

FUTURE CARE CAPITAL

England & Wales · Charity number 1036232

Details

Other names	COUNCIL FOR AWARDS IN CHILDREN'S CARE AND EDUCATION, COUNCIL FOR AWARDS IN CHILDRENS CARE AND EDUCATION, COUNCIL FOR AWARDS IN CHILDRENS' CARE AND EDUCATION, FOUNDATION FOR TRAINING AND EDUCATION IN CARE, THE COUNCIL FOR AWARDS IN CARE, HEALTH AND EDUCATION, C A C H E
Status	Registered
Legal form	Charitable company
Company number	02887166
Registered	1994-04-14
Register	View on the Charity Commission register

Contact

Address	Fora Thomas House 84 Eccleston Square London SW1V 1PX
Phone	07377 338319
Email	enquires@futurecarecapital.org.uk
Website	www.futurecarecapital.org.uk

Activities

Objects: THE ADVANCEMENT OF HEALTH AND RELIEF OF SICKNESS BY PROMOTING OR FACILITATING THE IMPROVEMENT OF HEALTH AND CARE PROVISION. THE CHARITY WILL ACHIEVE THIS PRIMARILY, BUT NOT EXCLUSIVELY, THROUGH 1. THE PROMOTION OF COLLABORATION BETWEEN STAKEHOLDERS INCLUDING POLICYMAKERS, COMMISSIONERS, RESEARCHERS, PRACTITIONERS AND RECIPIENTS OF CARE TO DESIGN AND TEST BETTER HEALTH AND CARE SOLUTIONS; 2. UNDERSTANDING THE EXPERIENCE OF BENEFICIARIES AND DEVISING WAYS TO IMPROVE THEIR EXPERIENCE IN THE SECTOR; 3. THE PROMOTION OF PRACTICAL IMPROVEMENTS IN THE PROVISION OF HEALTH AND CARE INCLUDING SUPPORTING AND ENCOURAGING INNOVATION; 4. THE EDUCATION OF COMMISSIONERS, PROVIDERS, REGULATORS AND THE WIDER PUBLIC IN RELATION TO BEST PRACTICE AND HEALTH AND CARE PROVISION.

Activities: Future Care Capital is dedicated to breaking barriers and driving sustainable, measurable impact in health, care, and charitable sectors. We recognise the issues that prevent progress in health and care. These make it difficult to innovate, collaborate across boundaries and deliver meaningful change. We bridge these gaps and bring solutions that address long-term challenges.

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£212,000	£607,000	-	-
2023-08-31	£245,000	£830,000	-	-
2022-08-31	£177,000	£999,000	-	-
2021-08-31	£314,000	£1,279,000	-	-
2020-08-31	£305,000	£1,518,000	-	-

Trustees

Name	Role	Appointed
Darshak Shah		2025-03-25
Hakan Salih		2025-03-25
Hilary Newiss		2025-03-25
Jonathan Cohen		2025-03-25
Jonathan Steel		2019-03-20
Lise Pape		2019-03-20
Michael Dumigan		2019-05-09
Sarah Banham		2025-03-25

FUTURE CARE CAPITAL

England & Wales - Charity number 1036232

Accounts

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

**Annual Report and Financial
Statements**

31 August 2023

Company Registration Number
02887166

Charity Registration Number
1036232

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Patron	Her Late Majesty, The Queen
Trustees	Andrew Whelan – Chair Irene Gray Neil Churchill Lise Pape Jonathan Steel Michael Dumigan Jonthan Huggett (resigned 2 June 2023) Rohit Talwar (resigned 23 September 2022)
Principal address and registered office	Thomas House, 84 Eccleston Square, Pimlico, London, SW1V 1PX
Charity number	1036232
Company number	02887166
Independent Examiner	Buzzacott LLP 130 Wood Street London EC2V 6DL
Legal advisers	Anthony Collins 134 Edmund Street Birmingham B3 2ES

The Trustees of Future Care Capital present their statutory report together with the financial statements for year to 31 August 2023.

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 14 to 16 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 January 2021.

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:

Trustees

Andrew Whelan – Chair
Irene Gray
Neil Churchill
Lise Pape
Jonathan Steel
Michael Dumigan
Jonathan Huggett (resigned 2 June 2023)
Rohit Talwar (resigned 23 September 2022)

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 - monitoring their implementation, determining the policy for investment of Future Care Capital's reserves, and ensuring the organisation complies with relevant legislation and regulations.

During the financial year the Board of Trustees met eight times. The Board of Trustees continued to elect to suspend the regular activities of its sub-committees and deal with all matters as a full Board.

Governance, Structure and Management (continued)

Trustees (continued)

New trustees, including the Chair, are appointed for a four-year period, and they can be re-appointed at the end of their term of office for a further four years. In January 2021, the Articles of Association were amended to allow the current Chair, Andrew Whelan, to remain as a trustee and chairperson until February 2025. The Charity follows an induction process for all new trustees.

The Chair and Trustees do not receive remuneration for their work with the Charity, however they are entitled to reimbursement of expenses solely connected with the discharge of their duties. In the financial year expenses totalling £357 were claimed by Trustees (2022 – £nil).

At each Board meeting, trustees make declarations regarding any conflict of interest. During the financial year there were no declarations of activities with related parties, or co-operation with other organisations connected with the Charity from which trustees had 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.

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

Key decisions are managed through the Board of Trustees. However, authority relating to the day-to-day organisation of the Charity is delegated to the Chief Executive Officer (CEO) who is responsible for developing and implementing plans, products and services within the overall guidelines and policies set by the Trustees.

Following the resignation of the previous CEO in April 2022, the Board of Trustees engaged an Adviser to the Board pending recruitment of a permanent CEO in-line with the organisation's strategy.

Risk management

The Risk Register 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.

Risks are categorised under reputational, operational, financial, governance, and environmental/external. The day-to-day management of risk is delegated to the executive team, with regular reviews by the Board of Trustees.

Public benefit

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

Governance, Structure and Management (continued)

Public benefit (continued)

Continuous monitoring ensures the Charity's operations and activities remain in line with public benefit. Furthermore, 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. 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 facilitating and leading the beneficial transformation of health and care provision 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 11 (SOFA) of the financial statements.

The principal funding source for Future Care Capital is the Investment Portfolio managed by Evelyn Partners. This included net investment losses of £319k (2022 – losses of £655k) and other income from the investment portfolio and cash holdings of £211k (2022 - £138k). £25k (2022 – £39k) was received in revenue from grants and consultancy. Despite challenges in delivering operational revenue, Trustees remain confident that this will not materially impact the Charity's operations going forward, given the size of the Charity's Investment Portfolio.

In the year ended 31 August 2023 total expenditure was £830k (2022 - £999k), of which £73k (2022 - £152k) was related to expenditure on the Innovation Fund start-up activities. Expenditure in the period supported the key objectives as set out on page 5.

Pension fund

The Charity has a historical pension liability with The Camden Pension Fund. This liability relates to a former member of staff and has been revalued by an actuary as at 31 August 2022. Further explanation can be found within the principal accounting policies on page 14.

Reserves policy

Future Care Capital held free reserves of £8,415k (2022 - £9,308k) at the year end.

The Charity's reserves policy is determined using a risk-based approach that considers current reserves, forecast income & expenditure and the degree of certainty other future income.

In setting the reserves policy the Board has agreed to hold a minimum of the sum of the total outstanding planned capital exposure for the investment plan, totalling £2m, plus a 12-month forecast of operating expenditure based on the approved annual budget. Reserves are currently significantly above the level required by the policy.

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 Evelyn Partners. The Evelyn Partners' investment mandate incorporates provisions around ethical investing, including restrictions on the types of investments held - for example alcohol, tobacco, gambling, and armaments through negative screening.

The Charity continues to hold a direct, mixed motive investment in Healthera valued at £250k. Following the year end as part of the Charities investment strategy, £3m was committed to an investment in the RYSE Special Opportunities Fund of which £1m has been drawn; the remaining £2m has been ring-fenced for future drawdown calls.

Charity objectives

The advancement of health and relief of sickness by promoting or facilitating the improvement of health and care provision. The charity will achieve this primarily, but not exclusively, through:

- ◆ the promotion of collaboration between stakeholders including policymakers, commissioners, researchers, practitioners and recipients of care to design and test better health and care solutions;
- ◆ understanding the experience of beneficiaries and devising ways to improve their experience in the sector;
- ◆ the promotion of practical improvements in the provision of health and care including supporting and encouraging innovation;
- ◆ the education of commissioners, providers, regulators and the wider public in relation to best practice and health and care provision.

Mission

Our mission is to address the question of what a functioning, fit-for-purpose health and care system should look like and how we get there.

Future Care Capital's voice

Our voice will convey the perspective of our beneficiaries, through emotive, human storytelling of lived experience using plain language.

Strategic approach

Our approach will be to follow the thread from research / analysis to impact initiatives through to articulating a Future Care Capital point of view tied to our overall Mission and Beneficiaries.

Our research and analysis is centred on synthesis, being at the forefront of thinking, building on the extensive work of stakeholders. Any new proprietary research shall 'fill the gaps'. Future Care Capital's approach is differentiated and credible, bringing a value adding perspective to a problem.

Strategic approach (continued)

Our impact initiatives draw on best practice and/or Exemplars demonstrated by other parties as well as running our own to address new issues or fill the knowledge gaps. We will do this by convening a (unique) set of people to inform a better solution. Crossing boundaries and connection drives innovation by opening mindsets to consider different models. This can be achieved by cross-selling existing solutions to other geographies, upselling the power of convening to solve other problems, using other Exemplars and Future Care Capital's methodology.

Future Care Capital should have a point of view on the big issues of the day and be able to articulate that, whether or not it has undertaken research, analysis, or Exemplars itself. Many issues of the day are a function of boundaries within (and between) the system. We aim to be at the forefront of accelerating the development of appropriate products and services, and/or their commissioning.

Through investment, Future Care Capital aims to reinvest profit and capital to further its organisational Mission and achieve a commercial return.

FCC builds credibility to effect change in health and care by convening a (uniquely) relevant set of perspectives to create solutions that don't just rely on the same answers; demonstrating to the system that solutions are possible and can work, drawing on ideas of what works from our own body of work and that of others, avoiding the risk of the system talking to itself, enabling. NHS and social care stakeholders respond to specific, practical support on real issues, real insights, and real solutions rather than high level insight and perspectives, and sparking a movement that people support and moves without us.

Medium-term objectives

The national debate has changed to be more focused on people rather than budgets and funding, for example. People are supported by appropriate health and care constituents, which/who in turn are enabled by the system. Today, too often, it feels that people are not well supported, and health and care professionals are effective despite the system not because of it. This needs to change to enable Practitioners to be empowered to do the right thing. Future Care Capital will have the skills and competencies to deliver on its Mission at any point in time.

Review of significant activities undertaken to achieve charitable objectives

Community of Practice Collaboration with the Health Foundation

Future Care Capital concluded its work with the Health Foundation with the project achieving its aim of connecting practitioners, policymakers, academics, and innovators on the use of social care data.

Health and Social Care Workforce: Wellbeing, Integration and Sustainability

Future Care Capital, Talent for Care and Care England, along with senior leaders in the NHS and Social Care, have been working together over the past year to improve wellbeing, integration and sustainability of the Health and Social Care workforce. This highly interactive, in-person event, offered Health and Social Care leaders the opportunity to share what works and what doesn't, challenge artificial boundaries and explore much-needed innovation for the sustainability of the Health and Social Care workforce.

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

Digital Health & Care Innovation Centre (Scotland)

The Digital Health and Care Innovation Centre (DHI) and Future Care Capital have agreed a multi-year innovation partnership to encourage and nurture collaboration with developers of digital technologies, starting with a focus on the promotion of mental wellbeing and supporting those with mental health challenges. DHI is part of the Scottish Funding Council's Innovation Centre Programme and one of seven innovation centres funded by the Scottish Government and Scottish Funding Council, which supports transformational collaboration between universities and businesses.

Innovation support for implementation of immersive technologies

Future Care Capital has identified how to reduce the barriers by adopting innovation solutions for mental health diagnosis and treatment, utilising immersive technologies. Using this knowledge, Future Care Capital has further developed the role and implementation of immersive technologies in health and social care education to accelerate closure of the skills gap. By bringing together key stakeholders (clinical, academic and third parties) through accelerators, panel discussions and other opportunities in all the devolved nations.

Innovation fund set-up and direct investment

As a precursor to establishing our own commercial investment fund, the Charity has now partnered and invested in the RYSE Special Opportunities Fund. This fund is focused on investing in innovative companies aligned to our mission and vision.

Current year objectives

The Charity's priority for the 2023/2024 financial year is to develop and prove a sustainable revenue-generating operational model aligned to its mission and vision. Future Care Capital is becoming recognised as being a capable partner, enabling others to succeed alongside us. Our approach allows us to be flexible but focused. We shall centre on three themes within which we have identified a number of project opportunities, right across the UK. These are:

- ◆ Accelerated Development and Implementation of Innovative Solutions
- ◆ Improving Access to and Efficacy of Care and Support
- ◆ Advocacy

While technology can appear as a threat to many, at Future Care Capital we believe it offers much potential.

We shall continue to be responsive to impact opportunities and by the end of the 2023/2024 financial year, we aim to:

- ◆ Generate impact for commissioners, providers and critically, patient service users with specific examples that will fuel additional opportunities in 2025 and beyond.
- ◆ Launch a funded, sustainable, and collaborative campaign to tackle the stigma of mental health.

Current year objectives (continued)

- ◆ Facilitate the development of innovation centres in the devolved nations, building on relationships we established in 2023 in Scotland, Wales, and Northern Ireland where the barriers are somewhat lower than England.
- ◆ Use our relationships to amplify our voice dramatically increasing the charity's profile.

FCCs approach has three core characteristics:

- ◆ We are a great collaborative facilitator breaking down boundaries.
- ◆ We are highly nimble and pragmatic in our approach to address unmet needs.
- ◆ We are independent in our thinking and in our approach.

As part of our business development and strategic approach we tender for appropriate opportunities as they arise. Following our associate model, we have secured the services of a bid manager to work with us.

Going concern

The Trustees 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. Whilst the reserves of the Charity are linked to the Investment Portfolio and there is ongoing uncertainty around investment values, following consideration of the portfolio and the level of reserves, Trustees have concluded that the Charity will have sufficient resources to satisfy it as an ongoing concern. For further detail please refer to the Going Concern note on page 14 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. The Charity's diversity policy complements its 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. If donations from individuals or trusts and foundations were 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



Chair of the Board of Trustees - Andrew Whelan

21 March 2024

Independent examiner's report

I report to the charity trustees on my examination of the financial statements of the charitable company for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with my examination giving me cause to believe:

- ♦ accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- ♦ the financial statements do not accord with those records; or
- ♦ the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- ♦ the financial statements have not been prepared in accordance with the methods and principles of "Accounting and Reporting by Charities: the 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)".

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Hugh Swainson
Buzzacott LLP
Chartered Accountants
130 Wood Street
London EC2V 6DL

25 March 2024

Statement of financial activities (including income and expenditure account) 31 August 2023

	Notes	2023 Total funds £000	2022 Total funds £000
Income from:			
Charitable activities	1		
. Consultancy and grants		25	39
Other income		9	—
Investments	2	211	138
Total income		245	177
Expenditure on:			
Raising funds	3	61	66
Charitable activities	4		
. Innovation Fund		73	152
. Policy and insight		422	547
. Advocacy		274	234
Total expenditure		830	999
Deficit for the year before investment gains		(585)	(822)
Net (losses) gains on the revaluation and disposal of investments	9	(319)	(655)
Net income (expenditure)		(904)	(1,477)
Other recognised losses:			
Actuarial gain on revaluation pension liability	13	—	5
Net movement in funds	5	(904)	(1,472)
Reconciliation of funds			
Balances brought forward at 1 September 2022		9,466	10,938
Balances carried forward at 31 August 2023		8,562	9,466

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 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	8		—		—
Fixed asset investments	9		8,320		9,239
Mixed motive investment	10		250		250
			8,570		9,489
Current assets					
Debtors	11	10		7	
Cash at bank and in hand		200		240	
		210		247	
Creditors: amounts falling due within one year	12	(71)		(112)	
Net current assets			139		135
Total assets less current liabilities			8,709		9,624
Provision for liabilities and charges	13		(147)		(158)
Total net assets			8,562		9,466
The funds of the charity					
Unrestricted funds					
. General funds	15		8,415		9,308
. Designated funds	15		147		158
Total funds			8,562		9,466

For the year ended 31 August 2023, the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 21 March 2024.



Chair of the Board of Trustees - Andrew Whelan

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

Statement of Cashflows 31 August 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash used in provided by operating activities	A	(851)	(935)
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	—
Investment income		211	138
Proceeds from the disposal of investments		2,833	3,529
Purchase of investments		(2,624)	(2,176)
Net cash provided by investing activities		420	1,491
Change in cash and cash equivalents in the year		(431)	556
Cash and cash equivalents at 1 September	B	741	185
Cash and cash equivalents at 31 August	B	310	741

The Charity had a net cash outflow from operating activities of £851k (2022 – outflow of £935k). Cash outflows in 2022 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 £420k (2022 – £1,491k) primarily as a result of the receipt of investment income of £211k (2022 – £138k) and proceeds from investment disposals of £2,833k (2022 - £3,529k) outweighing purchases of £2,624k (2022 - £2,176k). Together, this resulted in a net decrease in cash and cash equivalents in the year of £431k (2022 – net increase of £556k).

Notes to the statement of cash flows for the year to 31 August 2023:

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

	2023 £'000	2022 £'000
Net movement in funds (as per the statement of financial activities)	(904)	(1,472)
Adjustments for:		
Actuarial gain	—	(5)
Net losses on investments	319	655
Investment income	(211)	(138)
Depreciation charge	—	8
(Increase)/decrease in debtors	(3)	64
Decrease in creditors	(41)	(37)
Decrease in provision for liabilities	(11)	(10)
Net cash used in operating activities	(851)	(935)

B Analysis of cash, cash equivalents and net debt

	2023 £'000	2022 £'000
Cash at bank and in hand	200	240
Cash held by investment managers	110	501
Total cash and cash equivalents	310	741

Principal accounting policies 31 August 2023

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 2023.

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), 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 and have considered future revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the Charity are linked to the Investment Portfolio and there is can be a level of uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves Trustees have concluded that the Charity will have sufficient resources to satisfy it as an ongoing concern.

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.

Interest receivable

Interest income is included when receivable and the amount can be measured reliably by the charity.

Investment income

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

Income recognition (continued)

Consultancy income

Income in relation to contracts with third parties for consultancy or project work, is recognised in line with the proportion of the work which is complete.

Grant income

Income in relation to grants is recognised when the charity becomes entitled to the monies and there are no unfulfilled conditions attached to their receipt.

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.

Mixed motive investments (continued)

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 2022 was valued by a qualified actuary, which it discloses in the financial statements as a provision. This will be next be reassessed and revalued on 31 August 2025, 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 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2023 £'000	2022 £'000
Consultancy and grants	25	—	25	39
	25	—	25	39

2 Income from investments

	Unrestricted funds £'000	Restricted funds £'000	2023 £'000	2022 £'000
Income from investments	211	—	211	138
	211	—	211	138

3 Expenditure on investment funds

	Unrestricted funds £'000	Restricted funds £'000	2023 £'000	2022 £'000
Investment manager's fees	61	—	61	66
	61	—	61	66

4 Expenditure on charitable activities

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2023 £'000
Direct costs				
. Staff	12	26	84	122
. Other	—	2	24	26
Support costs	61	394	166	621
2023 Total funds	73	422	274	769

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2022 £'000
Direct costs				
. Staff	50	179	76	305
. Other	21	77	33	131
Support costs	81	291	125	497
2022 Total funds	152	547	234	933

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. The Charity has an adopted an Associate Business Model whereby it contracts with subject matter experts on a flexible basis to support and deliver our project work. In so doing, the Charity broadens the range of capabilities it is able to offer without increasing its fixed costs whilst maintaining a strong core internal staff compliment.

4 Expenditure on charitable activities (continued)

Support costs are broken down as follows:

	2023 £'000	2022 £'000
IT	12	21
Facilities	32	108
Staff	67	124
Governance	18	43
Other support costs	492	201
Total support costs	621	497

5 Net movement of funds

This has been arrived at after charging:

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	—	8
Operating lease rentals	—	83
Independent Examiner / Auditor's remuneration (including VAT)		
. Independent Examination – current year	4	—
. Audit – previous year	—	7
. Non-audit	3	3

6 Trustees

During the year travel and subsistence expenses totalling £357 were reimbursed to trustees (2022 - £nil).

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. The policy provides cover of £5,000,000.

7 Staff costs

	2023 £'000	2022 £'000
Wages and salaries	165	377
Social security costs	15	31
Pension costs	9	21
Total staff costs	189	429

Staff costs have been allocated to direct and support costs as follows:

	2023 £'000	2022 £'000
Direct costs	122	305
Support costs	67	124
	189	429

7 Staff costs (continued)

	2023 No.	2022 No.
Average number of employees during the year	3	7

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

	2023 No.	2022 No.
£140,001 - £150,000	—	1

No employees (2022 – One) earning over £60,000 participated in the company's defined contribution scheme and contributions of £nil (2022 - £6,886) were made on their behalf.

Total remuneration for key management personnel, including employer's pension contributions and employer's national insurance, was £188,890 (2022 - £377,504). Key management personnel within the Charity represents staff members who have authority and responsibility for planning and decision making.

During the previous year, one employee received employment termination payments for loss of office totalling £28,941. This amount has been settled in full.

8 Tangible fixed assets

	Computer equipment £'000	Office equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 September 2022 and 31 August 2023	30	36	66
Depreciation			
At 1 September 2022	30	36	66
Charge for the year	—	—	—
At 31 August 2023	30	36	66
Net book values			
At 31 August 2023	—	—	—
At 31 August 2022	—	—	—

9 Fixed asset investments

	2023 £'000	2022 £'000
Market value at 1 September	8,738	10,746
Additions at cost	2,624	2,176
Disposals at carrying value	(2,981)	(3,529)
Net unrealised (losses) gains	(171)	(655)
Market value at 31 August	8,210	8,738
Cash held in short term deposits and by investment managers	110	501
Value of listed investments at 31 August 2023	8,320	9,239
Cost of listed investments at 31 August 2023	7,538	7,657

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2023 comprised the following:

	2023 £'000	2022 £'000
UK bonds	711	321
UK fixed interest	1,244	564
Overseas index linked	434	695
UK equities	1,169	1,592
Overseas equities	3,193	3,582
Alternative investments	1,459	1,984
	8,210	8,738

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:

	2023 £'000	2022 £'000
At 1 September and at 31 August	250	250

11 Debtors

	2023 £'000	2022 £'000
Prepayments and accrued income	7	7
Trade debtors	3	—
	10	7

12 Creditors

	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade creditors	5	30
Other creditors	16	26
Accruals and deferred income	50	56
	71	112

13 Provision for liabilities and charges

	2023 £'000	2022 £'000
At 1 September	158	173
Released in the period	(11)	(10)
Actuarial valuation	—	(5)
At 31 August	147	158

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 2022 was valued by a qualified actuary who calculated that the value of the relevant liability value as at that date was £158,000. This resulted in a decrease in the provision required at the balance sheet date of £5,000. The provision will be reassessed and revalued at 31 August 2025 in line with the established policy.

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 £9,256 (2022 - £21,037). £1,308 was owing to the pension fund at 31 August 2023 (2022 - £1,144).

15 Statement of funds

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2023 Total funds £'000
At 1 September 2022	—	9,308	158	9,466
Income	—	245	—	245
Expenditure	—	(819)	(11)	(830)
Gains and losses	—	(319)	—	(319)
Balance at 31 August 2023	—	8,415	147	8,562

15 Statement of funds (continued)

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2022 Total funds £'000
At 1 September 2021	—	10,765	173	10,938
Income	—	177	—	177
Expenditure	—	(989)	(10)	(999)
Gains and losses	—	(645)	(5)	(650)
Balance at 31 August 2022	—	9,308	158	9,466

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

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2023 Total funds £'000
Fixed assets	—	8,570	—	8,570
Net current assets	—	(155)	294	139
Provisions	—	—	(147)	(147)
	—	8,415	147	8,562

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2022 Total funds £'000
Fixed assets	—	9,489	—	9,489
Net current assets	—	(181)	316	135
Provisions	—	—	(158)	(158)
	—	9,308	158	9,466

17 Related parties

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

FUTURE CARE CAPITAL

England & Wales - Charity number 1036232

Accounts

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

**Annual Report and Financial
Statements**

31 August 2022

Company Registration Number
02887166

Charity Registration Number
1036232

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Patron	Her Late Majesty, The Queen
Trustees	Andrew Whelan - Chair Irene Gray Neil Churchill Lise Pape Jonathan Steel Michael Dumigan Jonathan Huggett (appointed 14 July 2022) Michael Blackmore (resigned 8 June 2022) Sylvia Lowe (resigned 29 October 2021) Rohit Talwar (appointed 14 July 2022, resigned 23 September 2022)
Principal address and registered office	Thomas House, 84 Eccleston Square, Pimlico, London, SW1V 1PX
Charity number	1036232
Company number	02887166
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Legal advisers	Anthony Collins 134 Edmund Street Birmingham B3 2ES

The Trustees of Future Care Capital present their statutory report together with the financial statements for year to 31 August 2022.

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 19 to 21 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 January 2021.

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:

Trustees

Andrew Whelan – Chair

Irene Gray

Neil Churchill

Lise Pape

Jonathan Steel

Michael Dumigan

Michael Blackmore (resigned 8 June 2022)

Jonathan Huggett (appointed 14 July 2022)

Sylvia Lowe (resigned 29 October 2021)

Rohit Talwar (appointed 14 July 2022, resigned 23 September 2022)

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 - monitoring their implementation, determining the policy for investment of Future Care Capital's reserves, and ensuring the organisation complies with relevant legislation and regulations.

During the financial year the Board of Trustees met six times, and one remuneration discussion was held. The Board of Trustees has elected to suspend the regular activities of its sub-committees and deal with all matters as a full Board. Principle activities covered by the Board in this financial year were to: better articulate the charity's strategy; re-align the priorities towards its mission; and continue to oversee its operations.

To stay fit for purpose, the Board recognises that it must systematically refresh and develop. Following the departure of one trustee in the period, the Board recruited two new trustees in order to replace key skills. A specialist recruitment agency was used for this process.

New trustees are appointed for a four-year period, and they can be re-appointed at the end of their term of office for a further four years. Current trustees represent individuals who have employment interests in the health and care sectors, charitable finance, digital communications, and those who 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. In January 2021, the Articles of Association were amended to allow the current Chair, Andrew Whelan, to remain as a trustee and chairman until February 2025.

The Charity follows an induction process for all new trustees. This includes the receipt of relevant Charity Commission documents; a copy of the Articles of Association; strategy documents; the annual reports and accounts; details pertaining to governance arrangements; access to previous Board papers; minutes of meetings; and any other relevant documents. Introductory training relating to the duties and obligations of trustees is also provided, with additional support being offered on an ad-hoc basis depending on identified needs, or where there has been changes to legislation. Furthermore, the governance structure includes the terms of reference of the Board.

The Chair and 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 no expenses were claimed by Trustees (2021 – £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 the 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.

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

Key decisions are managed through the Board of Trustees; however authority is delegated to the Chief Executive Officer (CEO) who is responsible for developing and implementing plans, products and services within the overall guidelines and policies set by the Trustees. The CEO represents Future Care Capital externally and ensures the Charity's values are communicated and observed. Additionally, the CEO is responsible for the recruitment, training, and development of the management team and for producing regular planning and performance updates for the Board.

The Charity's CEO served in office until 5 April 2022. He has now been temporarily replaced by an Advisor to the Board of Trustees, until a new CEO is recruited. A specialist agency has been engaged to assist in this process.

Risk management

The Risk Register 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. It 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.

Risks are categorised under reputational, operational, financial, governance, and environmental/external. The day-to-day management of risk is delegated to the executive team, with regular reviews by the Board of Trustees.

The most significant risk to the Charity in 2021/2022 continued to be the challenge of ramping up sustainable income streams. This situation means the Charity is more reliant on its investment portfolio for operational funding and hence subject to the volatility of investment values and returns. To mitigate this risk the Charity maintains a defensive portfolio, receives regular updates from its investment manager, Evelyn Partners, and has also sought expert advice pertaining to developing more sustainable sources of income going forward. An additional significant risk identified during the financial year was the resignation of the CEO. This potentially could have left the Charity exposed to the risk of losing key organisational information and expertise. This risk has been mitigated by the appointment of an Advisor to the Board who is a senior management resource brought in to focus on future strategy and to support the operational management team.

A further financial risk exists in relation to the Charity's direct investment into Healthera Ltd, which was made as a precursor to the establishment of the Charity's Innovation Fund - with the intention of transferring the investment to the Innovation Fund following its first close. Delays to the raising of the fund mean that the Charity's investment remains a direct shareholding. This investment is however, monitored through regular reports from the company, and by a 'Board Observer' who updates the Board of Trustees on the investment's performance.

Public benefit

In formulating Future Care Capital's strategy and planning future activities, the Trustees have given careful consideration to the Charity's public benefit aims and have 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 ensures the Charity's operations and activities remain in line with public benefit. Furthermore, 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. 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 facilitating and leading the beneficial transformation of health and care provision 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 16 (SOFA) of the financial statements.

The principal funding source for Future Care Capital is the Investment Portfolio managed by Evelyn Partners (formerly Smith and Williamson). This included net investment losses of £655k (2021 – gain of £1,013k) and other income from the investment portfolio and cash holdings of £138k (2021 - £215k). £39k (2021 – £99k) was received in revenue from grants and consultancy. Despite challenges in delivering operational revenue, Trustees remain confident that this will not materially impact the Charity's operations going forward, given the size of the Charity's Investment Portfolio.

In the year ended 31 August 2022 total expenditure was £999k (2021 - £1,279k), of which £205k (2021 - £208k) was related to expenditure on the Innovation Fund start-up activities. Expenditure in the period supported the key objectives as set out on page 7.

Pension fund

The Charity has a historical pension liability with The Camden Pension Fund. This liability relates to a former member of staff and has been revalued by an actuary as at 31 August 2022. Further explanation can be found within the principal accounting policies on page 21.

Reserves policy

Future Care Capital held free reserves of £9,308k (2021 - £10,765k) at the year end.

The Charity's reserves policy is determined using a risk-based approach that considers current reserves, forecast income & expenditure and the degree of certainty other future income.

In setting the reserves policy the Board has agreed to hold a minimum of the sum of the total outstanding planned capital exposure for the investment plan, totalling £2,750k, plus a 12-month forecast of operating expenditure at based on the approved annual budget. Reserves are currently significantly above the level required by the policy.

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 Evelyn Partners. The Evelyn Partners' investment mandate incorporates provisions around ethical investing, including restrictions on the types of investments held - for example 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 continuing implementation and growth of the revenue generation strategy, costs are largely 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 financial year investments yielded net unrealised loss of £655k (2021 - £1,013k gain) and investment income of £138k (2021 - £215k) on an average invested sum of £10,035k providing a total negative return of 5.2%. The Charity also held funds within a current account for operating expenditure. Trustees confirmed the Investment Portfolio was appropriately positioned during the year.

The Charity continues to hold a direct, mixed motive investment in Healthera valued at £250k.

Charity Objectives

Future Care Capital's objectives, as 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.

Vision & Mission

The Charity's vision is for a functioning, fit-for-purpose health, and care system. The organisation's mission is to lead and facilitate the design and implementation of a functioning, fit-for-purpose health, and care system.

Approach

The Charity aims to facilitate lasting beneficial change through collaboration, influence, thought leadership, and constructive debate. This is achieved by bringing together all constituents (e.g., policymakers, practitioners, innovators, investors, carers, the cared-for, public, other interested parties) in pursuit of the Charity's Vision and Mission and by communicating from the perspective of our beneficiaries: storytelling: human; emotive; plain-language; lived-experience.

Strategy

- ◆ **Outlook** – maintain an evolving, informed view of the Charity's Vision and the current State of the Nation.
- ◆ **Leadership** – articulate and publicise, in the Charity's Voice, our Outlook in order to lead and align relevant constituents in progressing our Mission.
- ◆ **Impact** – identify and address key fundamental questions, which inform the Charity's Vision and view of the current State of the Nation.
- ◆ **Communication** – develop revenue-generating opportunities to monetise the value of our Impact work.
- ◆ **Investment** – reinvest profit and capital to further the Charity's Mission, Vision, and Charitable Objectives.

Objectives for the year

Future Care Capital's primary objectives for the year were to:

- ◆ Collaborate across the political spectrum to leverage the value of healthcare data and secure investment in care data and technology;
- ◆ Engage central and local government to achieve the Charity's strategic ambitions;
- ◆ Establish an innovation fund that will deliver positive societal benefit;
- ◆ Deliver sustainable revenue generation.

Review of significant activities undertaken to achieve charitable objectives

Community of Practice Collaboration with the Health Foundation

FCC continues to work with the Health Foundation, and this project aims to connect practitioners, policy-makers, academics and innovators on the use of social care data. Improved social care analytics can support better decision-making, service design and assist with the provision of adult social care. The Community also showcases 'best practice' exemplars to highlight the benefits and possibilities in social care analytics.

Social care tech reviews

In February 2021, a series of four reviews were instigated. First published was our Home Care Technology Review, followed by one on Mental Health. The final two reviews on Residential Care Tech and Learning Disability Tech were published during the financial year, along with a sector overview giving an overall outlook on the technology in social care. The aim of these reports was to shine a spotlight on the innovators within each space, identifying opportunities and providing recommendations to help the start-ups and sector to grow.

National Data strategies

In partnership with the National Care Forum, the Charity responded to the draft health and social care data strategy (Data Saves Lives). The Charity focused on adult social care and were seeking key reform in the Health and Social Care Bill. We provided 15 key principles for data use, including:

- ◆ Clear terms of engagement with the sector with regards to providing data, the use of data, and how access to data is vital;
- ◆ Clarity on why the purpose and function of data collection is essential;

- ◆ The need for social care to have its own chapter, as well as being integrated through the strategy.

These recommendations were incorporated, and the finalised strategy is now in implementation.

Innovation Fund set-up and direct investment

We continue to pursue our objective of raising and managing a commercial investment fund focused on investing in innovative companies aligned to our mission and vision. As a precursor to establishing our own fund, the Charity is exploring opportunities to partner and invest alongside established fund managers.

Future objectives

The Charity's priority for the 2022/2023 financial year is to develop and prove a sustainable revenue-generating operational model aligned to its mission and vision. By focusing on real-world challenges identified through our proprietary research, we are facilitating the development and implementation of a framework for commissioning innovative mental health services, by leading and facilitating the collaboration of relevant commissioners, innovators, regulators, key opinion leaders and, of course, beneficiaries. Through creating this exemplar, we aim to prove a replicable, operational model that: has an immediate beneficial impact on those in receipt of care; promotes innovation and accelerates the adoption of effective solutions; can be easily adapted to address other challenges; has multiple revenue-generating opportunities; and informs Future Care Capital's Vision and Mission.

Going concern

The Trustees 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 and have considered the impact of the pandemic on charity operations, revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the Charity are linked to the Investment Portfolio and there is considerable ongoing uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves, Trustees have concluded that the Charity will have sufficient resources to satisfy it as an ongoing concern. For further detail please refer to the Going Concern note on page 19 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. The Charity's diversity policy complements its 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. If donations from individuals or trusts and foundations were 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.



Chair of the Board of Trustees
Andrew Whelan

25 May 2023

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 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 2022 and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

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

We have nothing to report in this regard.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, the Companies Act 2006 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing Trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of the Trustee Board;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. 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.

Buzzacott LLP

30 May 2023

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

Statement of financial activities (including income and expenditure account) 31 August 2022

	Notes	2022 Total funds £000	2021 Total funds £000
Income from:			
Charitable activities	1		
. Consultancy and grants		39	99
Investments	2	138	215
Total income		177	314
Expenditure on:			
Raising funds	3	66	69
Charitable activities	4		
. Innovation Fund		152	208
. Policy and insight		547	681
. Advocacy		234	321
Total expenditure		999	1,279
Deficit for the year before investment gains		(822)	(965)
Net (losses) gains on the revaluation and disposal of investments	9	(655)	1,013
Net income (expenditure)		(1,477)	48
Other recognised losses:			
Actuarial gain on revaluation pension liability	13	5	—
Net movement in funds	5	(1,472)	48
Reconciliation of funds			
Balances brought forward at 1 September 2021		10,938	10,890
Balances carried forward at 31 August 2022		9,466	10,938

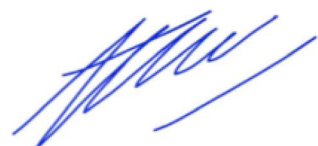
All other activities of the charity during the above two financial periods were derived from continuing operations.

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

Balance Sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	8		—		8
Fixed asset investments	9		9,239		10,830
Mixed motive investment	10		250		250
			9,489		11,088
Current assets					
Debtors	11	7		71	
Cash at bank and in hand		240		101	
		247		172	
Creditors: amounts falling due within one year	12	(112)		(149)	
Net current assets			135		23
Total assets less current liabilities			9,624		11,111
Provision for liabilities and charges	13		(158)		(173)
Total net assets			9,466		10,938
The funds of the charity					
Unrestricted funds					
. General funds	15		9,308		10,765
. Designated funds	15		158		173
Total funds			9,466		10,938

The financial statements were approved and authorised for issue by the Board of Trustees on 25 May 2023.



Chair of the Board of Trustees

Andrew Whelan

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

Statement of Cashflows 31 August 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash used in provided by operating activities	A	(935)	(1,232)
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	(1)
Investment income		138	215
Proceeds from the disposal of investments		3,529	4,102
Purchase of investments		(2,176)	(3,486)
Net cash provided by investing activities		1,491	830
Change in cash and cash equivalents in the year		556	(402)
Cash and cash equivalents at 1 September	B	185	587
Cash and cash equivalents at 31 August	B	741	185

The Charity had a net cash outflow from operating activities of £935k (2021 – outflow of £1,232k). Cash outflows in 2021 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 £1,491k (2021 – £830k) primarily as a result of the receipt of investment income of £138k (2021 – £215k) and proceeds from investment disposals of £3,529k (2021 - £4,102k) outweighing purchases of £2,176k (2021 - £3,486k). Together, this resulted in a net increase in cash and cash equivalents in the year of £556k (2021 – net decrease of £402k).

Notes to the statement of cash flows for the year to 31 August 2022:

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

	2022 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	(1,472)	48
Adjustments for:		
Actuarial gain	(5)	—
Net losses (gains) on investments	655	(1,013)
Investment income	(138)	(215)
Depreciation charge	8	11
Decrease in debtors	64	21
Decrease in creditors	(37)	(74)
Decrease in provision for liabilities	(10)	(10)
Net cash used in operating activities	(935)	(1,232)

B Analysis of cash, cash equivalents and net debt

	2022 £'000	2021 £'000
Cash at bank and in hand	240	101
Cash held by investment managers	501	84
Total cash and cash equivalents	741	185

Principal accounting policies 31 August 2022

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 2022.

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), 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 and have considered the impact of the pandemic on charity operations, revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the Charity are linked to the Investment Portfolio and there is considerable ongoing uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves Trustees have concluded that the Charity will have sufficient resources to satisfy it as an ongoing concern.

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 2023, 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.

Interest receivable

Interest income is included when receivable and the amount can be measured reliably by the charity.

Income recognition (continued)

Investment income

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

Consultancy income

Income in relation to contracts with third parties for consultancy or project work, is recognised in line with the proportion of the work which is complete.

Grant income

Income in relation to grants is recognised when the charity becomes entitled to the monies and there are no unfulfilled conditions attached to their receipt.

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 2022 was valued by a qualified actuary, which it discloses in the financial statements as a provision. This will be next be reassessed and revalued on 31 August 2025, 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 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000	2021 £'000
Consultancy and grants	39	—	39	99
	39	—	39	99

2 Income from investments

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000	2021 £'000
Income from investments	138	—	138	215
	138	—	138	215

3 Expenditure on raising funds

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000	2021 £'000
Investment manager's fees	66	—	66	69
	66	—	66	69

4 Expenditure on charitable activities

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2022 £'000
Direct costs				
. Staff	50	179	76	305
. Other	21	77	33	131
Support costs	81	291	125	497
2022 Total funds	152	547	234	933

<i>Charitable activities</i>	<i>Innovation fund £'000</i>	<i>Policy and Insight £'000</i>	<i>Advocacy £'000</i>	<i>2021 £'000</i>
<i>Direct costs</i>				
<i>. Staff</i>	<i>54</i>	<i>355</i>	<i>142</i>	<i>551</i>
<i>. Other</i>	<i>113</i>	<i>52</i>	<i>69</i>	<i>234</i>
<i>Support costs</i>	<i>41</i>	<i>274</i>	<i>110</i>	<i>425</i>
<i>2021 Total funds</i>	<i>208</i>	<i>681</i>	<i>321</i>	<i>1,210</i>

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:

	2022 £'000	2021 £'000
IT	21	24
Facilities	108	199
Staff	124	23
Governance	43	79
Other support costs	201	100
Total support costs	497	425

5 Net movement of funds

This has been arrived at after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	8	11
Operating lease rentals	83	89
Auditor's remuneration (including VAT)		
. Audit	7	7
. Non-audit	3	3

6 Trustees

During the year no trustees were reimbursed expenses (2021 - £nil) relating to travel and subsistence.

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. The policy provides cover of £5,000,000.

7 Staff costs

	2022 £'000	2021 £'000
Wages and salaries	377	613
Social security costs	31	69
Pension costs	21	34
Total staff costs	429	716

7 Staff costs (continued)

Staff costs have been allocated to direct and support costs as follows:

	2022 £'000	2021 £'000
Direct costs	305	551
Support costs	124	165
	429	716
	2022 No.	2021 No.
Average number of employees during the year	7	9

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

	2022 No.	2021 No.
£60,001 - £70,000	—	2
£130,001 - £140,000	—	1
£140,001 - £150,000	1	—

One employee (2021 - three) earning over £60,000 participated in the company's defined contribution scheme and contributions of £6,886 (2021 - £13,123) were made on their behalf.

Total remuneration for key management personnel, including employer's pension contributions and employer's national insurance, was £377,504 (2021 - £423,012). Key management personnel within the Charity represents staff members who have authority and responsibility for planning and decision making.

During the year, one employee received employment termination payments for loss of office totalling £28,941. This amount has been settled in full.

8 Tangible fixed assets

	Computer equipment £'000	Office equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 September 2021 and 31 August 2022	30	36	66
Depreciation			
At 1 September 2021	26	32	58
Charge for the year	4	4	8
At 31 August 2022	30	36	66
Net book values			
At 31 August 2022	—	—	—
At 31 August 2021	4	4	8

9 Fixed asset investments

	2022 £'000	2021 £'000
Market value at 1 September	10,746	10,349
Additions at cost	2,176	3,486
Disposals at carrying value	(3,529)	(4,102)
Net unrealised (losses) gains	(655)	1,013
Market value at 31 August	8,738	10,746
Cash held in short term deposits and by investment managers	501	84
Value of listed investments at 31 August 2022	9,239	10,830
Cost of listed investments at 31 August 2022	7,657	8,761

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2022 comprised the following:

	2022 £'000	2021 £'000
UK bonds	321	946
UK fixed interest	564	909
Overseas index linked	695	285
UK equities	1,592	2,117
Overseas equities	3,582	3,964
Alternative investments	1,984	2,525
	8,738	10,746

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:

	2022 £'000	2021 £'000
At 1 September and at 31 August	250	250

11 Debtors

	2022 £'000	2021 £'000
Prepayments and accrued income	7	71
	7	71

12 Creditors

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade creditors	30	78
Other creditors	26	9
Accruals and deferred income	56	62
	112	149

13 Provision for liabilities and charges

	2022 £'000	2021 £'000
At 1 September	173	183
Released in the period	(10)	(10)
Actuarial valuation	(5)	-
At 31 August	158	173

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 2022 was valued by a qualified actuary who calculated that the value of the relevant liability value as at that date was £158,000. This resulted in a decrease in the provision required at the balance sheet date of £5,000. The provision will be reassessed and revalued at 31 August 2025 in line with the established policy.

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 £21,037 (2021 - £33,694). £1,144 was owing to the pension fund at 31 August 2022 (2021 - £nil).

15 Statement of funds

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2022 Total funds £'000
At 1 September 2021	—	10,765	173	10,938
Income	—	177	—	177
Expenditure	—	(989)	(10)	(999)
Gains and losses	—	(645)	(5)	(650)
Balance at 31 August 2022	—	9,308	158	9,466

15 Statement of funds (continued)

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<i>2021 Total funds £'000</i>
<i>At 1 September 2020</i>	—	10,707	183	10,890
<i>Income</i>	—	314	—	314
<i>Expenditure</i>	—	(1,269)	(10)	(1,279)
<i>Gains and losses</i>	—	1,013	—	1,013
<i>Balance at 31 August 2021</i>	—	10,765	173	10,939

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>	<i>2022 Total funds £'000</i>
<i>Fixed assets</i>	—	9,489	—	9,489
<i>Net current assets</i>	—	(181)	316	135
<i>Provisions</i>	—	—	(158)	(158)
	—	9,308	158	9,466

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<i>2021 Total funds £'000</i>
<i>Fixed assets</i>	—	11,088	—	11,088
<i>Net current assets</i>	—	(323)	346	23
<i>Provisions</i>	—	—	(173)	(173)
	—	10,765	173	10,938

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 2022 the total of the Charity's future minimum payments under non-cancellable operating leases was:

	<i>Office space</i>	
	<i>2022 £'000</i>	<i>2021 £'000</i>
Amounts due within one year	—	61
Amounts due within one and five years	—	—
	—	61

FUTURE CARE CAPITAL

England & Wales - Charity number 1036232

Accounts

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

**Annual Report and Financial
Statements**

31 August 2021

Company Registration Number
02887166

Charity Registration Number
1036232

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Patron	Her Majesty, The Queen
Trustees	Andrew Whelan - Chair Julian Chislett (resigned 21 July 2021) Mike Dixon (resigned 18 November 2020) Irene Gray Neil Churchill Sylvia Lowe (resigned 29 October 2021) Lise Pape Jonathan Steel Michael Dumigan Michael Blackmore (appointed 29 September 2021)
Chief Executive Officer	Greg Allen, Chief Executive Officer (resigned 5 April 2022)
Key Management Personnel	David Milne, Director of Finance and Corporate Services (until 12 July 2021) Bealinda Lucas, Financial Controller (19 July 2021 onwards) Annemarie Naylor Director of Policy and Strategy (until 13 April 2021) Sue Wixley, Director of Marketing and Communications (until 13 January 2021) Dave Dawes, Commercial Director (until 31 October 2020)
Principal address and registered office	Thomas House, 84 Eccleston Square, Pimlico, London, SW1V 1PX
Charity number	1036232
Company number	02887166
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Legal advisers	Anthony Collins 134 Edmund Street Birmingham B3 2ES

Chair's report

Facilitating and leading the beneficial transformation of health and care provision

The pandemic has had a profound effect on the health and care sector, bringing to the fore the challenges facing our beneficiaries and highlighting the need for systemic transformation to ensure that the needs and expectations of those in receipt of care are met efficiently and effectively.

The value that Future Care Capital ('FCC') can bring in facilitating and leading this beneficial transformation has never been more important. As such, we have spent time this year clarifying our vision and refining our strategy, building on the work of previous years, to ensure that we are best placed to deliver on our objectives. In particular, we have focused on better elucidating our mission, and exploring how best to organise our operations to deliver it.

FCC is an ambitious and visionary organisation focused on facilitating and leading the beneficial transformation of health and care provision.

Specifically, we are addressing the fundamental question:

'What should a fit-for-purpose health and care system look like and how do we get there?'

Implicit in the framing of our mission is the presumption that the existing systems are not fit for purpose. However, unlike many think-tanks, policymakers and other interested parties, our focus is explicitly on the experience of our beneficiaries – those in receipt of care, which will likely be all of us at various points throughout our lives.

In other words, we are focused on understanding the demand side of health and care and developing ways of translating this into a dynamic system capable of meeting current and future expectations effectively and efficiently.

At an esoteric level, we do this by asking the big, fundamental questions in order to paint a picture of how health and care could (and should) be experienced in the future, then mapping it against current experiences to plot a course for change.

On a more practical level we collaborate not only with policymakers, practitioners, think-tanks and other charities, but also with innovators, investors, providers and, of course, our beneficiaries themselves in order to design solutions that address real-world problems and create functioning exemplars, which demonstrate what is possible and accelerate the broader adoption of necessary health and care provision.

We strive to tackle problems from first principles, adopting evidence-based solutions to deliver desired outcomes instead of being rooted in dogma and received wisdom.

We are a commercially aware organisation, looking for opportunities to further the charity's interests by monetising our impact work in order to remain independent and sustainable. This includes investing our profit and capital in activities which directly benefit our beneficiaries.

Addressing the question of 'what a fit-for-purpose health and care system should look like and how we get there', by leading and facilitating its design and implementation, is the challenge we set ourselves when we embarked on our new direction in 2015 following the sale of the charity's awarding organisation business and assets.

This mission guides everything we do.

Since that time, our work has focused on policy and advocacy initiatives: developing relationships with, informing and influencing policymakers, practitioners and key opinion leaders through evidence-based research. This has led to a number of successes, including opportunities to inform and influence legislation, as well as developing deep insights into specific policy areas, e.g., healthcare data.

However, whilst this has undoubtedly been beneficial to informing our vision, as well as building our presence and key relationships, it has meant that we have strayed onto the path of a more traditional 'think-tank'.

This year has seen us begin the process of re-aligning the organisation towards our mission, having invested time in better articulating our strategy, voice, and approach, and exploring ways to monetise the value of our impact work.

There are exciting times ahead for FCC, and, as ever, I am grateful to the team for their efforts and commitment.



Andrew Whelan

Chair 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 2021.

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 23 to 26 of the attached financial statements and comply with the charitable memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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 January 2021.

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:

Trustees

Andrew Whelan – Chair
Julian Chislett (resigned 21 July 2021)
Mike Dixon (resigned 18 November 2020)
Irene Gray
Neil Churchill
Sylvia Lowe (resigned 29 October 2021)
Lise Pape
Jonathan Steel
Michael Dumigan
Michael Blackmore (appointed 29 September 2021)

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.

The Board met seven times, the General Purposes Committee met three times, the Risk and Audit Committee met twice, and the Remuneration Committee met once during the financial period. The Board elected to suspend the regular activities of its sub-committees and deal with all matters as a full Board. The Board's principle activities in this financial period were to: better articulate the Charity's strategy; re-align the Charity's priorities towards its mission; and continue to oversee the Charity's operations.

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. In January 2021 our articles of Association changed to allow our Chair, Andrew Whelan to stay as a trustee and chairman until February 2025.

New Trustees receive information supporting their induction, which includes relevant Charity Commission documents, a copy of the Articles of Association, strategy documents, the annual reports and accounts, governance arrangements, access to previous Board papers and minutes of meetings, 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 arrangements 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.

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 no expenses were claimed by Trustees (2020 – £413 by three Trustees).

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 the 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. Following the departure of two Trustees in the period (and a further Trustee after the period end), the Board undertook a skills audit and recruited a new Trustee in order to replace key skills. A specialist recruitment agency was used for this process.

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

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 and implementing 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 the recruitment, training and development of the executive and management 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.

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. It 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 Board of Trustees.

The most significant risks to the Charity in 2020/21 were the challenges of ramping up sustainable income streams and the impact of the COVID-19 pandemic, both financially and on operations. These were both very high especially given the Charity's reliance on its investment portfolio for operational funding and the impact of market volatility on investment values and returns. To mitigate this risk the Charity maintained its defensive portfolio weighting strategy so as to retain value in the face of market downturns. The Board receives regular updates from its investment manager, Evelyn Partners (formerly Smith and Williamson), so as to keep Trustees apprised of performance and allow for timely changes in strategy.

The Charity has struggled to increase operational revenue significantly so as to it reduced reliance on the investment portfolio. Addressing this risk has been a top priority for the Board throughout the period and the principal objective of the Chief Executive and Charity this year. The Board has provided guidance, suggestions and support to revenue generation initiatives and continues to take an active interest in progress in this area.

A further financial risk exists in relation to the Charity's direct investment into Healthera, which was made as a precursor to the establishment of the Charity's Innovation Fund, with the intention of transferring the investment to the Innovation Fund following its first close. Delays to the raising of the fund mean that the Charity's investment remains a direct investment, which monitored through regular reports from the company and a board observer position, who updates the Board of Trustees on the investment's risks and performance.

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 have 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

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 facilitating and leading the beneficial transformation of health and care provision 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 19 (SOFA) of the financial statements.

The principal funding source for Future Care Capital is the Investment Portfolio managed by Evelyn Partners (formerly Smith and Williamson). This included net investment gains of £1,013k (2020 - £129k) and other income from the investment portfolio and cash holdings of £215k (2020 - £229k). £99k (2020 - £76k) was received in revenue from grants and consultancy. Despite challenges in delivering operational revenue, Trustees remain confident that this will not materially impact the Charity's operations going forward, given the size of the Charity's Investment Portfolio.

In the year ended 31 August 2021 total expenditure was £1,279k (2020 - £1,518k), of which £208k (2020 - £170k) was related to expenditure on the Innovation Fund start-up activities. Expenditure in the period supported the key objectives as set out on page 9.

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 31.

Reserves policy

Future Care Capital held free reserves of £10,766k (2020 - £10,708k) 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.

The Charity's reserves policy was re-confirmed in-year as appropriate having considered the impact of the pandemic 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).

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 Evelyn Partners (formerly Smith and Williamson). The Evelyn Partners 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 continuing implementation and growth of the revenue generation strategy costs are largely 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 unrealised gains of £1,013k and investment income of £215k on an average invested sum of £10,548,000 providing a total return of 1.2%. The Charity also held funds within a current account for operating expenditure. Trustees confirmed the Investment Portfolio was appropriately positioned in the period, evidenced by the limited, but still significant, exposure to the market downturns due to the impact of the pandemic. The losses were regained within the period.

The Charity continues to hold a direct, mixed motive investment in Healthera valued at £250k.

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.

Vision

A functioning, fit-for-purpose health, and care system.

Mission

To lead and facilitate the design and implementation of a functioning, fit-for-purpose health, and care system.

Approach

Facilitating lasting beneficial change through collaboration, influence, thought leadership, and constructive debate. Bringing together all constituents (e.g., policymakers, practitioners, innovators, investors, carers, the cared-for, public, other interested parties) in pursuit of the Charity's Mission and Vision. Communicating from the perspective of our Beneficiaries: storytelling: human; emotive; plain-language; lived-experience. The Charity's 'Voice'.

Strategy

- ◆ **Outlook** – maintain an evolving, informed view of a functioning, fit-for-purpose health, and care system and the current 'State of the Nation'.
- ◆ **Leadership** – articulate and publicise, in the Charity's Voice, our Outlook in order to lead and align relevant constituents in progressing our Mission.
- ◆ **Impact** – identify and address key fundamental questions, which inform the Charity's Vision and view of the current State of the Nation.
- ◆ **Commercialisation** – develop revenue-generating opportunities to monetise the value of our Impact work.
- ◆ **Investment** – reinvest profit and capital to further the Charity's Mission, Vision, and Object.

Objectives for the period

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

- ◆ Collaborating across the political spectrum to leverage the value of healthcare data and secure investment in care data and technology
- ◆ Central and local government engagement to achieve the Charity'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

Community of Practice Collaboration with the Health Foundation

Working with the Health Foundation, this project connects practitioners, policy-makers, academics and innovators on the use of social care data. Better social care analytics will support better decision-making, service design and provision of adult social care. The Community also showcases 'best practice' exemplars to highlight the benefits and possibilities in social care analytics.

Social care tech reviews

Starting in February 2021 a series of four reviews were instigated. The first published was our home care technology review, followed by Mental Health. The final two were published in 2021-22 along with a sector overview giving an overall outlook on the technology in social care. The aim of these reports is to shine a spotlight on the innovators within each space and to help them grow.

Fictions: Health and Care Re-Imagined

A project commissioned by the Arts Council. This is a series of 12 short stories over two years exploring health and medical related technologies and extrapolating them into near future scenarios for health and social care and examining the implications for recipients of care and stakeholders. The series is intended to engage a wider audience in the health and social care debate using an easily accessible medium. By raising the profile of the issues and also providing challenging discussion points, the fictions series aims to bring greater interaction and engagement with our beneficiaries.

National Data strategies

In partnership with the National Care Forum, the Charity's response to the draft health and social care data strategy. The Charity focussed on adult social care and are seeking key reform in the Health and Social Care Bill. We have 15 key points that we are seeking from the consultation, including:

- ◆ Clear terms of engagement with the sector on providing data, use of data, and access to data is vital;
- ◆ Clarity on purpose and function of data collection is essential;
- ◆ The need for social care to have its own chapter, as well as being integrated through the strategy.

We look forward to the parliamentary debate regarding the Health and Social Care Bill

Law change in the Medicines and Medical Devices Bill

The Medicines and Medical Devices Bill (now Act), is a key piece of legislation for the future of digital health and care provision in the UK. It sets a framework for legal and regulatory development for the safe and efficacious deployment of a vast range of tools in clinical and adjacent environments of care delivery. How AI and data are approached in this have very real consequences for our beneficiaries and our policy work on this bill helped secure vital amendments to protect patient information in commercial deals involving medical devices and healthcare.

Innovation Fund set-up and direct investment

We continue to pursue our objective of raising and managing a commercial investment fund focused on investing in innovative companies aligned to our mission and vision. As a precursor to establishing our own fund, the Charity is exploring opportunities to partner and invest alongside established fund managers. Allied to this, the Charity instigated a project with a prospective investment partner to develop a framework for assessing, monitoring, and benchmarking the social impact of health and care investments.

Current activity

The Charity's current priority is to develop and prove a sustainable revenue-generating operational model aligned to its mission and vision. Focusing on real-world challenges identified through our proprietary research, we are facilitating the development and implementation of a framework for commissioning innovative mental health services by leading and facilitating the collaboration of relevant commissioners, innovators, regulators, key opinion leaders and, of course, beneficiaries. Through creating this exemplar, we aim to prove a replicable, operational model that: has an immediate beneficial impact on those in receipt of care; promotes innovation and accelerates the adoption of effective solutions; can be easily adapted to address other challenges; has multiple revenue-generating opportunities; and informs Future Care Capital's Vision and Mission.

Allied to this project is the development of a methodology for articulating the Charity's Vision and view of the current State of the Nation, as well as publicising the key insights from our, and others, work, with a particular emphasis on how these relate to our Mission and Vision.

Going concern

The Trustees 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 and have considered the impact of the pandemic on charity operations, revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the Charity are linked to the Investment Portfolio and there is considerable ongoing uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves, Trustees have concluded that the Charity will have sufficient resources to satisfy it as an ongoing concern. For further detail please refer to the Going Concern note on page 23 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. The Charity's diversity policy complements its 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.

Trustees' report 31 August 2021

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.

A handwritten signature in blue ink, appearing to read 'Andrew Whelan', with a long horizontal stroke extending to the right.

Andrew Whelan
27 May 2022

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 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 2021 and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, the Companies Act 2006 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing Trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of the Trustee Board;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. 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.

Buzzacott LLP

30 May 2022

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

Statement of financial activities (including income and expenditure account) 31 August 2021

	Notes	2021 Total funds £000	2020 Total funds £000
Income from:			
Charitable activities	1		
. Consultancy and grants		99	76
Investments	2	215	229
Total income		314	305
Expenditure on:			
Raising funds	3	69	70
Charitable activities	4		
. Innovation Fund		208	170
. Policy and insight		681	779
. Advocacy		321	499
Total expenditure		1,279	1,518
Deficit for the year before investment gains		(965)	(1,213)
Net gains on the revaluation and disposal of investments	9	1,013	129
Net income (expenditure)		48	(1,084)
Other recognised losses:			
Actuarial loss on revaluation pension liability	13	—	—
Net movement in funds	5	48	(1,084)
Reconciliation of funds			
Balances brought forward at 1 September 2020		10,890	11,974
Balances carried forward at 31 August 2021		10,938	10,890

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 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	8		8		18
Fixed asset investments	9		10,830		10,764
Mixed motive investment	10		250		250
			11,088		11,032
Current assets					
Debtors	11	71		92	
Cash at bank and in hand		101		172	
		172		264	
Creditors: amounts falling due within one year	12	(149)		(223)	
Net current assets			23		41
Total assets less current liabilities			11,111		11,073
Provision for liabilities and charges	13		(173)		(183)
Total net assets			10,938		10,890
The funds of the charity					
Unrestricted funds					
. General funds	15		10,765		10,707
. Designated funds	15		173		183
Total funds			10,938		10,890

The financial statements were approved and authorised for issue by the Board of Trustees on 27 May 2022



Andrew Whelan

Chair of the Board of Trustees

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

Statement of Cashflows 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in provided by operating activities	A	(1,232)	(1,427)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1)	(5)
Investment income		215	229
Proceeds from the disposal of investments		4,102	3,758
Purchase of investments		(3,486)	(2,549)
Net cash provided by investing activities		830	1,433
Change in cash and cash equivalents in the year		(402)	6
Cash and cash equivalents at 1 September 2020	B	587	581
Cash and cash equivalents at 31 August 2021	B	185	587

The Charity had a net cash outflow from operating activities of £1,232k (2020 – outflow of £1,427k). Cash outflows in 2021 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 £830k (2020 – £1,433k) primarily as a result of the receipt of investment income of £215k (2020 – £229k) and proceeds from investment disposals of £4,102k (2020 - £3,758k) outweighing purchases of £3,485k (2020 - £2,549k). Together, this resulted in a net decrease in cash and cash equivalents in the year of £402k (2020 – net increase of £6k).

Notes to the statement of cash flows for the year to 31 August 2021:

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

	2021 £'000	2020 £'000
Net movement in funds (as per the statement of financial activities)	48	(1,084)
Adjustments for:		
Actuarial loss	—	—
Net gains on investments	(1,013)	(129)
Investment income	(215)	(229)
Depreciation charge	11	16
Decrease/(Increase) in debtors	21	(40)
(Decrease)/increase in creditors	(74)	49
Decrease in provision for liabilities, excluding actuarial loss	(10)	(10)
Net cash used in operating activities	(1,232)	(1,427)

Statement of Cashflows 31 August 2021

B Analysis of cash, cash equivalents and net debt

	2021 £'000	2020 £'000
Cash at bank and in hand	101	172
Cash held by investment managers	84	415
Total cash and cash equivalents	185	587

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 2021.

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 and have considered the impact of the pandemic on charity operations, revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the Charity are linked to the Investment Portfolio and there is considerable ongoing uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves Trustees have concluded that the Charity will have sufficient resources to satisfy it as an ongoing concern.

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 2022, 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.

Interest receivable

Interest income is included when receivable and the amount can be measured reliably by the charity.

Investment income

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

Consultancy income

Income in relation to contracts with third parties for consultancy or project work, is recognised in line with the proportion of the work which is complete.

Grant income

Income in relation to grants is recognised when the charity becomes entitled to the monies and there are no unfulfilled conditions attached to their receipt.

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, 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 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000	2020 £'000
Consultancy and grants	99	—	99	76
	99	—	99	76

2 Income from investments

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000	2020 £'000
Income from investments	215	—	215	229
	215	—	215	229

3 Expenditure on raising funds

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000	2020 £'000
Investment manager's fees	69	—	69	70
	69	—	69	70

4 Expenditure on charitable activities

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2021 £'000
Direct costs				
. Staff	54	355	142	551
. Other	113	52	69	234
Support costs	41	274	110	425
2021 Total funds	208	681	321	1,210

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2020 £'000
Direct costs				
. Staff	75	400	205	680
. Other	43	98	151	292
Support costs	52	281	143	476
2020 Total funds	170	779	499	1,448

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:

	2021 £'000	2020 £'000
IT	24	70
Facilities	199	168
Staff	23	18
Governance	79	35
Other support costs	100	185
Total support costs	425	476

5 Net movement of funds

This has been arrived at after charging:

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	11	16
Operating lease rentals	89	99
Auditor's remuneration (including VAT)		
. Audit	7	7
. Non-audit	3	3

6 Trustees

During the year no trustees were reimbursed expenses (2020 - £413 to three Trustees) relating to travel and subsistence. These claims in the prior year 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. The policy provides cover of £5,000,000.

7 Staff costs

	2021 £'000	2020 £'000
Wages and salaries	613	711
Social security costs	69	84
Pension costs	34	43
Total staff costs	716	838

7 Staff costs (continued)

Staff costs have been allocated to direct and support costs as follows:

	2021 £'000	2020 £'000
Direct costs	551	681
Support costs	165	156
	716	837
	2021 No.	2020 No.
Average number of employees during the year	9	11

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

	2021 No.	2020 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	—	1
£80,001 - £90,000	—	2
£130,001 - £140,000	1	—
£140,001 - £150,000	—	1

Three employees (2020 - five) earning over £60,000 participated in the company's defined contribution scheme and contributions of £13,123 (2020 - £27,585) were made on their behalf.

Total remuneration for key management personnel, including employer's pension contributions and employer's national insurance, was £423,012 (2020 - £575,808).

8 Tangible fixed assets

	Computer equipment £'000	Office equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 September 2020	29	36	65
Additions	1	—	1
At 31 August 2021	30	36	66
Depreciation			
At 1 September 2020	23	24	47
Charge for the year	3	8	11
At 31 August 2021	26	32	58
Net book values			
At 31 August 2021	4	4	8
At 31 August 2020	6	12	18

9 Fixed asset investments

	2021 £'000	2020 £'000
Market value at 1 September 2020	10,349	11,429
Additions at cost	3,486	2,549
Disposals at carrying value (2021 proceeds £4,102,064; realised gains £410; 2020 proceeds £3,757,621; realised gains £69,654)	(4,102)	(3,688)
Net unrealised gains	1,013	59
Market value at 31 August 2021	10,746	10,349
Cash held in short term deposits and by investment managers	84	415
Value of listed investments at 31 August 2021	10,830	10,764
Cost of listed investments at 31 August 2021	8,761	8,713

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2021 comprised the following:

	2021 £'000	2020 £'000
UK bonds	946	1,149
UK fixed interest	909	913
Overseas index linked	285	483
UK equities	2,117	1,860
Overseas equities	3,964	3,830
Alternative investments	2,525	2,114
	10,746	10,349

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:

	2021 £'000	2020 £'000
At 1 September and at 31 August	250	250

11 Debtors

	2021 £'000	2020 £'000
Prepayments and accrued income	71	92
	71	92

12 Creditors

	2021 £'000	2020 £'000
Amounts falling due within one year		
Trade creditors	78	178
Other creditors	9	8
Accruals	62	37
	149	223

13 Provision for liabilities and charges

	2021 £'000	2020 £'000
At 1 September	183	193
Released in the period	(10)	(10)
At 31 August	173	183

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 resulted in an increase in the provision by £28,000. During the year ended 31 August 2021 £9,892 was accrued to reduce the provision (2020 – £9,892 was paid to reduce the provision). The provision will be reassessed and revalued at 31 August 2022 in line with the established policy.

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 £84,614 (2020 - £42,908). £nil sum was owing to the pension fund at 31 August 2021 (2020 - £nil).

15 Statement of funds

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2021 Total funds £'000
At 1 September 2020	—	10,707	183	10,890
Income	—	314	—	314
Expenditure	—	(1,269)	(10)	(1,279)
Gains and losses	—	1,013	—	1,013
Balance at 31 August 2021	—	10,765	173	10,939

15 Statement of funds (continued)

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<i>2020 Total funds £'000</i>
<i>At 1 September 2019</i>	—	11,781	193	11,974
<i>Income</i>	—	305	—	305
<i>Expenditure</i>	—	(1,508)	(10)	(1,518)
<i>Gains and losses</i>	—	129	—	129
<i>Balance at 31 August 2020</i>	—	10,707	183	10,890

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>	2021 Total funds £'000
Fixed assets	—	11,088	—	11,088
Net current assets	—	24	—	24
Provisions	—	—	(173)	(173)
	—	11,112	(173)	10,938

	<i>Restricted fund £'000</i>	<i>Unrestricted general fund £'000</i>	<i>RCP Pension Fund £'000</i>	<i>2020 Total funds £'000</i>
<i>Fixed assets</i>	—	10,666	366	11,032
<i>Net current assets</i>	—	41	—	41
<i>Provisions</i>	—	—	(183)	(183)
	—	10,707	183	10,890

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 2021 the total of the Charity's future minimum payments under non-cancellable operating leases was:

	<i>Office space</i>	
	2021 £'000	2020 £'000
Amounts due within one year	61	99
Amounts due within one and five years	—	61
	61	160

FUTURE CARE CAPITAL

England & Wales - Charity number 1036232

Accounts

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

**Annual Report and Financial
Statements**

31 August 2020

Company Registration Number
02887166

Charity Registration Number
1036232

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Patron	Her Majesty, The Queen
Trustees	Andrew Whelan - Chair Julian Chislett Mike Dixon (to 18 November 2020) Irene Gray Neil Churchill Sylvia Lowe Lise Pape Jonathan Steel Michael Dumigan
Chief Executive Officer	Greg Allen
Key Management Personnel	David Milne, Director of Finance and Corporate Services Annemarie Naylor, Director of Policy and Strategy Joel Charles, Director of Government Relations and Impact (until 11 February 2020) Sue Wixley, Director of Marketing and Communications Dave Dawes, Commercial Director
Principal address and registered office	Gillingham House Ground Floor 38-44 Gillingham Street London SW1V 1HU
Charity number	1036232
Company number	02887166
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Legal advisers	Anthony Collins 134 Edmund Street Birmingham B3 2ES

Shaping the future of health and social care

Future Care Capital has continued to grow its expertise in the policy arena this year, and I would like to take this opportunity to thank the team for their ongoing hard work and dedication. Our influence and impact is growing through the delivery of original, independent research and insight. Our Annual Report describes our activities this year, furthering our work to date on health and care data, but also branching out into new and innovative projects.

The global COVID-19 pandemic has had a profound effect on the health and care sector, bringing issues we've been highlighting to the fore as well as generating significant new challenges for our beneficiaries. The value FCC adds has never been more important, delivered through our demonstrable experience undertaking original research utilising large and complex data sets and our expertise in policy development.

The shift to remote working due to COVID-19 has not materially impacted FCC key activities. Even in these challenging times we have continued to grow and refine our team, bringing in a new Head of Policy and Research in-year to bolster our Engine Room capacity to deliver impact for our beneficiaries.

COVID-19 has also presented an opportunity for FCC to have an immediate impact on, and support, the immense challenges faced by both policymakers and frontline professionals in health and care. We contributed written evidence to the Public Accounts Committee during early lockdown to support decision making in readying the NHS and social care for the COVID-19 peak. In our series of *Communicating Public Health* publications with Ipsos MORI we have explored the rich conversation that took place online during the national lockdown in the UK with a view to evaluating its potential to usefully inform policy-making and public health interventions. This, in turn, has enabled us to offer expert advice and guidance to regional and local bodies involved in operationalising new ways of working at pace in the face of the ongoing public health emergency, whilst maintaining a keen eye upon the impacts of key decisions for recipients of care.

Our policy development activities this year have built on the work of prior years, particularly our growing body of expertise and evidence in the field of health and care data:

- *Manufacturing the future: could healthcare data help rebalance the UK's economy?* In a collaboration with the think-tank Reform, we explored growing interest in the data about the 55 million patients for whom the NHS cares and how its curation and usage might contribute to the Government's 'levelling up' agenda.
- We have been working with the National Consortium of Intelligent Medical Imaging (NCIMI), led by the University of Oxford, to develop and deliver a value framework for medical imaging data. This activity concluded in Autumn 2020. Integral to this work was a collaboration with Anthony Collins Solicitors LLP to review current legislation impacting research and commercial usage of health care data in the UK, published as *Research and Commercial Use of Healthcare Data: a review of the legal issues surrounding the potential ownership and exploitation of health data*.
- Work with the Office for Statistics Regulation, Office for National Statistics and Data Science Campus to support and launch an England-wide Review of Social Care Statistics, which gave rise to a project proposal to explore the scope for administrative datasets to help identify people who fund their own social care, a significant challenge identified in FCC's earlier research.
- We contributed to the Centre for Data Ethics and Innovation's AI Barometer in June 2020 which features different aspects of FCC's work. This involved serving as an expert panellist – informing the report's development and presenting at its official launch.
- A partnership with the Health Foundation has resulted in joint promotion and delivery of three *Strengthening Social Care Analytics* workshops to social care policymakers, commissioners, providers and service users with accompanying blog posts. This gave rise to a £300k award programme to deliver our aim of leveraging investment in social care data and technology, as well as a Grant Award (secured in August 2020) that will

enable FCC to establish a UK-wide Community of Practice for those interested in improving insight from social care data.

In the Summer, we launched our new website and refreshed branding. This better articulates FCC's purpose, provides a more effective platform for engaging key audiences, and more effectively showcases our research.

We have continued to challenge current thinking and continue to consider the future of health and care. We have even engaged science fiction authors to pen a series of thought-provoking and challenging short stories intended to inspire debate and innovation amongst practitioners and policymakers.

FCC's focus on facilitating the debate and bringing together different perspectives in health and care continues apace, with the development of our Care Labs programme: spaces for collaboration and experimentation in social care. Based on community organising and movement-building traditions, Care Labs events are designed to be inclusive and participatory. The first two events will take place with communities in Plymouth and Middlesbrough in the Autumn of 2020.

We kicked off the financial year with fringe events at both the Labour and Conservative party conferences, alongside Members of Parliament and other thought leaders to discuss the question "where next for social care?". Our planned events for the year to promote our work and stimulate debate were curtailed due to COVID-19 and lockdown, but our Director of Policy and Strategy continued to speak and contribute at major events, including working with The Guardian, CogX 2020, the launch of the CDEI's AI Barometer and RightsCon 2020.

Along with the rest of the world we moved online and delivered our first online event with the Institute for Government, with our CEO speaking at a panel event about *Fixing Adult Social Care*.

Building on our efforts to raise our own Innovation Fund we explored a new approach: partnering to raise and manage a joint Fund. We have adopted a cautious approach given economic volatility but progress continues to be made with the aim of closing a Fund with a partner in due course.

The charity ended the financial year on 31 August 2020 in a healthy financial position with net assets of £10,890,000. Our investment portfolio experienced significant losses in the market downturn but was insulated from the worst of the volatility due to our defensive positioning and regained the lost value swiftly when the markets rallied. Total returns for the year were £358,000 income and returns from investments over the period, as well as £76,000 income from consultancy projects, a growing revenue stream for the charity built from our expertise in policy. Our investments continue to be monitored to ensure our financial arrangements are aligned with our charitable objects.

Despite the challenges of this year we have continued to make a difference for our beneficiaries – those in receipt of care – through our advocacy for change informed by evidence based recommendations. The next year will see us building on a solid foundation of impact and expertise, with a particular focus on monetising the value we are creating thus ensuring FCC's independence and sustainability.

I am grateful to the team for their efforts, commitment and successes in 2019/20.



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 2020.

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 27 to 29 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.

Trustees	Appointed/Resigned
Andrew Whelan – Chairman	
Julian Chislett	
Mike Dixon	Resigned 18 November 2020
Irene Gray	
Neil Churchill	
Sylvia Lowe	
Lise Pape	
Jonathan Steel	
Michael Dumigan	

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 six times in the financial period, the General Purposes Committee and the Risk and Audit Committee met three times each and the Remuneration Committee once. The board's principal activities were to oversee the ramp-up of the charity's 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 £368 in expenses was claimed by three trustees (2019 - £338 by two trustees).

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

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. Joel Charles, previously Director of Government Policy and Impact, left the organisation in February which led to a review of our organisational structure. As a result we recruited a new position - Head of Policy and Research - to bolster capacity to deliver our impact work.

Governance, Structure and Management (continued)

Operational management (continued)

Bradley Hardiman left as Managing Partner of the Innovation Fund in period having resigned the previous year. The Chairman of the Board, Chief Executive and Director of Finance and Corporate Services stewarded ongoing Fund activities, partnership negotiations and administration for the revised approach to the Fund.

In response to the COVID-19 pandemic the charity shuttered its London offices from March 2020 and instructed all staff to work from home. The offices will remain shut at least until work from home recommendations are eased, and the management team regularly monitors the latest advice to ensure adherence. FCC already allowed flexible working for all staff, so the impact of the transition was minimal. Staff were provided with one-to-one welfare check-ins from HR and through line management, and provided with home-working equipment to enable the transition to the new ways of working.

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 risks to the charity in 2019/20 were the challenges of ramping up sustainable income streams and the impact of the COVID-19 pandemic, both financially and on operations. These were both very high especially given reliance on the Investment Portfolio for operational funding the market volatility's impact on investment values and returns. To mitigate this risk the portfolio weighting was shifted to reduce equities and increase bonds to reflect increased levels of uncertainty in the markets and retain value in the face of market downturns. The charity has struggled to increase revenue significantly to reduce reliance on the investment portfolio. This risk increases given ongoing uncertainties and market volatility. A revenue generation and sustainability strategy is in place to grow income over the next five years. The Board of Trustees are regularly updated on Commercial progress and the strategy is being reviewed and updated in light of the pandemic, with a focus on growing where existing revenue streams exist that complement the charity's impact work. 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 appraised of performance and strategy, and further understand the distribution of risk in the portfolio.

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 23 (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 £129,000 (2019 - £279,000) and other income from the investment portfolio and cash holdings of £229,000 (2019 - £279,000). £76,000 (2019 – £35,000) was received in revenue from grants and consultancy. The challenging environment during the pandemic had an effect on driving new revenue but given the size of the charity's Investment Portfolio the Trustees remain confident that this will not materially impact the charity's operations going forward.

In the year ended 31 August 2020 total expenditure was £1,518,000 (2019 - £1,510,000), of which £170,000 (2019 - £334,000) was related to expenditure on the Innovation Fund start-up activities. Expenditure in the period supported the key objectives as set out on page 11.

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 2020. This is explained further within the principal accounting policies on page 29.

Reserves policy

Future Care Capital held free reserves of £10,707,000 (2019 - £11,781,000) 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.

The organisation's reserves policy was re-confirmed in-year as appropriate having considered the impact of the pandemic 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.

Investment policy and performance (continued)

The principal aim of the investments is to preserve capital in real terms and to reinvest gains within the portfolio. During the continuing implementation and growth of the revenue generation strategy costs are largely 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 £129,000 and investment income of £229,000 on an average invested sum of £11,321,000 providing a total return of 3.2%. The charity also held funds within a current account for operating expenditure. Trustees confirmed the portfolio was appropriately positioned in the period, evidenced by the limited, but still significant, exposure to the market downturns due to the impact of the pandemic. The losses were regained within the period.

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 Objectives

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 objectives

The charity's core offerings were delivered via:

- ◆ **Evidence based Policy and Insight** – developing new policy propositions and solutions supported by evidence-based research, We released three reports in year alongside supporting advocacy work – see pages 12 and 13.
- ◆ **Projects** – building on the insight gained from our research and policy activities to work alongside practitioners and other partners to deliver practical projects that implement our ideas or further our recommendations – see pages 13 and 14.
- ◆ **Advocacy** - stimulating debate and innovation through events, publications and discussions with diverse stakeholders and contributing to the Parliamentary process to implement our recommendations into Policy and Legislation – see pages 14 and 15.
- ◆ **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 16.

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.

Approach to delivering objectives for the period

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

- ◆ Collaborating across the political spectrum to leverage the value of healthcare data and secure investment in care data and technology;
- ◆ Central and local government engagement to achieve FCC's strategic ambitions;
- ◆ Progress the CareLabs movement;
- ◆ Establishing an innovation fund(s) that will deliver positive societal benefit; and
- ◆ 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

Publications

- ***Data that Cares – November 2019***

This report, launched in partnership with the Institute for Public Policy Research (IPPR), highlighted structural changes to the residential care home market in England and gaps in our understanding about the quality of provision.

The findings emphasised that the CQC requires investment and, potentially, greater powers to demand access to – ideally, timely – data in order to create reliable infrastructure from which meaningful financial insights may be derived. A number of practical recommendations were made, including that the Government introduces a Digital Duty of Care applicable to all public bodies that are responsible for the commissioning, provision, monitoring and/or regulation of social care services with this in mind.

- ***Manufacturing the future: could healthcare data help rebalance the UK's economy? – February 2020***

In this collaboration with think-tank Reform the charity explored the growing interest in the data about the 55 million patients for whom the NHS cares. These “cradle to grave” datasets are expected to play a key role in the discovery of new treatments and technological solutions to the growing demands placed upon our healthcare system.

The essay made recommendations to the Government highlighting the need for investment in the clean-up, linking and labelling of healthcare records. It also suggests the need to invest in better digital infrastructure, to up-skill the workforce and to protect citizens' data rights.

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

Policy and insight (continued)

Publications (continued)

- ***Social Care Data Finder – May 2020 (ongoing)***

FCC's work has made extensive use of publicly available data and, to help others, they have produced a Social Care Data Finder which comprises of a timeline with links to social care datasets that have been openly published in the UK since 1st January 2020.

The aim is to maintain a data finder that can be used as a resource for social care research, so the timeline will be updated at regular intervals to capture the publication of new datasets and we welcome suggestions for inclusion. At present, the Social Care Data Finder serves as a portal to data published by pertinent national bodies, but it will develop further to incorporate local datasets and others over time.

Projects

- ***Developing a value framework for medical imaging for the National Consortium for Intelligent Medical Imaging (NCIMI) – March - October 2020***

This project for NCIMI, hosted by the University of Oxford, explored the scope for distilling and agreeing strategic priorities between a range of stakeholders, including individual data subjects, publicly funded and accountable health and care bodies, and commercial entities.

The project included a collaboration with Anthony Collins Solicitors LLP to review current legislation impacting research and commercial usage of health care data in the UK and was published in May 2020 as *Research and Commercial Use of Healthcare Data*. The review provides details of relevant laws and regulations on personal data and individual rights, data processing and intellectual property and was cited as a definitive point of reference in the Centre for Data Ethic's annual AI Barometer alongside other FCC publications concerning social care data.

- ***Fictions: Health and Care Re-Imagined – July 2020 (ongoing)***

In an innovative, thought-provoking and challenging project, Fictions: Health and Care Reimagined presents world-class fiction intended to inspire debate and new thinking among practitioners and policy-makers.

This series of 12 short stories looks at existing medical or health-related technologies and extrapolates them into a range of near-future scenarios in health and social care, examining implications for people on the ground: patients, carers, practitioners and all those close to them. The series is intended to engage a wider audience in health and care discussions, using a medium that may be more accessible for some than traditional reports and policy documents. Bringing a more diverse range of people to the conversation provides the charity's work and messages a wider reach and enables greater interaction with beneficiaries.

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

Policy and insight (continued)

Projects (continued)

- ***Communicating Public Health: Conversations about the COVID-19 pandemic – Autumn 2020***

FCC partnered with Ipsos MORI on an exploratory project, entitled Communicating Public Health, which analysed social media posts to better understand how recipients of health and social care in the UK have been impacted by the ongoing coronavirus pandemic.

The series provided a window into the rich conversation that took place online during the national lockdown in the UK, when almost half of the British public (47%) reported spending more time on social media. Conducting research on behalf of FCC, Ipsos MORI analysed some 3,692,129 online posts, from February through to June 2020, using a combination of automated machine-led analysis, manual coding, statistical modelling and qualitative investigation. The multiple reports, published in Autumn 2020, cover the performance of public health messages and the impact of emerging issues, discussions about and among health and social care professionals and discussions about mental and physical health among social media users during the pandemic.

Advocacy

- ***Political Party Conference fringe events – September 2019***

FCC ran joint fringe events at both the Labour and Conservative Party conferences in partnership with the Institute for Government. CEO Greg Allen was a key panel member alongside Members of Parliament and thought leaders in social care policy. The panels discussed and debated “where next for social care?” with audiences of around 80 people on both occasions.

- ***Strengthening Social Care Analytics workshops – May 2020***

A partnership with the Health Foundation resulted in joint promotion and delivery of three Strengthening Social Care Analytics workshops to social care policymakers, commissioners, providers and service users with accompanying blog posts. This initiative also gave rise to a £300k award programme to deliver FCC’s aim of leveraging investment in social care data and technology, as well as a Grant Award (secured in August 2020) that will enable FCC to establish a UK-wide Community of Practice for those interested in improving insight from social care data - reflecting the challenges identified in FCC’s original research over recent years and the more recent experience of shortcomings in the available data experienced during the first wave of the pandemic.

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

Advocacy (continued)

- **CareLabs – ongoing**

Care Labs are spaces for collaboration and experimentation in social care, created to help communities take more control over their care needs. They are designed to be inclusive and highly participatory, based on community organising and movement-building traditions. The first two pilot Care Labs will take place online with communities in Plymouth and Middlesbrough in the autumn of 2020.

- **Centre for Data Ethics and Innovation's AI Barometer – June 2020**

FCC's Director of Policy and Strategy served as an expert panel member, contributing to the Centre for Data Ethics and Innovation's AI Barometer published in June 2020, which references numerous publications produced by FCC as well as incorporating findings and recommendations from different aspects of FCC's work.

- **Parliamentary briefings and consultation responses**

FCC contributed to a number of parliamentary briefings and provided responses to consultations. The policy team submitted written evidence to the House of Commons Public Accounts Committee inquiry into the challenges of using data across Government.

The charity contributed to the work of the APPG Longevity which launched its national strategy, the *Health of the Nation*, in February 2020 at an event where the Secretary of State for Health and Social Care, the Rt Hon. Matt Hancock MP, gave the keynote address. FCC has since supported its work to engage policymakers, entrepreneurs and academics in the establishment of a Business Coalition and will join its Open Data Taskforce in Autumn 2020.

Achievements and outcomes

This series of publications, projects and advocacy work resulted in FCC being recognised as an expert stakeholder such that:

- The Director of Policy and Strategy was asked to join the SAGE Care Advisory Group to contribute to national efforts during the pandemic;
- the National Data Guardian involved FCC in a research and public engagement exercise designed to bottom-out public attitudes toward 'public benefit' where health and care data is used for purposes other than direct care;
- the charity was invited to collaborate with the Health Foundation to anchor a series of stakeholder workshops about Strengthening Social Care Analytics;
- the Government asked FCC to contribute to the development of the first National health and Care Data Strategy;
- FCC was commissioned by NHSx to undertake further research and make policy recommendations to central government about the redistribution of value from secondary uses of healthcare data – leading to a programme of activity scheduled to take place during Autumn/Winter 2020-21; and
- FCC's work with NCIMI led to policy and advocacy activities involving parliamentarians concerning next generation medical devices.

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

Innovation Fund set-up and direct investment

A new approach to the Innovation Fund was taken following the departure of the Managing Partner in October. FCC engaged with external parties to establish and raise a joint Fund, with FCC investing as a Limited Partner and retaining a share of the General Partnership but not undertaking any Investment or Management activities. 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.

The charity has refined the approach to the Innovation Fund in working with external partners and developing a new approach. Discussions and negotiations to raise the Fund with an external partner continue.

Plans for future periods

FCC's aims and objectives for the coming year were agreed by the Board and are underpinned by detailed plans to build upon as well as expand activities undertaken during the financial period with a focus on three key areas – namely: data, technology and innovation in health and care. The impact of the public health emergency upon the charity's beneficiaries and the organisation's core capabilities and capacity has been considered in setting these high-level aims as well as in the course of work undertaken to flesh out related programmes of activity - the charity will review the challenges and opportunities that it presents at regular intervals throughout the coming period.

Key objectives

- ◆ To help harness the unique value of the UK's health data assets.
- ◆ To build the case for investment and good practice in social care data and technology.
- ◆ To become the go-to organisation for expert and impartial advice about the implications of new digital trading arrangements and the implications for climate change related to the growth in digital health and care.
- ◆ To establish an Innovation Fund to deliver positive societal benefit in line with the charity's objects.
- ◆ To generate revenue and build long-term sustainability for the charity and reduce the reliance on existing reserves.

Approach to delivering objectives for next period

In the next period, the activities underpinning these strategic aims and objectives will involve:

- ◆ Commissioning, collaborating and undertaking original research to leverage the charity's assets, relationships and people in the service of its beneficiaries' needs and aspirations.
- ◆ Supporting the development of forward-thinking policies to be implemented by partners in the public sector and recommending improvements in practice working in conjunction with industry, academia and the third sector to function as an effective advocate for the rights of the charity's beneficiaries now and in the future.
- ◆ Undertaking practical project activity directly associated with the charity's thematic priorities to inform and learn from policy-makers commissioners, providers and front-line professionals so that the charity is a learning organisation which both thinks and acts in the service of its beneficiaries.
- ◆ Continuing the setup of the Innovation Fund in order to invest in innovative enterprises to deliver societal impact which address the challenges FCC wishes to address and generate a commercial return.
- ◆ Generating income based on monetising our insight and impact work with innovations linked to our charitable objectives.

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 and have considered the impact of the pandemic on charity operations, revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the charity are linked to the investment portfolio and there is considerable ongoing uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves trustees have concluded that the charity will have sufficient resources to satisfy it as an ongoing concern. For further detail please refer to the Going Concern note on page 27 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);

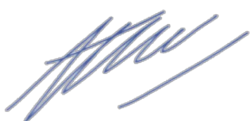
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern 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.



4 May 2021

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 2020 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 2020 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. 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.



12.5.2021

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 2020

	Notes	2020 Total funds £000	2019 Total funds £000
Income from:			
Donations and grants	1	—	29
Charitable activities			
. Consultancy		76	6
Investments	2	229	279
Total income		305	314
Expenditure on:			
Raising funds	3	70	60
Charitable activities	4		
. Innovation Fund		170	334
. Policy and insight		779	712
. Advocacy		499	404
Total expenditure		1,518	1,510
Deficit for the year before investment gains		(1,213)	(1,196)
Net gains on the revaluation and disposal of investments	9	129	279
Net expenditure		(1,084)	(917)
Other recognised losses:			
Actuarial loss on revaluation pension liability	13	—	(28)
Net movement in funds	5	(1,084)	(945)
Reconciliation of funds			
Balances brought forward at 1 September 2019		11,974	12,919
Balances carried forward at 31 August 2020		10,890	11,974

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 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	8		18		29
Fixed asset investments	9		10,764		11,877
Mixed motive investment	10		250		250
			11,032		12,156
Current assets					
Debtors	11	92		52	
Cash at bank and in hand		173		133	
		265		185	
Creditors: amounts falling due within one year	12	(223)		(174)	
Net current assets			42		11
Total assets less current liabilities			11,074		12,167
Provision for liabilities and charges	13		(183)		(193)
Total net assets	14		10,890		11,974
The funds of the charity					
Unrestricted funds					
. General funds	15		10,707		11,781
. Designated funds	15		183		193
Restricted funds	15		—		—
Total funds			10,890		11,974

The financial statements were approved and authorised for issue by the Board of Trustees on 4th May 2021

Andrew Whelan

Chair of the Board of Trustees

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

Statement of cash flows 31 August 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash used in provided by operating activities	A	(1,427)	(1,464)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5)	(6)
Investment income		229	279
Proceeds from the disposal of investments		3,758	4,403
Purchase of investments		(2,549)	(3,112)
Net cash provided by investing activities		1,433	1,564
Change in cash and cash equivalents in the year		6	100
Cash and cash equivalents at 1 September 2019	B	581	481
Cash and cash equivalents at 31 August 2020	B	587	581

The charity had a net cash outflow from operating activities of £1,427,000 (2019 – outflow of £1,464,000). Cash outflows in 2020 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 £1,433,000 (2019 – £1,564,000) primarily as a result of the receipt of investment income of £229,000 (2019 – £279,000) and proceeds from investment of £3,758,000 (2019 - £4,403,000) outweighing purchases of £2,549,000 (2019 - £3,112,000). Together, this resulted in a net increase in cash and cash equivalents in the year of £6,000 (2019 – net increase of £100,000).

Notes to the statement of cash flows for the year to 31 August 2020:

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

	2020 £'000	2019 £'000
Net movement in funds (as per the statement of financial activities)	(1,084)	(945)
Adjustments for:		
Actuarial loss	—	28
Net gains on investments	(129)	(279)
Investment income	(229)	(279)
Depreciation charge	16	14
Increase in debtors	(40)	(6)
Increase in creditors	49	13
Decrease in provision for liabilities, excluding actuarial loss	(10)	(10)
Net cash used in operating activities	(1,427)	(1,464)

B Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
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Statement of cash flows 31 August 2020

Cash at bank and in hand	173	133
Cash held by investment managers	415	448
Total cash and cash equivalents	588	581

Principal accounting policies 31 August 2020

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 2020.

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 and have considered the impact of the pandemic on charity operations, revenue generation and the Investment Portfolio in forming this opinion. Whilst the reserves of the charity are linked to the investment portfolio and there is considerable ongoing uncertainty around investment values, taking into account the positioning of the portfolio and the level of reserves Trustees have concluded that the charity will have sufficient resources to satisfy it as an ongoing concern.

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 2021, 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.

Interest receivable

Interest income is included when receivable and the amount can be measured reliably by the charity.

Principal accounting policies 31 August 2020

Investment income

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

Consultancy income

Income in relation to contracts with third parties for consultancy or project work, is recognised in line with the proportion of the work which is complete.

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 appointed 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.

Principal accounting policies 31 August 2020

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 14 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, 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	2020 £'000	2019 £'000
Grants	—	—	—	29
	—	—	—	29

The £29,000 of grant income included in the accounts for the year ended 31 August 2019 was restricted and was fully expended in that year. There was no other restricted income or expenditure in the year ended 31 August 2019 or 31 August 2020.

2 Income from investments

	Unrestricted funds £'000	Restricted funds £'000	2020 £'000	2019 £'000
Income from investments	229	—	229	279
	229	—	229	279

3 Expenditure on raising funds

	Unrestricted funds £'000	Restricted funds £'000	2020 £'000	2019 £'000
Investment manager's fees	70	—	70	60
	70	—	70	60

4 Expenditure on charitable activities

Charitable activities	Innovation fund £'000	Policy and Insight £'000	Advocacy £'000	2020 £'000
Direct costs				
. Staff	74	401	205	680
. Other	43	98	151	292
Support costs	52	281	143	476
2020 Total funds	169	780	499	1,448

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
2019 Total funds	334	712	404	1,450

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:

	2020 £'000	2019 £'000
IT	70	10
Facilities	168	173
Staff	18	54
Governance	35	59
Other support costs	135	70
Total support costs	457	366

5 Net movement of funds

This has been arrived at after charging:

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets	16	15
Operating lease rentals	99	111
Auditor's remuneration (including VAT)		
. Audit	7	6
. Non-audit	3	3

6 Trustees

During the year three trustees were reimbursed expenses of £368 (2019 - £338 to two 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. The policy provides cover of £5,000,000.

7 Staff costs

	2020 £'000	2019 £'000
Wages and salaries	711	751
Social security costs	84	87
Pension costs	43	44
Total staff costs	837	882

7 Staff costs (continued)

Staff costs have been allocated to direct and support costs as follows:

	2020 £'000	2019 £'000
Direct costs	681	680
Support costs	156	202
	837	882

	2020 No.	2019 No.
Average number of employees during the year	11	11

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

	2020 No.	2019 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	—
£80,001 - £90,000	2	1
£120,001 - £130,000	—	1
£130,001 - £140,000	—	1
£140,001 - £150,000	1	—

Five employees (2019 - five) earning over £60,000 participated in the company's defined contribution scheme and contributions of 27,585 (2019 - £31,932) were made on their behalf.

Total remuneration for key management personnel, including employer's pension contributions and employer's national insurance, was 575,808 (2019 - £695,558).

8 Tangible fixed assets

	Computer equipment £'000	Office equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 September 2019	27	33	60
Additions	2	3	5
At 31 August 2020	29	36	65
Depreciation			
At 1 September 2019	16	15	31
Charge for the year	7	9	16
At 31 August 2020	23	24	47
Net book values			
At 31 August 2020	6	12	18
At 31 August 2019	11	18	29

9 Fixed asset investments

	2020 £'000	2019 £'000
Market value at 1 September 2019	11,429	12,441
Additions at cost	2,549	3,112
Disposals at carrying value (2020 proceeds £3,757,621; realised gains £69,654; 2019 proceeds £4,403,376, realised losses £219,831)	(3,688)	(4,623)
Net unrealised gains	59	499
Market value at 31 August 2020	10,349	11,429
Cash held in short term deposits and by investment managers	415	448
Value of listed investments at 31 August 2020	10,764	11,877
Cost of listed investments at 31 August 2020	8,713	9,921

All listed investments were dealt with on a recognised stock exchange. Listed investments held at 31 August 2020 comprised the following:

	2020 £'000	2019 £'000
UK bonds	1,149	1,621
UK fixed interest	913	1,294
Overseas index linked	483	272
UK equities	1,860	2,373
Overseas equities	3,874	3,538
Alternative investments	2,114	2,331
	10,349	11,429

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:

	2020 £'000	2019 £'000
At 1 September and at 31 August	250	250

11 Debtors

	2020 £'000	2019 £'000
Prepayments and accrued income	92	49
Employee loans	—	3
	92	52

13 Creditors

	2020 £'000	2019 £'000
Amounts falling due within one year		
Trade creditors	178	61
Other creditors	8	3
Accruals	37	110
	223	174

14 Provision for liabilities and charges

	2020 £'000	2019 £'000
At 1 September	193	175
Released in the period	(10)	(10)
Revaluation – actuarial loss	—	28
At 31 August	183	193

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 resulted in an increase in the provision by £28,000. During the year ended 31 August 2020, £9,892 was paid to reduce the provision (2019 – £9,608 was paid to reduce the provision). The provision will be reassessed and revalued at 31 August 2022 in line with the established policy.

15 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 £42,908 (2019 - £44,410). No sum was owing to the pension fund at 31 August 2020 (2019 - £nil).

16 Statement of funds

	Restricted fund £'000	Unrestricted general fund £'000	RCP Pension Fund £'000	2020 Total funds £'000
At 1 September 2019	—	11,781	193	11,974
Income	—	305	—	305
Expenditure	—	(1508)	(10)	(1518)
Gains and losses	—	129	—	129
Balance at 31 August 2020	—	10,707	183	10,890

15 Statement of funds (continued)

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

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>	2020 Total funds £'000
Fixed assets	—	10,666	366	11,032
Net current assets	—	42	—	42
Provisions	—	—	(183)	(183)
	—	10,708	183	10,891

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

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 2020 the total of the charity's future minimum payments under non-cancellable operating leases was:

	<i>Buildings</i>	
	2020 £'000	2019 £'000
Amounts due within one year	89	61
Amounts due within one and five years	97	—
	186	61