

**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.

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:

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