134</b>

#### 4 Expenditure on charitable activities (continued)

Support costs have been allocated on the basis of time spent on each charitable activity, with Facilities, IT and Recruitment costs reallocated to direct costs based on headcount.

Support costs are broken down as follows:

	2019 £'000	2018 £'000
IT	10	19
Facilities	173	116
Staff	54	103
Governance	59	26
Other support costs	70	51
<b>Total support costs</b>	<b>366</b>	<b>315</b>

#### 5 Net movement of funds

This has been arrived at after charging:

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets	15	13
Auditor's remuneration (including VAT)		
. Audit	6	6
. Non-audit	3	2

#### 6 Trustees

During the year two trustees were reimbursed expenses of £338 (2018 - £946 to one trustee) relating to travel and subsistence. These claims were made in line with the charity's standard policies.

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. In July 2019 the cover was renewed at £5,000,000.

#### 7 Staff costs

	2019 £'000	2018 £'000
Wages and salaries	751	545
Social security costs	87	66
Pension costs	44	33
	<b>882</b>	<b>644</b>
Temporary staff and contractor costs	—	23
<b>Total staff costs</b>	<b>882</b>	<b>667</b>

**7 Staff costs** (continued)

The above costs (excluding temporary staff or contractor costs) have been allocated to direct and support costs as follows:

	2019 £'000	2018 £'000
Direct costs	680	541
Support costs	202	103
	<b>882</b>	<b>644</b>

	2019 No.	2018 No.
Average number of employees during the year	11	8

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

	2019 No.	2018 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	—	1
£80,001 - £90,000	1	—
£120,001 - £130,000	1	—
£130,001 - £140,000	1	1

Five employees (2018 - Four) earning over £60,000 participated in the company's defined contribution scheme and contributions of £31,932 (2018 - £15,340) were made on their behalf.

Total remuneration for key management personnel, including employer's pension contributions and employer's national insurance, was £695,558 (2018 - £513,348).

**8 Tangible fixed assets**

	Computer equipment £'000	Office equipment, fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 September 2018	21	33	54
Additions	6	—	6
At 31 August 2019	27	33	60
<b>Depreciation</b>			
At 1 September 2018	9	8	17
Charge for the year	7	7	14
At 31 August 2019	16	15	31
<b>Net book values</b>			
At 31 August 2019	11	18	29
At 31 August 2018	12	25	37



**9 Fixed asset investments**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Market value at 1 September 2018</b>	<b>12,441</b>	12,914
Additions at cost	<b>3,112</b>	1,605
Disposals at carrying value (2019 proceeds £4,403,376; realised losses £219,831; 2018 proceeds £2,270,822, realised losses £129,487)	<b>(4,623)</b>	(2,400)
Net unrealised gains	<b>499</b>	322
<b>Market value at 31 August 2019</b>	<b>11,429</b>	12,441
<b>Cash held in short term deposits and by investment managers</b>	<b>448</b>	201
<b>Value of listed investments at 31 August 2019</b>	<b>11,877</b>	12,642
<b>Cost of listed investments at 31 August 2019</b>	<b>9,921</b>	10,440

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2019 comprised the following:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
UK bonds	<b>1,621</b>	1,018
UK fixed interest	<b>1,294</b>	778
Overseas index linked	<b>272</b>	466
UK equities	<b>2,373</b>	3,144
Overseas equities	<b>3,538</b>	5,096
Alternative investments	<b>2,331</b>	1,941
	<b>11,429</b>	12,441

**10 Mixed motive investment**

This consists of one holding of ordinary shares in a UK registered company, Healthera Limited (company no. 09609198).

The charity measures the investment at cost less impairment given that reliable data cannot be obtained regarding its fair value. This value at the reporting dates is shown below:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
At 1 September	<b>250</b>	—
Addition	<b>—</b>	250
<b>At 31 August</b>	<b>250</b>	250

**11 Debtors**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Prepayments and accrued income	<b>49</b>	46
Employee loans	<b>3</b>	—
	<b>52</b>	46

## 12 Creditors

	2019 £'000	2018 £'000
<b>Amounts falling due within one year</b>		
Trade creditors	61	117
Other creditors	3	4
Accruals	110	40
	<b>174</b>	<b>161</b>

## 13 Provision for liabilities and charges

	2019 £'000	2018 £'000
At 1 September	175	185
Released in the period	(10)	(10)
Revaluation – actuarial loss	28	—
<b>At 31 August</b>	<b>193</b>	<b>175</b>

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 charity's request, the liability at 31 August 2019 was valued by a qualified actuary who calculated that the value of the relevant liability value as at that date was £193,000. This has resulted in an increase in the provision by £28,000. During the year ended 31 August 2019, £9,608 was paid to reduce the provision (2018 – £9,515 was paid to reduce the provision). The provision will be reassessed and revalued at 31 August 2022.

## 14 Pension schemes

### *Defined contribution scheme*

The Future Care Capital Pension Plan started in April 2017 and is managed by Smart Pension. The total contribution by the charity during the period was £44,410 (2018 - £32,665). No sum was owing to the pension fund at 31 August 2019 (2018 - £nil).

## 15 Statement of funds

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	<b>2019 Total funds £'000</b>
At 1 September 2018	—	12,744	175	<b>12,919</b>
Income	29	285	—	<b>314</b>
Expenditure	(29)	(1,471)	(10)	<b>(1,510)</b>
Gains and losses	—	251	—	<b>251</b>
Transfers	—	(28)	28	—
<b>Balance at 31 August 2019</b>	<b>—</b>	<b>11,781</b>	<b>193</b>	<b>11,974</b>

**15 Statement of funds (continued)**

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<i>2018 Total funds £'000</i>
<i>At 1 September 2017</i>	—	13,471	185	13,656
<i>Income</i>	—	285	—	285
<i>Expenditure</i>	—	(1,214)	—	(1,214)
<i>Gains and losses</i>	—	192	—	192
<i>Transfers</i>	—	10	(10)	—
<b><i>Balance at 31 August 2018</i></b>	<b>—</b>	<b>12,744</b>	<b>175</b>	<b>12,919</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, and is equal to the provision included on the balance sheet.

**16 Analysis of net assets between funds**

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<b>2019 Total funds £'000</b>
Fixed assets	—	11,770	386	<b>12,156</b>
Net current assets	—	11	—	<b>11</b>
Provisions	—	—	(193)	<b>(193)</b>
	<b>—</b>	<b>11,781</b>	<b>193</b>	<b>11,974</b>

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<i>2018 Total funds £'000</i>
<i>Fixed assets</i>	—	12,579	350	12,929
<i>Net current assets</i>	—	165	—	165
<i>Provisions</i>	—	—	(175)	(175)
	<b>—</b>	<b>12,744</b>	<b>175</b>	<b>12,919</b>

**17 Related parties**

Other than the transactions relating to trustees outlined in note 6, there were no related party transactions in the period.

**18 Operating lease commitments**

At 31 August 2019 the total of the charity's future minimum payments under non-cancellable operating leases was:

	Buildings	
	2019	2018
	£'000	£'000
Amounts due within one year	61	99
Amounts due within one and five years	—	61
	<b>61</b>	<b>160</b>