THE RCN FOUNDATION

England & Wales · Charity number 1134606

Details

Status	Registered
Legal form	Charitable company
Company number	07026001
Registered	2010-03-02
Register	View on the Charity Commission register

Contact

Address	Royal College Of Nursing 20 Cavendish Square London W1G 0RN
Phone	02076473645
Email	RCN.Foundation@rcn.org.uk
Website	www.rcnfoundation.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE:3.1 TO PROMOTE THE SCIENCE AND ART OF NURSING AND THE BETTER EDUCATION AND TRAINING OF PERSONS PROVIDING NURSING IN HEALTH AND SOCIAL CARE AND THEIR EFFICIENCY IN THE PROFESSION OF NURSING INCLUDING THOSE WHO ARE STUDENTS;3.2 TO PROMOTE THE ADVANCEMENT OF NURSING AS A PROFESSION IN ALL OR ANY OF ITS BRANCHES;3.3 TO PROMOTE THROUGH THE MEDIUM OF INTERNATIONAL AGENCIES AND OTHERWISE THE FOREGOING PURPOSES IN OTHER COUNTRIES;3.4 TO RELIEVE AND PREVENT CHARITABLE NEED OF PERSONS PROVIDING NURSING IN HEALTH AND SOCIAL CARE INCLUDING THOSE WHO ARE STUDENTS, THOSE WHO HAVE RETIRED AND THE DEPENDENTS OF ANY SUCH PERSONS.

Activities: The RCN Foundation supports nursing to improve health and the well-being of the public. We support the development of clinical practice to improve the quality and standard of care and patient experience and the learning and development of nursing and healthcare professionals. The Foundation also provides one-off hardship grants through its Benevolent Fund

Downloaded from opencharities.uk/ew/1134606

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL AND OVERSEAS
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,193,000	£1,961,000	£40,153,000	11
2023-12-31	£1,401,000	£1,769,000	£37,436,000	0
2022-12-31	£1,253,000	£2,207,000	£35,575,000	0
2021-12-31	£1,465,000	£3,877,000	£41,895,000	11
2020-12-31	£6,722,000	£5,718,000	£40,774,000	0

Downloaded from opencharities.uk/ew/1134606

Trustees

Name	Role	Appointed
Professor Jane Frances Cummings CBE	Chair	2019-05-01
Alison Claire Hoad		2022-08-01
Anthony Joseph Osijo		2021-09-01
CRISTY BELLE JALECO		2023-09-01
Dr Crystal Elizabeth Oldman		2025-09-01
Dr Maria Alice Pollard		2024-01-01
Fiona Bickley		2024-10-01
Gordon Robert Hull		2018-03-13
Gregory James Dix		2021-09-01
Moya Kate Kirmond		2018-03-13
Professor Charlotte Theresa McArdle		2018-06-01
Professor Deborah Ann Sturdy CBE		2025-11-01

Downloaded from opencharities.uk/ew/1134606

THE RCN FOUNDATION

England & Wales - Charity number 1134606

Accounts

RCNFoundation
Supporting nursing, improving care

Annual Report 2024

The RCN Foundation Annual Report and Financial Statements 1 January to 31 December 2024

Contents

Introduction	2
Your support in numbers	4
Report of the trustees	5
Financial review	21
Principle risks and uncertainties	25
Board of Trustees	27
Structure, governance and management	29
Thank you to all our supporters	32
Statement of trustees' responsibilities	34
Independent auditor's report	35
Financial statements	39

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious**
- **collaborative.**

Registered Charity: 1134606 | Scottish Registered Charity: SC043663 | Registered Company: 7026001

This document has been designed in collaboration with stakeholders including RCN members to ensure it meets most accessibility standards. However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction

2024 has been another year of intense activity and output for the Foundation, one in which we again made a positive difference across the UK to nursing and midwifery staff, and those they cared for.

At the beginning of the year, we launched our new strategy – *Ignite, Inspire, Aspire: our vision to transform lives*. The strategy marks a continuation of the Foundation's work to make a transformational impact. As we said in the document, "this strategic plan is about continuing on that journey of transformation – for our organisation, for the individuals that we support, and for the communities in which we live and work. Over the next five years, our ambitious strategy will see an increase in our support across the three core areas of our work – hardship, education and research."

The first year of the strategic plan has therefore seen an increase in the breadth and depth of our support to nursing and midwifery. Whilst we remain true to our core purpose and to the provision of our core areas of support, our intention is to add further value through this support.

In 2024, we provided a comprehensive programme of benevolent and education grants to individual nursing and midwifery staff. In total, we made 576 benevolent grants (see diagram on page 4) totalling £206,000, and 122 education grants totalling £183,000. Demand for education grants grew compared to the previous year by 68%.

We once again made a significant and direct impact on some of the most vulnerable members of the professions who sought help from our Benevolent Service. As a result of their engagement with the service, those who took up advice on benefits were, on average, better off by £4,524.

A growing trend over the past 4 years has been the consistent numbers of nursing and midwifery staff who have approached the Benevolent Service after fleeing situations of domestic violence and abuse. Whilst our sample is small, the percentage of staff experiencing domestic violence and abuse who receive a grant is around two and a half times the national average. With no real empirical evidence available to explain this phenomenon, we commissioned an exploratory study into the experiences of nurse, midwife and healthcare support worker survivors of domestic violence and abuse. One of the outputs from the study will be a framework for action which will identify specific evidence-based actions and tailored interventions to improve and develop workplace support for those affected.

Our programme of research and innovation grants continued to develop and grow in 2024. We launched our learning disability grants programme, which we called Inclusive Health, in March with a study on the economic value of learning disability nursing, carried out by the London School of Economics and Political Science. Three further studies were also commissioned during the year, looking at health inequality, urgent care and access to practice placements in Scotland. All of these projects address areas of need or gaps in provision identified through a scoping review that was co-produced with people with a learning disability. The results of these projects will be available throughout 2025.

Another highlight from the year was the appointment of Professor Claire Pryor to the role of RCN Foundation Chair in Adult Social Care Nursing at the University of Salford, the first position of its kind in the UK. Claire will be taking a strategic lead in shaping teaching and research in adult social care at a local, national, and international level. With the adult social care sector facing funding challenges, staffing shortages and an aging population, the need for a renewed focus on nurse-led social care provision has never been more important.

Another much needed but neglected issue on which the Foundation has focused this year has been the experiences of internationally educated nurses and midwives who have chosen to work in the NHS. Using the proceeds from a legacy gift, we commissioned London North West University Healthcare NHS Trust to undertake a mixed method research study to explore the experiences of internationally educated nurses and midwives working within the trust. We hope that the findings from this two-year study will enable the sharing of any wider lessons that emerge.

A core commitment within the new strategy is the development of the Centre for Compassionate Leadership in Nursing and Midwifery. At its strategy day in September, the board affirmed its commitment to the establishment of the centre and the funding required to bring it to fruition. More detailed operational work will take place in 2025 to take forward this important initiative.

The board approved the Foundation's first Sustainability and Environment Policy during the year. The policy commits the Foundation to continuous improvement in our actions to decrease our environmental impact. This includes all areas of our operations, including grant-making, fundraising and investments. An action plan will be developed in 2025 to operationalise the policy.

Finally, we look forward to celebrating our 15th anniversary in 2025. We will mark this milestone with a series of activities and initiatives during 2025 that will showcase our impact on nursing, midwifery and healthcare over the past decade and a half.

Thank you to all of our supporters in 2024. This support has been vital in helping us to deliver on our commitment to support and strengthen nursing and midwifery, in order to improve the health and wellbeing of the public.

Professor Jane Cummings CBE RN
Chair
7 May 2025

Deepa Korea
Director
7 May 2025

Your support in numbers

With your support, we have been able to achieve so much. Every donation we receive helps us to achieve our mission of supporting and strengthening nursing and midwifery, and ultimately improving patient care.

Education grants 2024

£183,000 awarded

100% of those who received an education grant and responded told us that it had a positive impact on their career

Benevolent grants 2024

576 individuals supported to get their life back on track with this grant

97% said the grant had a positive effect on their mental health

99% said the grant helped them to feel more in control of their circumstances

£206,000 awarded

BACK TO CONTENTS

Report of the trustees
for the year ending 31 December 2024
(incorporating the directors' report)

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2024 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This report is a summary of our operational and financial activities in 2024. It can be downloaded from the Foundation's website (**rcnfoundation.org.uk**), where there are further details about our work.

Objectives

In 2024, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery, to improve the health and wellbeing of the public. We carried out a robust programme of activities in 2024 with a focus on achieving positive outcomes for nursing and midwifery staff, and the public. Our objectives for 2024, as listed in the 2023 Annual Report and Accounts, and the progress made against these objectives, are set out below.

1. Implement a programme of grant-making to individuals that focuses on hardship and education grants.

In 2024, the Foundation continued to provide its Benevolent Service to nurses, nursing associates, midwives, degree apprentice nursing students, health care support workers (HCSWs) and maternity support workers who were facing financial hardship due to a range of issues. The service consisted of grant-making, access to an affordability tool which identifies any benefits to which they are entitled, and signposting to targeted providers for additional support.

This is a digitalised service, with applications largely made through a bespoke online portal. However, support is also provided to those without digital access where needed.

Late in 2023 and into January 2024, there was an unprecedented demand for the service and a significant backlog of grant applications developed. This was the result of the impact of the cost-of-living crisis, in combination with challenges related to the CRM software used to deliver the Benevolent Service. As a result, the difficult decision was made to pause the service to new applications between 26 December 2023 and 22 January 2024, to enable the team to focus on clearing the backlog of applications.

Despite the pause, there remained a sustained backlog of applications when the service reopened. In April 2024, the Board of Trustees approved additional temporary staff resource to clear the backlog. As a result, between May and June 2024, the backlog was cleared and the usual number of applications to be processed was maintained throughout the remainder of the year.

By the end of 2024, the wait time for an initial hardship application to be assessed was 3 days, and the time for a final decision once all supporting documents had been received was 5 days.

In 2024, the Foundation provided 576 hardship grants (2023: 514). The main presenting issue was debt, followed by mental and physical ill health. 67% of grant recipients were employed. For many, their total net income was insufficient to meet their basic needs, signifying that they faced in-work poverty. Across 2024, the Foundation made hardship grants to the value of £206,000 (2023: £200,000) with 99% of grant recipients reporting that the grant helped them to feel more in control of their situation.

The longitudinal impact of the grant was evaluated at 6 months when 100% of recipients reported that the grant had a positive impact on their finances.

Diane's story:

"It's a gift of gold"

Diane (not her real name) is a nurse manager who'd had health problems for some time, but only recently received diagnoses of two serious physical illnesses which impacted her mobility as well as cognitive function. After applying for a hardship grant to fix problems with her bathroom and install a stair rail, she experienced a decline in her health and had to be admitted to hospital. She was already in receipt of half of her usual salary because of her long-term ill health, and it seemed likely that it would cease in the coming months, leaving her reliant on government benefits. She knew that her home would be unsafe in the condition that she had left it in, putting her at severe risk of falls. Emotionally, she was at a low ebb after hearing that she would be unable to drive for some time.

Diane was awarded a hardship grant of £500 from the RCN Foundation. She told us "I cannot tell you how much this money means to me, it's a gift of gold! This will pay for my whole toilet waste pipe to be fitted! With the extra £50 I can put towards the banister...honestly this money is life changing to help with my safe discharge home. Thank you so much. You do an amazing job, and you have made this so easy for me because you took the time to go through things with me!"

In January 2024, the Foundation launched a new signposting hub. The aim of the hub was to provide an efficient, comprehensive resource which directed individuals to reputable national organisations which offer support for a range of issues including mental health and emotional wellbeing, housing, finance and addiction.

A key aspect of the service is the provision of an affordability tool incorporating a benefits checker, which applicants are asked to complete as part of the application process. This identifies any unclaimed benefit to which applicants are entitled. Individuals who accessed a benefits estimate were, on average, better off by £4,524 as a result.

Throughout 2024, the Foundation continued to work with a number of partners to better support hardship grant applicants. We worked with the debt advice charity, PayPlan, which provides free to access, regulated debt advice. PayPlan delivers a bespoke service for the Foundation, with a dedicated telephone line and referral system for applicants, which are managed by a team of specialist debt advisors. A range of joint communications and advice sessions were held by the 2 organisations during the year, which received positive feedback. Overall, 122 individuals were signposted to PayPlan, with 7% receiving support from the service.

The affordability tool and benefits checker were provided by Entitledto. Work took place in 2024 to adapt the metrics of the tool to better reflect the needs of the nursing and midwifery workforce, and to make the assessment process more efficient and streamlined.

In 2024, the Foundation launched a new partnership with ShinyMind, a co-created, evidence-based and proven mental health and wellbeing app which is free to access for all nursing and midwifery staff working across the NHS. Our partnership is to ensure parity of access for social care nurses and HCSWs. To date, 196 licences for the app have been issued.

2024 saw a substantial increase in the number of applications for education grants. A total of £183,000 was awarded in education grants (2023: £157,000) to 122 individuals (2023: 111). Grants were awarded for a wide range of educational activities, from clinical skills training for HCSWs to Masters' Advanced Practice modules and PhD funding. Figure 1 presents an overview of the education grants awarded in 2024.

Figure 1: Overview of education grants awarded in 2024

Grant	Number of grants awarded	Total amount
RCN Foundation Professional Bursary Scheme	66	£89,838
RCN Foundation Leathersellers' Grant for Children and Young People Mental Health	9	£12,728
RCN Foundation Into Nursing	4	£22,500
RCN Foundation Olufunke Adeyeye Grant	2	£1,550
RCN Foundation LV= Health Care Support Workers Grant	9	£11,844
RCN Foundation Marcia Mackie Grant	1	£986
RCN Foundation Rae Bequest Grant	1	£1,600
RCN Foundation Kidby Grant	10	£10,000
RCN Foundation Advance Practice Learning Disabilities Scholarship	5	£16,000
RCN Foundation Needlemakers Grant	11	£13,553
RCN Foundation Monica Baly History of Nursing Grant	1	£1,000
RCN Foundation Kershaw Grant	2	£847
Conference Grant	1	£554
Total	**122**	**£183,000**

The Professional Bursary Scheme (PBS) is the Foundation's main education grants programme. Our aim is that PBS grants are awarded to those working in areas of high deprivation and high health inequality. As one grant recipient told us: *"My workplace is the 0-19 service which employs a skill mixed workforce led by Specialist Community Public Health Nurses to deliver the Healthy Child Programme and reduce health inequalities. We work in an area with some of the highest levels of deprivation in England. It is vital that we retain our workforce to deliver a service to our population. My MSc has produced a dissertation to increase understanding about how to support our workforce."*

In 2024, 13% of our grants were awarded in those areas. Therefore, work remains to increase the penetration of our grants in these areas, which will continue in 2025. In accordance with the Foundation's equity, diversity and inclusion framework, we also have a target to award grants to nursing and midwifery staff who are from the global majority (also known as those from Black and minority ethnic backgrounds). This is to ensure that our grant-making better reflects the communities that we serve. In 2024, 38% grants were awarded to those from the global majority.

Donations received in 2024 for education grant-making meant that some of our education grant-making focused on specific areas. These included grants restricted to geographic areas and for particular specialisms such as children and young people's mental health and emotional wellbeing, and cancer.

The impact of PBS grants has been evaluated through surveys and online focus groups. Grant recipients reported that the grant had made a positive impact on their clinical skills, patient care and career. One grant recipient told us: *"The training has directly improved the quality of care I provide, resulting in better patient outcomes. I now create more effective care plans and communicate better with patients, leading to reduced anxiety and improved adherence to care routines. The learning has also helped me address health inequalities by equipping me with skills to identify and support underserved patient groups more effectively. I can now tailor interventions to meet individual needs, ensuring equitable care for all."*

The Foundation also delivered several bespoke education grant programmes. The partnership with the Worshipful Company of Needlemakers continued and they increased their funding to £7,000, which was match funded by the Foundation. The remaining funds from the Leathersellers' Foundation donation in 2023, to support children and young people's mental health, were spent out in 2024.

The Into Nursing grant supports graduates seeking a career in nursing. Demand for this grant is consistently high and from the 122 eligible applications received in 2024, 23 were recommended to receive a grant, with 4 individuals receiving a grant.

The Foundation will be re-evaluating how this education grants programme is delivered to enable funding to reach a greater number of nurses.

The RCN Foundation Olufunke Adeyeye Grant ran for a third year, aimed at funding nurses, midwives and health care support workers from the global majority to undertake education and development activities. Grants to nursing and midwifery staff from Northern Ireland were once again made in 2024 through the RCN Foundation Marcia Mackie and Rae Bequest grant programmes.

Beth's story:

"The catalyst to further my career"

Beth is a specialist midwife for monogenic diabetes who was given an education grant to complete a prescribing module at the University of Surrey. Undertaking this module has prepared Beth to be a safe and effective independent prescriber.

Prior to starting the course, Beth was working as an integrated midwife, working in both community and hospital settings. Beth applied for funding from the RCN Foundation to undertake an Independent/Supplementary Prescribing module course, which enabled her to become a specialist midwife for diabetes. This has subsequently led Beth to work for the South East Genomics Medicine Service Alliance as a specialist midwife for monogenic diabetes, embedding testing for monogenic diabetes within the existing gestational diabetes pathway.

The course not only prepared Beth to prescribe but also equipped her with knowledge about ethics, pharmacology, pharmacokinetics, pharmacodynamics, adverse drug reaction and drug interactions.

In becoming an independent prescriber, Beth is able to give a more comprehensive level of service to pregnant women with gestational and pre-existing diabetes, preventing delay in obtaining medication when doctors are unavailable. She has found that she can also give a more holistic service in assessing, diagnosing and treating conditions as they arise in pregnancy.

After completing the course, Beth has found that being able to prescribe has improved her ability to assess her patients' needs in a timely and efficient manner. She feels the service for her patients has improved, preventing delays in treatment, whilst also relieving some of the pressure on her colleagues. Beth said: "Without the grant, I would not have been able to advance my career and become a specialist midwife. It has been the catalyst to further my career and has inspired me to hopefully complete a Master's qualification in the future".

The RCN Foundation Monica Baly Grant for 2024 was awarded to a history of nursing project exploring the background to the dozen trained Nightingale Nurses who began work at Brownlow Hill Workhouse Infirmary in Liverpool in 1865.

We were delighted to receive financial support from LV= to develop a programme of professional development grants aimed at HCSWs. The programme was launched on Nursing Support Workers' Day in 2023, with awards being made in early 2024. The education activities ranged from achieving health and social care certificates to phlebotomy training.

The RCN Foundation continued to support HCSWs through the RCN Foundation Kershaw Grant. This grant was made possible through the kind support of Dame Betty Kershaw.

In 2024, we launched the RCN Foundation Advanced Practice Learning Disability Scholarship. Of the scholarships awarded to Registered Nurses - Learning Disability (RNLDs) working across social care and the NHS, 3 were made to individuals from each of the devolved nations, whilst 2 went to RNLDs working in England. A particular challenge faced by those wishing to undertake this course was the limited number of universities currently offering the course.

2. Implement a programme of grant-making on nursing- and midwifery-led research and innovation projects that focuses on key priority areas: children and young people's mental health and wellbeing; learning disability nursing; and supporting the mental health and wellbeing of the nursing and midwifery team in all settings.

The RCN Foundation awarded a total of 7 research and innovation grants totalling £974,895 in 2024. These will be completed over the next 12-24 months, except for the RCN Foundation Chair in Adult Social Care Nursing initiative which will be completed in 2029. There were 4 previously funded research studies completed in 2024.

The project entitled *Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales* led by Cardiff University explored how nurses use professional judgement to decide how to effectively organise the nursing workforce to meet patient need, across 3 NHS trusts in England and 3 university health boards in Wales.

The study concluded that despite national policy and legislative differences in England and Wales, the role of professional judgement in nurse staffing systems followed a common pattern of 2 different types of professional judgment. The first saw ward manager nurses use the local intelligence of their clinical areas to make professional judgements on safe staffing. The second drew upon senior nurses' prior clinical experience and knowledge of staff and organisational priorities. The 2 approaches combined to inform decisions about how best to organise the nursing workforce to meet patient need.

A key finding from the study was that whilst nurses are relied upon to use professional judgment to manage risks during staff shortages, their judgments do not carry the same weight when it comes to agreeing on staffing levels at board level. This may result in safe but not necessarily high-quality patient care, which could impact nurse retention and perpetuate staff shortages.

To address this, the research suggested a number of actions including that: nurses are equipped with a vocabulary and frameworks to articulate their professional judgment for workforce decision-making; greater inclusivity of expert nursing clinical and contextual knowledge in healthcare organisations is promoted; staffing systems are refined to generate workload and patient outcome data that better captures the complexity of care; and digital data systems are developed to streamline data collection and decision making.

The outputs to support the next steps include academic papers, a policy road map, and a policy brief which makes recommendations for next steps. The team has also developed a clinical unit staffing assessment template to support nurses in articulating and documenting their professional judgement. Work will continue with professional leaders and policymakers to build on these resources to improve nurse staffing systems.

The RCN Foundation supported the Queen's Nursing Institute to establish a National Care Home Nurses' Network. The network has over 2,300 members working in a care home setting. The network has held bi-monthly webinars to encourage staff within care homes to become involved in research projects, local and national governing bodies that

influence care home resources, workforce and budgets. The webinars have also promoted resilience and wellbeing of staff working in the sector. Some members are now involved in research and writing for publication, whilst others have put themselves forward to be involved with national policy developments.

Our support for the University of Huddersfield and South West Yorkshire NHS Partnership Trust continued in 2024 with funding awarded for a project to identify an efficient and streamlined digital cognitive behavioural therapy (CBT) tool for non-mental health registered nurses to use to support children and young people's mental health and emotional wellbeing. The outcomes from this project contributed to the RCN Foundation's Children and Young People's Mental Health and Emotional Wellbeing Toolkit.

This built upon the Huddersfield App for Mental Health Assessment (HAMHA), funded by the Foundation in 2023, and identified an effective digital CBT informed tool for non-mental health registered nurses to use. The study also evaluated the impact of the tool on therapeutic relationships.

Having evaluated suitable apps against the study criteria only the *Tellmi: Better Mental Health App* appeared suitable, with experts and service users reporting that with minimal training on CBT, non-mental health nurses can guide the use of the Tellmi app in a way that enhances the therapeutic relationship between the nurse and young person.

The next step is to undertake a proof-of-concept exercise across 6 organisations with the view to roll out in the App Store/Google Play as a free to access app available to be downloaded.

Case study:

University of Huddersfield and South West Yorkshire NHS Partnership Trust: A project to identify an efficient and streamlined digital cognitive behavioural therapy (CBT) tool for non-mental health registered nurses to use to support children and young people's mental health and emotional wellbeing

In 2022, the RCN Foundation launched a new grant-making programme focused on enabling registered nurses without a mental health background to support children and young people's mental health and emotional wellbeing. The aim was to develop a toolkit, the first element of which was the development of a limited data set of assessment tools to support non-mental health trained nurses to assess children and young people. The resulting app, the Huddersfield App for Mental Health Assessment (HAMHA), was completed by the University of Huddersfield in 2023.

Building on this work, a grant was made to the University of Huddersfield in 2024 to develop the second element of the toolkit: to identify an efficient digital cognitive behavioural therapy (CBT) informed tool which could be used to support children and young people's mental health and emotional wellbeing.

Digital platforms and apps have become increasingly popular to provide early interventions for children and young people, and although there are many apps available for use to help with mental health problems, it remains unclear which are most effective, acceptable, and credible for use by non-mental health nurses.

There are several apps on CBT-informed applications for children and young people. However, a literature review conducted by the project team found that there was little consistency with aims and methodology across apps, and limited research on their acceptability and quality, nor what impact the use of apps have on the therapeutic relationship between staff and the young person.

Therefore, this project aimed to identify an efficient and streamlined digital cognitive behavioural therapy (CBT) informed tool for non-mental health trained nurses to use to support children and young people's mental health and emotional wellbeing, and evaluate the impact of the tool on therapeutic relationships.

The project team conducted a literature review, a review of apps in ORCHA (Organisation for the Review of Health and Care Apps), and an online survey. There was also consultation with experts, non-mental health nurses, allied health professionals, app developers, academics and researchers.

Having compared suitable apps against the study criteria, only the Tellmi: Better Mental Health app appeared suitable. Tellmi is an anonymous app designed for peer support, resulting in significant improvements in confidence, connectedness, and mental health self-management. Tellmi has impacted positively on the wellbeing of children and young people, created supportive environments, and encouraged open conversations about mental health. The app is supported by a specifically trained support team including undergraduate psychology or similar students reviewing content before it goes live. Additionally, an in-house CBT counsellor is available to provide support. The app incorporates various filters, sorting content by age groups, risks and sensitivity levels.

With the project now complete, the project team plans to undertake a proof-of-concept exercise across 6 organisations with the view to roll out in via the App Store and Google Play as a free-to-access app.

The RCN Foundation Amin Abdullah Grant was awarded to a team at Staffordshire University for a conference and series of workshops exploring the importance of wellbeing and resilience in the nursing profession. This was due to be completed in January 2025.

The first Michelle Cox RCN Foundation Anti-Racism Award was awarded to the Anti-Racism Shared Decision-Making Council from University Hospitals Coventry and Warwickshire NHS Trust (UHCW) to develop videos for use within the UHCW Anti-Racism Toolkit e-learning module. This was also due to be completed in early 2025.

Early in 2024, the Foundation launched a £300,000, 3-year grants programme called *Inclusive health – enhancing the lives of individuals with learning disabilities*. This consists of 9 research studies which aim to support RNLDs to address health inequalities and promote health-related quality of life outcomes for individuals with a learning disability. The Advanced Practice Learning Disability Scholarship is also part of the programme.

Professor Martin Knapp and the team at the London School of Economics and Political Science undertook a review of the evidence to demonstrate the economic impact of the RNLD role. The study reported its findings in November 2024. Whilst the data available was limited, and with a heavy focus on services rather than workforce, the research did identify 9 intervention categories across multiple health domains where the RNLD made a positive impact, including obesity, sleep, and family dynamics.

The project demonstrated that RNLDs effectively manage health issues, leading to improvements in both health outcomes and quality of life for individuals with learning disabilities. It is evident that by improving access to health and care services, RNLD contribute to closing the gap in health and social care access between individuals with learning disabilities and the general population. Ultimately, not only does this enhance individual health outcomes but also reduces the strain on health and care resources.

Despite this, it was found that there are major gaps in the available economic evidence in relation to RNLDs and the study stressed the need for more research to establish a stronger evidence base that can inform the economic case for effective interventions and clarify the roles of RNLDs. Addressing these gaps is critical for advancing the profession and ensuring that the unique needs of people with learning disabilities are met effectively.

Three further studies were funded in 2024 under this new grants programme: the University of Wolverhampton was awarded a grant to look at RNLDs contribution to reducing health inequality for people with a learning disability; Keele University was awarded a grant to develop an evidence based co-designed tool to assist people with a learning disability to access urgent and emergency care in times of ill health; and Edinburgh Napier University, in partnership with Glasgow Caledonian University, were awarded a grant to look at access to practice placements for RNLDs in remote and rural settings.

Following the successful bid by the University of Salford to host the inaugural RCN Foundation Chair in Adult Social Care Nursing supported by a post-doctoral research assistant, an appointment to both roles was made in 2024. Professor Claire Pryor commenced her post in July 2024. We will begin to see outputs from the role in 2025.

Dr Alison Gregory, an Honorary Senior Research Fellow at the University of Bristol, was awarded a grant to undertake a mixed-methods study exploring nursing and midwifery professionals' experiences of domestic abuse and violence.

Finally, London North West University Healthcare NHS Trust was awarded a grant from a restricted donation to carry out a mixed-methods study to explore the experiences of internationally educated nursing and midwifery staff working within the trust.

3. Launch the Foundation's new five-year strategy, *Ignite, Inspire, Aspire: Our vision to transform lives*, setting out the key objectives and priorities to be achieved from 2024-28. To ensure robust delivery of the five-year strategy, develop a series of enabling strategies to underpin the overall organisational strategy.

At the beginning of 2024, we launched our new 5-year strategy, *Ignite, Inspire, Aspire: our vision to transform lives*. Formulation of the strategy began in late 2022, and a wide range of activities took place to underpin its development. This included: identifying and analysing trends in nursing and midwifery, health and social care, grant-making and the charity sector; discussions and deep dives with the Board of Trustees; and commissioning a review of the nursing and midwifery research landscape and the Foundation's position within this landscape.

An important element of the strategy was that it was co-produced with nursing and midwifery staff from across the UK, and in different fields and specialisms. The co-production process included RCN Foundation alumni (education grants recipients), HCSWs, nursing students and staff in social care.

In 2024, we began the implementation of the strategy in earnest. Much of the operational work that took place during this first year is set out in more detail within this trustees' report. 3 of the 5 enabling strategies that underpinned the organisational strategy – fundraising and communications, grant-making, and research and innovation – were also approved by the board in 2024.

A key priority within the new strategy is the establishment of the RCN Foundation Centre for Compassionate Leadership in Nursing and Midwifery. This important initiative will take the work which has been taking place over the past 6 years on the mental health and wellbeing of nursing and midwifery staff and provide a tangible way forward for addressing these issues. At its awayday in the autumn, the Board of Trustees made a commitment to begin developing the framework for the centre in 2025.

4. Implement a programme of targeted communications that: highlights the impact of our work; disseminates it so that it reaches appropriate audiences through a variety of channels including, but not limited to, the Foundation's various digital and other communication platforms; contributes to public policy debates and agenda; and raises the profile of the work of the Foundation.

Following the launch of the Foundation's new website in 2023, a new digital repository was added to the site in 2024. The repository provided free access to resources developed as a result of the Foundation's funding of education and research grants. The repository was developed as a direct result of feedback received from our alumni during the strategy development process.

The Foundation's social media presence continued to grow across our digital platforms in 2024. In February 2024 we obtained Sprout Social, a social media management tool which enabled us to house all our social channels on one site, making scheduling and reporting on content much more efficient and streamlined. As a result, our social media output was more targeted and we were able to post at the optimum time our audiences were active, meaning they were more likely to see the posts and engage with them.

During the year, we saw a significant rise in followers on LinkedIn, which grew by 481%. Similarly, we saw strong growth in followers on Facebook (46%) and Instagram (18%). On X (formerly Twitter), we saw the smallest growth at just 3%. Our engagement increased across all platforms, but most notably on Instagram and Facebook, with engagement up 174% and 46% respectively. LinkedIn saw impressions increase by 260% and engagement by 174%. In 2024, our Impact Award videos received the highest number of views on our YouTube channel since the channel was set up. Since May, the combined total number of views was 53,391, compared to 3,377 total views in 2023 - an increase of 1,581%. The combined impressions were also over one million.

We disseminated the outcomes from some of our projects to new audiences in 2024. The ProJudge project team presented a briefing on the project's outcomes to a number of bodies including NHS England, the Chief Nursing Officer for Wales and the Wales Health and Social Care Committee.

In April, the Foundation's Director and Head of Grants and Impact presented to a meeting of the World Health Organization

European Governmental chief nursing and midwifery officers. The presentation focused on compassionate leadership, with a particular focus on the Follow Your Compassion project.

Our annual Impact Awards in July, hosted by Reverend Richard Coles, celebrated nursing and midwifery excellence. We awarded 7 Impact Awards, with all of the individuals featuring in a film about their achievements.

In October, we held our Annual Lecture, which this year focused on learning disability nursing and the critical challenges facing the learning disability nursing workforce and those they support. During the event, Professor Martin Knapp from the London School of Economics and Political Science presented the findings of a study, funded by the Foundation, which examined the economic case for investing in this important part of the workforce.

In December, we submitted evidence to the Health and Social Care Committee Inquiry into the cost of inaction in social care reform. Our evidence focused on our investment in social care nursing over the past several years and its outcomes.

During the year, we had a presence at a number of external events including RCN Congress, Nursing Live and the GIANT health technology show. These events achieved a number of aims including raising the Foundation's profile, allowing us to liaise directly with existing and future beneficiaries of our work, and showcasing the charity to potential supporters.

5. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work.

Investment income was slightly lower than expected in 2024, at £898,000. However, the value of the portfolio rose by 8% to £40.2 million.

Voluntary income performance was better in 2024 when compared to 2023. In 2024, the RCN Foundation achieved a 27% increase in voluntary income, rising from £232,000 in 2023 to £295,000. This growth highlights the success of our efforts to secure additional sponsorships and partnerships from corporates and trusts and foundations.

By collaborating with expert agencies, we also strengthened our digital fundraising approach. This was utilised effectively in our Christmas campaign, *Give hope this Christmas*, which resulted in £3,500 donations from the public.

6. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

During the year, one trustee stood down in order to stand as a parliamentary candidate in the general election and a trustee with strong charity governance experience was recruited to fill the vacancy.

A formal review of the Foundation's Articles of Association was undertaken jointly with the RCN, and a revised version was agreed. An updated version of the articles was submitted to Companies House and the Charity Commission at the end of 2024.

With the Foundation's 2022-24 Equity, Diversity and Inclusion (EDI) Plan coming to an end, work to develop a new plan began towards the end of the year. The new plan will deliver on the Foundation's EDI commitment set out in the organisational strategy and will run in parallel with it up to the end of 2028. The EDI Plan was finalised in early 2025.

A process to review the Foundation's investment manager was undertaken jointly with the RCN. As a result of the review, the Foundation appointed Legal and General Investment Management as its new investment manager. Transition to the new manager began to take place at the end of the year.

The Foundation continued to work with the RCN's various teams to make improvements to the customer relationship management (CRM) system. This system is integral to the efficient and effective delivery of our hardship and education grants programmes via online portals, and of our fundraising activities.

With ongoing errors and delays in the system, the Foundation's CRM risk was escalated to the RCN Group Risk Register in early 2024, ensuring that there was also oversight of this risk by the RCN Group Audit Committee. Despite some small improvements, the risk remained on the Group Risk Register throughout 2024. In order to address the long-term challenges posed by the current CRM system, an independent review of the Foundation's CRM needs was commissioned in 2024. Next steps will be identified and actioned in 2025.

Policies

During 2024, the Board approved the following policies: a new Sustainability and Environment Policy; a new Reporting Serious Incidents Policy; an updated Donations Acceptance Policy; an updated Expenses Policy for Volunteers; and an updated Trustee and External Adviser Recruitment Policy.

Our position on modern slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2025

1. Implement a programme of grant-making to individuals that focuses on hardship and education grants.
2. Implement a programme of grant-making on nursing- and midwifery-led research and innovation projects that focus on our key priority areas of learning disability nursing, and midwifery and maternal health.
3. Develop the Centre for Compassionate Leadership in Nursing and Midwifery, identifying a framework for its activities.
4. Launch two new grants-making initiatives – one for quality improvement projects and a second focused on early career researchers.
5. Implement a programme of targeted communications that: highlights the impact of our work; disseminates it so that it reaches appropriate audiences through a variety of channels including, but not limited to, the Foundation's various digital and other communication platforms; contributes to public policy debates and agenda; and raises the profile of the work of the Foundation.
6. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work.
7. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

Financial review

Investments, policy and performance

The RCN Foundation is subject to the Trustee Act 2000. The Foundation's investment objective is to seek to protect real income and capital growth over time. The trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The board oversees the management of the Foundation's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the board as appropriate.

In October 2024, following recommendation from the Income Generation and Investment Committee, the Board of Trustees appointed Legal & General Investment Management as the Foundation's new investment manager. By 31st December 2024, approximately 92% of the Foundation's portfolio had been transferred from Sarasin & Partners to Legal & General. The remaining funds will be transferred in 2025.

The Income Generation and Investment Committee were of the view that the more traditional active investment model was not adding consistent value to the portfolio, and therefore chose to adopt a passive approach by investing in one of Legal & General's pooled funds. The objective of the fund is to provide a combination of growth and income, as well as increasing exposure to assets or issuers associated with better environmental, social and governance practices.

The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term.

The trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore, the investment managers retain a short-term fund consisting of cash, short-term deposits and short-dated bonds. During 2024, £446,000 was withdrawn from the short-term fund for cashflow purposes. On 31 December 2024, £2.3 million was held in the short-term fund and is shown as a current asset on the Balance Sheet (31 December 2023: £2.7 million).

2024 has been a positive year for the valuation of the RCN Foundation investment portfolio, with reported net gains of £3.5 million (31 December 2023: net gains of £2.2 million). The gross investment income in the year ended 31 December 2024 was £898,000 (31 December 2023: £1.165 million). Investment management fees of £160,000 (2023: £155,000) were incurred in the year. Investment income was 23% lower compared to the gross income received in the prior year. The movement in the investments resulted in a significant increase in the market value of the combined portfolio from £37.2 million at the start of the year to £40.2 million at the end of the year. The increase is largely attributable to an increase in the market value of global equities, particularly those in the technology sector.

We are working closely with Legal & General Investment Management to monitor our portfolio and the expected income arising from it to best inform our operational activities.

Review of financial position

The financial statements are presented in the format required under the 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2024 and the balance sheet as at 31 December 2024 are set out on pages 40 and 41. The statement of financial activities shows that the RCN Foundation had a net surplus of £2.7 million in the year ended 31 December 2024 (31 December 2023: net surplus of £1.9 million).

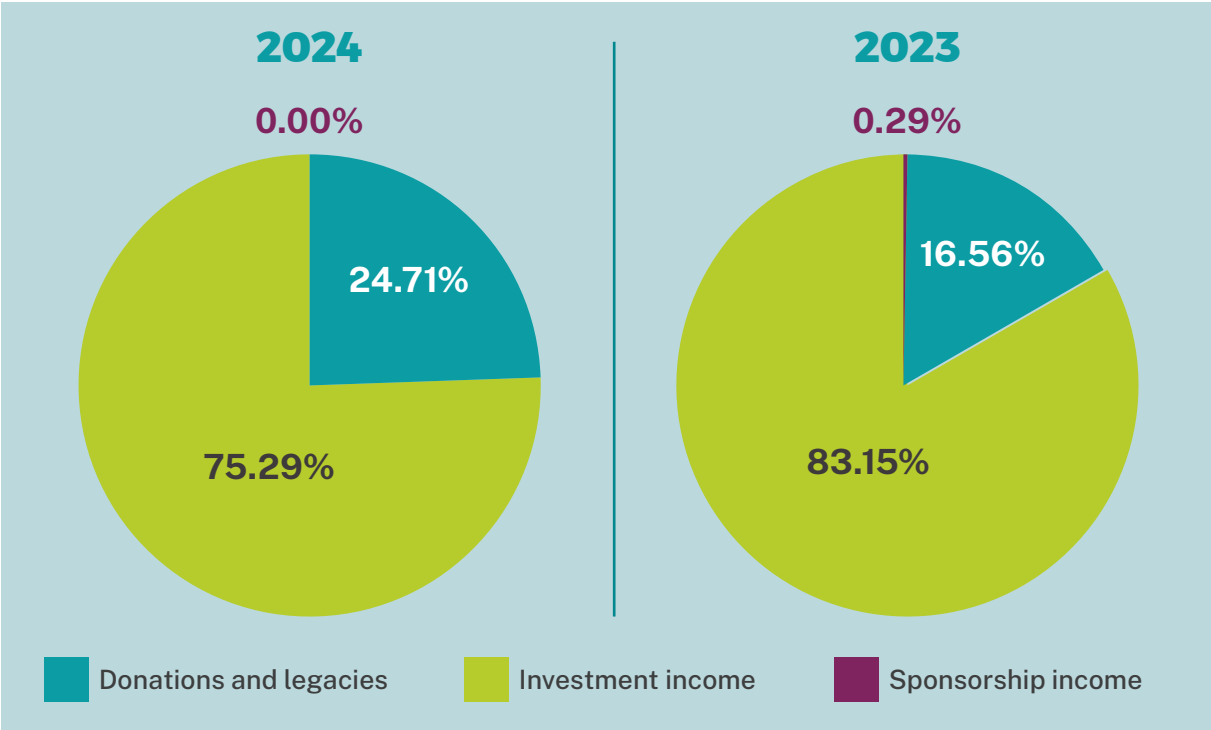
Income

The RCN Foundation's income is made up of donations and legacies, income from trusts and foundations, income from corporate partnerships and investment income.

Total income in the year was £1.193 million which is 15% lower than the previous year (31 December 2023: £1.401 million). Despite a £63,000 increase in voluntary income in 2024, investment income fell by £267,000 due to a change in the investment portfolio's asset allocation. The portfolio was weighted more towards global equities in 2024 which typically pay fewer dividends in comparison to UK equities. Despite the decrease in investment income, the market value of the portfolio increased by 8% in 2024.

Legacies, donations and gift aid amounted to £295,000 (31 December 2023: £232,000). No income from trading activities was earned in 2024 (31 December 2023: £4,000 in sponsorship income).

Investment income for the year was £898,000 (31 December 2023: £1.165 million) of which £682,000 was unrestricted (31 December 2023: £906,000). The RCN Foundation investments reported net gains of £3.48 million (31 December 2023: net gain of £2.23 million) mainly due to realised gains on the investment portfolio.



BACK TO CONTENTS

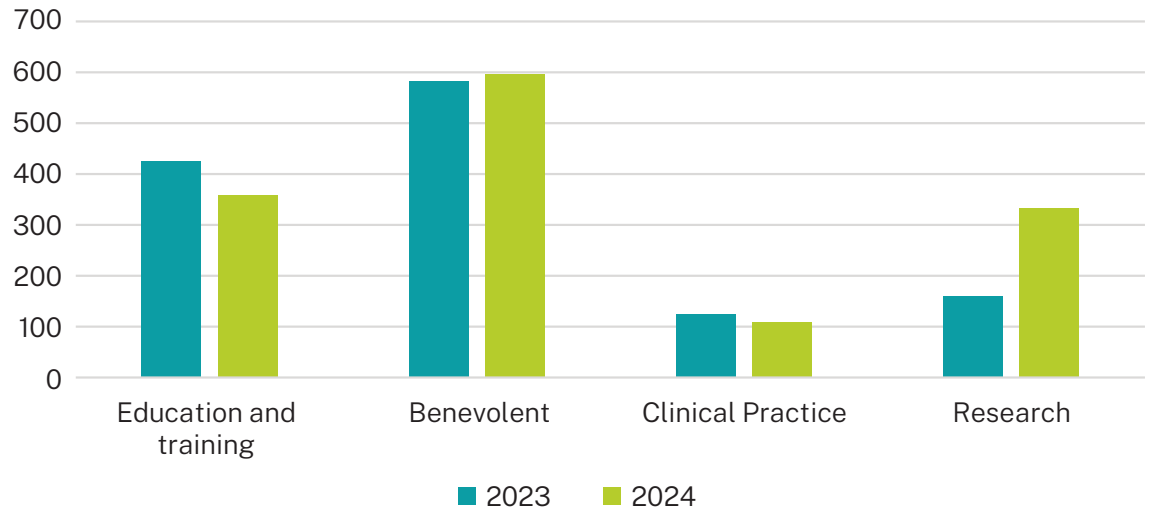
Expenditure

The RCN Foundation expenditure in the year amounted to £1.961 million (31 December 2023: £1.769 million) of which £1.294 million (31 December 2023: £1.141 million) was from unrestricted funds.

In 2024, expenditure increased by 11% compared to 2023. The variance is due an increase in the number of hardship and project grants awarded in 2024. Charitable spend as a portion of total spend was within the expected range at 71%.

2024 vs 2023 charitable expenditure

	Education and training £'000	Benevolent £'000	Clinical practice £'000	Research £'000
2023	£426	£585	£123	£160
2024	£358	£597	£109	£332



Grants totalling £657,000 were awarded in the year ended 31 December 2024 (31 December 2023: £560,000). Of this, £315,000 was awarded to individuals - £206,000 relates to benevolent grants awarded through the RCN Foundation Benevolent Service (31 December 2023: £330,000), and £183,000 to educational bursaries (31 December 2023: £157,000). A further £342,000 was awarded to 12 organisations (31 December 2023: £230,000 to 10 organisations) for project and research grants.

A fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing, and other services and is included within unrestricted expenditure. The total fee relating to the year ended 31 December 2024 was £943,000 (31 December 2023: £881,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation plus 12% overheads for RCN Foundation staff. The increase in fee is due to addition of a Fundraising and Communications Assistant and the hiring of a Temporary Grants Officer to support the Foundation with the backlog of applications for the Benevolent Service.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £565,000 - this figure includes investment management fees, fundraising costs, the portion of management fees allocated to this activity, as well as a share of support costs (31 December 2023: £475,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2024: £160,000; 31 December 2023: £155,000).

In the year, trustee expenses of £7,258 were incurred (31 December 2023: £7,365). These costs are treated as unrestricted expenditure.

Reserves

The RCN Foundation has adopted a reserves position which it considers appropriate to ensure it can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The level of free reserves at 31 December 2024 was £29.88 million (31 December 2023: £27.71 million). This excludes those unrestricted funds that have been earmarked for particular purposes by the trustees and are shown as designated funds on the balance sheet and excludes tangible fixed assets. The £2.72 million increase in reserves is due to a combination of net expenditure and net gains on the investment portfolio.

The investment and reserves policies reflect the trustees' acknowledgment that the RCN Foundation is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy. This policy is reviewed annually.

RCN Foundation accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a strategic report for that purpose.

Principle risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the level of risk that the Foundation is willing to take in order to meet its strategic objectives. There are a range of appetites for different risks and these are set out below. During 2024, risk appetite was reviewed and re-evaluated by the board. A review of risk appetite will be undertaken by the board on an annual basis.

Financial

Appetite for risk: low to moderate

A key financial risk was the ongoing dependency on reserves and investment income to fund our work. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. In 2024, a new Fundraising Strategy was launched. Although income from donations and legacies fell short of the budgeted target for the year, it increased significantly, by 27% over that achieved in 2023.

Investment income remains an important component of the Foundation's overall income. The value of the portfolio rose by 8% during the year, although income was down. A new investment manager, Legal & General Investment Management, was appointed during the year, and replaced Sarasin and Partners LLP. The risk relating to a potential decrease in the value of the portfolio during the transfer from the incumbent to the new investment manager was kept under review. Mitigations included the development of a detailed plan setting out the transfer process and trading being undertaken on the same day.

Governance

Appetite for risk: low to low/moderate

The main risk in relation to governance was the failure of the RCN and RCN Foundation to agree a revised and updated version of the Foundation's Articles of Association. The risk was mitigated through the active involvement in the process by the Foundation chair.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues. A Reportable Incidents Policy was approved by the board in 2024.

Operational

Appetite for risk: low to moderate

Operational risks cover a range of risks that fall under themes including reputation and brand, and technology. The key risks were: pressures on the Benevolent Service as a result of the cost of living crisis; key projects failing to deliver in a timely and effective manner; and an inadequate CRM system which failed to meet the Foundation's needs. Mitigating actions taken during the year included: bringing in additional staff resource to support the Benevolent Service during a particularly busy period and in order to address a significant backlog; putting in place additional monitoring and reporting measures for those projects deemed not to be meeting KPIs; and escalating the issue of the underperforming CRM system to the RCN Group Risk Register.

By the end of the year, the first two risks had been removed from the risk register. The CRM risk has increased during the year due to its impact on our ability to deliver our grant-making programme in a timely, accurate and efficient manner, and to ensure that accurate donor records are maintained as fundraising continues to grow.

External environment

Appetite for risk: low to moderate/high

These risks relate to the wider environment within which the Foundation operates. Risks identified during the year included the impact of the cost of living crisis and the impact of the challenges facing the RCN.

The first risk impacted income returns as well as leading to increased demand for hardship grants. The risk was mitigated through careful and regular monitoring of income and expenditure, as well as a willingness on the part of the board to consider releasing increased funds for hardship support in the event that they were required.

The second risk was mitigated through regular dialogue between the Foundation and the RCN at its most senior leadership level. A crisis communications plan was also prepared in the event that the challenges negatively affected the Foundation's reputation and brand.

Board of Trustees

External advisers; reference and administrative details; structure, governance and management

Board of Trustees

The trustees who are in office or have been during 2024 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Professor Charlotte McArdle, Vice Chair and Chair of the Governance and Nominations Committee

Fiona Bickley (from 1 October 2024)

Elizabeth Jane Cantrell

Catherine Deakin (resigned 29 February 2024)

Professor Gregory Dix

Alison Hoad

Gordon Hull, Chair of the Income Generation and Investment Committee

Cristy Belle Jaleco

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee

Anthony Osijo

Dr Maria Pollard (from 1 January 2024)

External advisers

The external advisers on our committees are:

Victoria Bennett (Income Generation and Investment Committee)

Fiona Bickley (Governance and Nominations Committee) – resigned 30 September 2024

Matthew Craddock (Income Generation and Investment Committee)

Professor Jacqueline Dunkley-Bent OBE (Grants Committee)

Ann Gow (Grants Committee)

Dawn Jackson (Grants Committee)

Katrin Lehmann (Grants Committee)

Mickella Lewis-Purvis (Grants Committee)

Hemal Naran (Income Generation and Investment Committee)

Professor Gemma Stacey (Grants Committee) – from 1 November 2024

Vivien Waterfield (Income Generation and Investment Committee)

Andrew Wauchope (Income Generation and Investment Committee)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN
Telephone 020 7409 3333
Website: rcnfoundation.rcn.org.uk

Bankers

National Westminster Bank PLC
250 Regent Street, London W1B 3BN

Independent auditors

Crowe UK LLP
55 Ludgate Hill, London EC4M 7JW

Lawyers

Mishcon de Reya LLP
Africa House, 70 Kingsway, London WC2B 6AH

Investment managers

Legal & General Investment Management
1 Coleman Street, London EC2R 5AA

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered charity: 1134606

Scottish registered charity: SC043663

Registered company: 7026001

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2024 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances during 2024. It can be downloaded from the Foundation's website (rcnfoundation.org.uk) where there are further details about the Foundation's work.

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the Royal College of Nursing in the United Kingdom (RCN UK) is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the Royal College of Nursing, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the Royal College of Nursing that sets out how the 2 organisations will work together to support nursing and midwifery and improve care.

Objects

The objects of the RCN Foundation are to:

- promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing, including those who are students
- promote the advancement of nursing as a profession in all or any of its branches
- promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

Public benefit statement

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The Board has provision for no fewer than 3 and no more than 12 trustees, 4 of whom are members of the RCN and a member of RCN Council is included in the recruitment process. At least 3 of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual board awayday. 2 of the 3 substantive committees of the board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis.

The Governance and Nominations Committee meets at least 3 times a year.

The Grants Committee is accountable to the board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager. The Governance and Nominations Committee is accountable to the Board for the governance arrangements for the Foundation including the recruitment and appointment of trustees, vice chair and committee chair elections, and committee appointments. It also oversees trustees' induction, development programmes and performance review.

The membership of these committees is largely drawn from the board and the committees are chaired by a trustee. We have also appointed additional independent members with particular relevant experience and expertise to our committees.

Terms of reference for all committees have been agreed by the board.

Appointment of trustees

The Governance and Nominations Committee makes recommendations to the board on trustee recruitment. Trustees are appointed on a 3-year term which can be renewed twice – 9 years in total. Decisions about what skills to recruit to the board are based on the outcome of a skills audit. Trustees are recruited through a process of advertising and interview. All new trustees are provided with an induction pack, which includes the code of conduct, annual accounts, our strategy and other relevant documents. Each trustee also meets with the chair biennially to discuss their performance and needs, with the chair's review being conducted by the vice chair.

Management

The Board of Trustees has ultimate responsibility for what happens in the charity but have delegated the day-to-day management to the foundation director.

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a services agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Digital, Marketing and Communications Officer; Fundraising and Communications Assistant; Benevolent Grants Manager; Benevolent Grants Officer; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation is also supported throughout the year by a number of RCN staff as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which is available on the Foundation website.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored.

Conflicts of interest

We have a register of interests which is updated regularly. We have guidance for managing conflicts and we ask trustees and advisers to identify any conflicts at the beginning of each meeting.

Fundraising Statement

The RCN Foundation is committed to achieving its charitable objectives to support and strengthen nursing and improve patient care. We fundraise so that we can deliver our charitable objectives.

Our fundraising function operates within the guidance provided by the Fundraising Regulator, and all fundraising activity supports the Code of Fundraising Practice. We promise to be open, honest, clear, respectful, fair, reasonable, and accountable.

All Foundation staff and volunteers, including the board of trustees, have a responsibility to be aware and have a thorough understanding of fundraising best practice. The Foundation respects the rights of its supporters to clear, truthful information about our work, how donations and other income are spent, and how we manage donors' information responsibly.

The individuals that we mail are our supporters with whom we already have a relationship, and who have given their consent to be contacted by us. All supporter data is stored securely and is GDPR compliant. We never buy in any data lists for fundraising, and we do not sell or share supporter details with any other individuals or organisations.

We employed 2 professional fundraising agencies with regard to key aspects of our fundraising activities in 2024. All other fundraising activities were planned and delivered in house by our small fundraising team, who build relationships with our supporters.

Our policies and procedures are compliant with best practice as set out by the Chartered Institute of Fundraising, with the best interests of the charity's donors and the vulnerable paramount. We never pressure anyone to make a donation and take particular care to avoid asking vulnerable people for donations. This is clearly set out in our policy on Fundraising Communications with Vulnerable Supporters.

We will not solicit or accept donations from companies or individuals who participate in activities which could cause detriment to the charity's reputation or work.

The charity received no complaints regarding its fundraising activities in 2024. Complaints are taken very seriously and will be investigated, with disciplinary action being taken where appropriate. If a complaint is deemed serious enough it may result in the removal of a fundraiser from a campaign and/or the termination of a campaign. As an organisation committed to learning we review our fundraising practices annually and update all fundraising processes and policies to ensure the highest fundraising standards are achieved.

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team, and organisation who have supported us during 2024.

With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public.

Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives, and healthcare support workers, and through them, patients and families.

Sponsored by
LIVERPOOL VICTORIA
LV.com/RCN

THE BRITFORD BRIDGE TRUST

Royal Parks Half

MURRAY PARISH TRUST

FORT VALE

Shiny Mind

novo nordisk®

astellas

BIRD & BLEND TEA CO.

towergate
Insurance Brokers

The Hospital Saturday Fund

Statement of trustees' responsibilities

The trustees (who are also directors of the RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 incoming resources and application of resources, including 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 the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- 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.

The Trustees' Annual Report on pages 5 to 20 was approved by the board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 7 May 2025

Independent auditor's report to the members and trustees of the RCN Foundation

Opinion

We have audited the financial statements of RCN Foundation ('the charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet the Statement of Cashflows and notes to the financial statements, including 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 December 2024 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 contained within the annual report. 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.

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 mis-stated. If we identify such material inconsistencies or apparent material mis-statements, we are required to determine whether this gives rise to a material mis-statement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material mis-statement 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 our audit:

- the information given in the trustees' report, which includes the directors' report, prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material mis-statements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of responsibilities set out on page 34, 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 mis-statement, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006, and report in accordance with the acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material mis-statement, 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 mis-statement when it exists. Mis-statements 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material mis-statement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material mis-statements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, mis-representations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe UK LLP
Statutory Auditor
London, United Kingdom

Date: 30 May 2025

Financial statements

Statement of financial activities 31 December 2024 (incorporating the income and expenditure account)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Income from:									
Income and endowments									
Donations and legacies	2	107	79	188	153	–	–	295	232
Income earned from other activities									
Investment income	3	682	906	216	259	–	–	898	1,165
Income earned from other trading activities									
Sponsorship income		–	4	–	–	–	–	–	4
Licence income		–	–	–	–	–	–	–	–
Total income		**789**	**989**	**404**	**412**	–	**–**	**1,193**	**1,401**
Expenditure									
Cost of raising funds	4	565	475	–	–	–	–	565	475
Expenditure on charitable activities:									
Education and training		251	277	107	149	–	–	358	426
Benevolent fund		216	169	381	416	–	–	597	585
Clinical practice and promoting the profession		107	60	2	63	–	–	109	123
Research		155	160	177	–	–	–	332	160
Total expenditure	4	**1,294**	**1,141**	**667**	**628**	–	**–**	**1,961**	**1,769**
Net expenditure before investment gains		**(505)**	**(152)**	**(263)**	**(216)**	–	**–**	**(768)**	**(368)**
Net gains on investments	13	**2,575**	**1,647**	**843**	**532**	**67**	**51**	**3,485**	**2,230**
Net income/(expenditure) for the year		**2,070**	**1,495**	**580**	**316**	**67**	**51**	**2,717**	**1,862**
Transfers between funds	13	1	–	465	–	(466)	**–**	–	**–**
Net movement in funds	13	**2,071**	**1,495**	**1,045**	**316**	**(399)**	**51**	**2,717**	**1,862**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**27,893**	**26,398**	**9,026**	**8,710**	**517**	**466**	**37,436**	**35,574**
Fund balances carried forward at the end of the period	13	**29,964**	**27,893**	**10,071**	**9,026**	**118**	**517**	**40,153**	**37,436**

Notes on pages 43 to 58 form part of these financial statements.

BACK TO CONTENTS

Balance sheet as at 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
Fixed assets			
Tangible assets	6	–	–
Long-term investments	8.1	37,859	34,549
Total fixed assets		**37,859**	**34,549**
Current assets			
Debtors	9	31	20
Short-term investments	8.2	2,315	2,667
Cash at bank and in hand		401	802
Total current assets		**2,747**	**3,489**
Liabilities			
Creditors: amounts falling due within one year	10	(426)	(555)
Net current assets		**2,321**	**2,934**
Total assets less current liabilities		**40,180**	**37,483**
Creditors: amounts falling due after one year	10	(27)	(47)
Total net assets		**40,153**	**37,436**
The funds of the charity			
Restricted funds:			
Permanent endowment	13	98	88
Expendable endowment	13	20	429
Restricted income funds	13	10,071	9,026
Total restricted funds		**10,189**	**9,543**
Unrestricted funds:			
Revaluation reserve	12	–	3,001
General funds	13	29,876	24,704
Designated funds	13	88	188
Total unrestricted funds	**13**	**29,964**	**27,893**
Total charity funds		**40,153**	**37,436**

Approved and authorised for issue by the Board of Trustees on 7 May 2025 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

Statement of cashflows

	Note	31 December 2024 £'000	31 December 2023 £'000
Reconciliation of net movement in funds to net cashflow from operating activities:			
Net movement in funds		2,717	1,862
Dividends and interest from investments		(898)	(1,165)
Gains from investments		(3,485)	(2,230)
(Increase)/decrease in debtors	9	(11)	4
Decrease in creditors	10	(149)	(220)
Net cash (used) in operating activities		**(1,826)**	**(1,749)**
Cashflows from investing activities:			
Dividends and interest from investments	3	898	1,165
Proceeds from sale of investments	8	53,642	20,953
Purchase of investments	8	(53,056)	(23,965)
Net cash generated/(used) by investing activities		**1,484**	**(1,847)**
Change in cash and cash equivalents in the reporting period		**(342)**	**(3,596)**
Opening cash at bank		802	551
Opening cash in investments		974	1,236
Opening cash in short-term investment		37	3,519
Cash and cash equivalents at the beginning of the reporting period		**1,813**	**5,306**
Change in cash and cash equivalents due to exchange rate movements		**119**	**103**
Cash and cash equivalents at the end of the reporting period		**1,590**	**1,813**
Represented by:			
Closing cash at bank		401	802
Closing cash held in investment portfolio		1,184	974
Closing cash in short-term investment		5	37
Total cash and cash equivalents		**1,590**	**1,813**

Notes to the financial statements

1. Accounting policies

The financial statements presented show the statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation for the year ended 31 December 2024.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), and it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cashflows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cashflows of the RCN Foundation. Under FRS 102, a statement of cashflow is incorporated within these financial statements for the year ended 31 December 2024.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Measurability in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2024 %	31 December 2023 %
Cost of raising funds	29	27
Education and training	18	23
Benevolent fund	30	34
Clinical practice	6	7
Research	17	9

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient.

In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions have been satisfied by the recipient. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of trustee meetings, and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

The only asset held by the RCN Foundation is a customer relationship management database. The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database. At 31 December 2024, the database was fully depreciated and therefore had a nil net book value.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the statement of financial activities as they arise. Realised and unrealised investment gains and losses are combined in the statement of financial activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the trustees for educational purposes and in 2024, £100,472 (2023: £76,782) was spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation.

The RCN Foundation is planning to spend the remaining funds in the next year.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the service level agreement they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation Board of Trustees reviews the assessment of the RCN Foundation's financial resources prior to signing the Annual Report and Accounts. The assessment includes a thorough review of the RCN Foundation's cashflow forecast, investment income and donations pledged.

The board is of the opinion that the sustainability and viability of the business as a going concern are not threatened. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business. The RCN Foundation is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements.

2. Donations and legacies

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2024 £'000	31 December 2023 £'000	31 December 2024 £'000	31 December 2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Regular giving	17	15	71	77	88	92
Major donors	9	15	16	25	25	40
Legacies	5	–	–	1	5	1
Corporate income and partnership	46	6	93	48	139	54
Other donations	25	36	1	1	26	37
Gift aid	5	7	7	1	12	8
Total	**107**	**79**	**188**	**153**	**295**	**232**

3. Investment income

	31 December 2024 £'000	31 December 2023 £'000
UK equities	163	294
Overseas equities	414	421
UK fixed interest	264	258
Bank interest	57	192
Overseas fixed interest	–	–
Total	**898**	**1,165**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Grants/bursaries:								
— to organisations	–	–	341	230	–	–	341	230
— to individuals	–	–	315	330	–	–	315	330
RCN UK service fee	173	151	399	402	371	328	943	881
Investment management fee	160	155	–	–	–	–	160	155
Fundraising costs	97	47	–	–	–	–	97	47
Trustee costs	–	–	–	–	9	10	9	10
Audit and tax advice	–	–	–	–	22	14	22	14
Publicity and events	–	–	–	–	43	79	43	79
Professional services	–	–	–	–	9	8	9	8
Travel and subsistence	–	–	–	–	9	13	9	13
IT costs	–	–	6	–	–	2	6	2
Miscellaneous cost	–	–	–	–	5	–	5	–
	430	**353**	**1,061**	**962**	**468**	**454**	**1,961**	**1,769**
Support costs	135	122	335	332	(468)	(454)	–	–
Total	**565**	**475**	**1,396**	**1,294**	**–**	**–**	**1,961**	**1,769**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £15,150 including VAT are included in these financial statements (31 December 2023: £14,400).

4.1. Expenditure on charitable activities

	Education and training		Benevolent funds		Clinical practice and promoting the profession		Research		Total charitable activities	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Grants/bursaries (note 5):										
— to organisations	110	86	–	49	23	27	208	68	341	230
— to individuals	67	130	246	200	2	–	–	–	315	330
RCN UK service fee	95	100	202	186	58	65	44	51	399	402
IT costs	–	–	6	–	–	–	–	–	6	–
	272	**316**	**454**	**435**	**83**	**92**	**252**	**119**	**1,061**	**962**
Support costs	86	109	143	150	26	32	80	41	335	332
Total	**358**	**425**	**597**	**585**	**109**	**124**	**332**	**160**	**1,396**	**1,294**

In 2024, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee). Under the agreement there are 11 employees who work for the RCN Foundation (31 December 2023: 10 employees), one earns between £100,000 - £110,000 per annum and two earn between £70,000 - £80,000. Pension payments made with regards to the highest paid individual amounted to £12,447 (31 December 2023: £11,585).

	31 December 2024 £'000	31 December 2023 £'000
Wages and salaries	703	656
Social security costs	75	68
Other pension costs	65	62
Total	**843**	**786**

5. Grants payable

	Unrestricted funds		Restricted funds		Total grants payable	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Balance brought forward at start of period	–	**87**	**277**	**257**	**277**	**344**
Awarded in the period:						
Grants and bursaries	124	99	649	487	773	586
Unused awards written back	–	–	(116)	(27)	(116)	(27)
Charge to SOFA	**124**	**99**	**533**	**460**	**657**	**559**
Paid in period	(124)	(186)	(652)	(440)	(776)	(626)
Balance carried forward at the end of the period	–	–	**158**	**277**	**158**	**277**
Falling due within one year	–	–	131	230	131	230
Falling due after one year	–	–	27	47	27	47

The split of the balance brought forward between unrestricted funds and restricted funds has been updated to accurately reflect the primary statements for the year ended 31 December 2023.

Grants were awarded as follows:

Grants/bursaries to organisations:	31 December 2024 £'000	31 December 2023 £'000
Cardiff University	(5)	50
Edinburgh Napier University	10	–
Impact Foundation	–	9
King's Fund	–	49
London North West NHS Healthcare Trust	30	–
London School of Economics	22	–
National Health Care Conferences Uganda	4	–
Northumbria University	–	(2)
Queen's Nursing Institute	9	9
RCN - Learning Disability Nursing Workforce Summit	1	–
RCN – Sharing nurses' life stories	–	5
Salt Thinking	–	13
University of Edinburgh	100	77
University of Huddersfield	10	10
University of Keele	10	–
University of Salford	116	–
University of Wolverhampton	25	–
University of York	10	10
Total grants to organisations	**342**	**230**

Grants were awarded as follows (continued):

Grants/bursaries to individuals:	31 December 2024 £'000	31 December 2023 £'000
Educational bursaries	183	157
Educational bursaries write backs	(116)	(27)
Benevolent grants	206	200
Project and Research grants	42	–
Total grants to individuals	**315**	**330**

In the year the RCN Foundation awarded educational bursaries to 122 individuals (2023: 110) and benevolent grants to 576 individuals (2023: 514).

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2024		14	–	14
Disposals		–	–	–
Balance at 31 December 2024		**14**	–	**14**
Accumulated depreciation				
Balance at 1 January 2024		**14**	–	**14**
Charge for the year		–	–	–
Balance at 31 December 2024		**14**	–	**14**
Net book value at 31 December 2024		–	–	–
Net book value at 31 December 2023		**–**	**–**	**–**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all of its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2024 £'000	31 December 2023 £'000
Market value at the start of the year	**33,575**	31,065
Additions at cost	50,754	21,340
Disposals at carrying value	(50,884)	(20,755)
Redemptions	(7)	(198)
Realised gain	7,067	113
Unrealised (losses)/gains	(3,830)	2,010
Investments at market value at the end of the year	**36,675**	**33,575**
Cash held for reinvestment	1,184	974
Market value at the end of the year	**37,859**	**34,549**
Historic cost at the end of the year	**38,653**	**31,536**

In December 2024, the Foundation transferred the majority of its investment portfolio to its new investment manager, Legal & General Investment Management. During the transfer, the Foundation disposed of the segregated holdings previously managed by Sarasin & Partners LLP before investing the proceeds with Legal & General Investment Management. The market value of the combined portfolios was £37.9m at 31 December 2024.

Investments at market value (including short-term investments) comprise:

	31 December 2024 £'000	31 December 2023 £'000
Listed investments		
Fixed interest (government securities and bonds)	8,666	6,947
UK equities	3,253	2,342
Global equities	20,185	21,325
Alternative assets	3,151	1,625
Property	1,315	1,342
Liquid assets in long-term fund	1,289	968
Total	**37,859**	**34,549**

The trustees believe that the carrying value of the investments is supported by their underlying net assets. All investments are owned by the RCN Foundation.

Holdings over 5%

As at 31 December 2024, included within the investment portfolio were two holdings with a valuation in excess of 5%, being the Legal & General World ESG Multi-Index 6 Fund and the Legal & General Cash Trust.

8.2. Short-term investments

	31 December 2024 £'000	31 December 2023 £'000
Market value at the start of the year	**2,630**	**500**
Additions at cost	2,302	2,625
Disposals	(2,752)	–
Redemptions	–	(500)
Realised gain	128	–
Unrealised gain	2	5
Investments at market value at year end	**2,310**	**2,630**
Cash held for reinvestment	5	37
Market value at the end of the year	**2,315**	**2,667**
Historic cost at end of the year	**2,308**	**2,667**

All investments are owned solely by the RCN Foundation.

9. Debtors

	31 December 2024 £'000	31 December 2023 £'000
Prepayments and accrued income	26	10
Trade debtors	–	10
Sundry debtors	5	–
Total	**31**	**20**

10. Creditors

	31 December 2024 £'000	31 December 2023 £'000
Amounts falling due within one year		
Trade creditors	6	39
Grants payable (note 5)	131	230
Accruals	76	49
Due to RCN UK	213	237
Total	**426**	**555**
Amounts falling due after one year		
Grants payable (note 5)	27	47
Total	**453**	**602**

11. Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	31 December 2024 £'000	31 December 2023 £'000
Fund balances at the end of the period are represented by:								
Software	–	–	–	–	–	–	–	–
Investments	27,496	24,910	10,245	9,122	118	517	37,859	34,549
Current assets	2,737	3,479	10	10	–	–	2,747	3,489
– Current liabilities and provisions	(269)	(496)	(157)	(59)	–	–	(426)	(555)
– Non current liabilities	–	–	(27)	(47)	–	–	(27)	(47)
Total net assets	**29,964**	**27,893**	**10,071**	**9,026**	**118**	**517**	**40,153**	**37,436**

12. Revaluation reserve

	31 December 2023 £'000	Investment unrealised gains £'000	31 December 2024 £'000
Revaluation reserve	3,001	(3,001)	–
Total	**3,001**	**(3,001)**	**–**

The revaluation reserve represents the difference between the historic cost of the Foundation's investments and their market value at the end of the financial year.

In December 2024, the Foundation transferred the majority of its investment portfolio to its new investment manager, Legal & General Investment Management. During the transfer, the Foundation disposed of the segregated holdings previously managed by Sarasin & Partners LLP before investing the proceeds with Legal & General. The Foundation therefore realised the gains that had accumulated since the inception of the portfolio.

As at 31 December 2024, the market value of the investment portfolio fell below the historic cost and therefore reduced the balance on the revaluation reserve.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation year end 31 December 2024

	31 December 2023 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between funds £'000	31 December 2024 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Expendable						
Educational funds	–	–	–	–	–	–
Benevolent funds	–	–	–	–	–	–
Research funds	**429**	–	–	57	(466)	**20**
Total endowment funds	**517**	–	–	**67**	**(466)**	**118**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,456**	87	(7)	309	–	**3,845**
Trevor Clay Scholarship Fund	**256**	6	9	43	–	**314**
John Colyer Fund	**123**	3	(18)	41	–	**149**
Other educational funds	**386**	112	(90)	16	1	**425**
Total educational funds	**4,221**	**208**	**(106)**	**409**	**1**	**4,733**
Benevolent funds						
RCNF benevolent funds	**3,735**	159	(341)	318	4	**3,875**
Other benevolent funds	**909**	21	(40)	77	–	**967**
Total benevolent funds	**4,644**	**180**	**(381)**	**395**	**4**	**4,842**
Research funds	**161**	**16**	**(180)**	**39**	**460**	**496**
Total restricted funds	**9,026**	**404**	**(667)**	**843**	**465**	**10,071**
Unrestricted funds						
General funds	**27,705**	**789**	**(1,194)**	**2,575**	**1**	**29,876**
Designated funds						
Omaze	**188**	–	(100)	–	–	**88**
Total designated funds	**188**	–	**(100)**	–	–	**88**
Total unrestricted funds	**27,893**	**789**	**(1,294)**	**2,575**	**1**	**29,964**
Total funds	**37,436**	**1,193**	**(1,961)**	**3,485**	–	**40,153**

13.2. RCN Foundation year end 31 December 2023

	31 December 2022 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between funds £'000	31 December 2023 £'000
Endowment funds						
Permanent						
Educational funds	**82**	–	–	6	–	**88**
Expendable						
Educational funds	**–**	–	–	–	–	**–**
Benevolent funds	**–**	–	–	–	–	**–**
Research funds	**384**	–	–	45	–	**429**
Total endowment funds	**466**	**–**	**–**	**51**	**–**	**517**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,200**	103	(38)	198	(7)	**3,456**
Trevor Clay Scholarship Fund	**235**	8	(15)	28	–	**256**
John Colyer Fund	**122**	4	(29)	26	–	**123**
Other educational funds	**377**	59	(67)	10	7	**386**
Total educational funds	**3,934**	**174**	**(149)**	**262**	**–**	**4,221**
Benevolent funds						
RCNF benevolent funds	**3,732**	183	(384)	204	–	**3,735**
Other benevolent funds	**868**	25	(33)	49	–	**909**
Total benevolent funds	**4,600**	**208**	**(417)**	**253**	**–**	**4,644**
Research funds	**176**	**31**	**(63)**	**17**	**–**	**161**
Total restricted funds	**8,710**	**413**	**(629)**	**532**	**–**	**9,026**
Unrestricted funds						
General funds	**26,132**	**988**	**(1,062)**	**1,647**	**–**	**27,705**
Designated funds						
Omaze	**266**	–	(78)	–	–	**188**
Total designated funds	**266**	–	**(78)**	–	–	**188**
Total unrestricted funds	**26,398**	**988**	**(1,140)**	**1,647**	**–**	**27,893**
Total funds	**35,574**	**1,401**	**(1.769)**	**2,230**	**–**	**37,436**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

Transfer between funds

During 2024, the trustees approved a £466,000 transfer from the Daphne Heald expendable endowment fund to a related restricted research fund to fund one of the Foundation's existing research projects.

14. Related party transactions

In 2024, the RCN charged the RCN Foundation a service fee of £943,811 based on the service level agreement that is in place between the two entities for the provision of staff and services provided for governance, finance and marketing (31 December 2023: £881,993). At 31 December, £226,803 was due to the RCN in relation to the service level agreement.

In addition, the RCN Foundation awarded the RCN a grant of £1,000 towards the 2024 Learning Disability Summit. The grant was fully paid as at 31 December 2024.

15. Remuneration

In 2023, one trustee received remuneration for consultancy fees of £8,863. No such fees were paid in 2024. Costs incurred by the RCN Foundation trustees while carrying out trustee duties amounted to £7,258 in the year (31 December 2023: £7,365). These expenses related to £4,030 in accommodation and meals and £3,228 in travel. These costs relate to 8 trustees and are made up of both out-of-pocket expenses reimbursed, as well as those paid directly to a third party.

16. Ultimate controlling party

The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN Group, which are available from the above address.

20 Cavendish Square, London W1G 0RN
Tel: 020 7409 3333

rcnfoundation.rcn.org.uk

June 2025 | 011 853

Published by the Royal College of Nursing (RCN)
The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992

THE RCN FOUNDATION

England & Wales - Charity number 1134606

Accounts

RCNFoundation
Supporting nursing, improving care

Annual Report 2023

The RCN Foundation Annual Report and Financial Statements 1 January to 31 December 2023

Contents

Introduction	2
Your support in numbers	5
Report of the trustees	6
Financial review	20
Principle risks and uncertainties	24
Board of trustees	26
Structure, governance and management	29
Thank you to all our supporters	32
Statement of trustees' responsibilities	34
Independent auditor's report	35
Financial statements	39

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious**
- **collaborative.**

RCNFoundation
Supporting nursing, improving care

Registered Charity: 1134606 | Scottish Registered Charity: SC043663 | Registered Company: 7026001

This document has been designed in collaboration with RCN members to ensure it meets most accessibility standards. However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction

It's been another incredibly busy and exciting year for the RCN Foundation (the Foundation), one in which we became an award-winning charity (more of which, later!). Our impact, influence and reputation continued to grow in 2023.

We began the year on a positive note. In January, the Foundation's trustees received the findings of the independent Governance Review into Board and Committee effectiveness. The review found that the Foundation was *"very well governed...that it strongly demonstrates all seven elements of the Charity Governance Code...and that the board is unusually and impressively diverse in terms of both protected characteristics under the Equalities Act and career backgrounds."*

The review made a small number of helpful recommendations in relation to governance structures, ways of operating and the Foundation's governing documents. A programme to implement the recommendations took place throughout the year, with good progress made.

Our benevolent service, which came under severe pressure as a result of the ongoing challenging economic climate, nevertheless continued to make a positive difference to vulnerable nursing and midwifery staff. As part of our benevolent offer, all applicants completed a benefits checker and, as a result, were on average better off by £10,631 per year.

Our education grants also continued to make a positive and lasting difference to the practice, careers and patient care of those who received them. Many of our grant recipients reported that they shared their new skills with colleagues thus broadening the reach and impact of our funding. Our alumni also told us that our education grants had motivated them to stay in the job they loved. This is vitally important at a time when retention in nursing continues to be a challenge.

During the year, we worked in partnership once again with The King's Fund to support the delivery of a project entitled *Follow Your Compassion*. The project aimed to follow up on the findings of the *Courage of Compassion* (2020), the earlier work of The King's Fund commissioned by the Foundation, which highlighted the importance of the Compassionate Leadership Framework as a means of ensuring wellbeing and motivation at work, and of minimising workplace stress. The project sought to review the lived experience of newly qualified nurses and midwives and the reality of the culture of work they stepped into post qualifying, and their experience of compassionate leadership.

In October, together with The King's Fund, we facilitated an event in which the participants of the project shared their experiences with senior nurse leaders. The event made for stark listening, as newly qualified nurses and midwives described their experiences of harmful workplace cultures full of anxiety, judgement, incivility, exhaustion, excessive workloads, staffing shortages and inconsistent student experiences.

The project has highlighted that the newly qualified experience is a very long way from how senior leaders would like it to be, and that much of the 'noise' around compassionate leadership in health care is just that. It is clear to us that action is vital if we are to begin to address the exodus of thousands of newly qualified nurses over the last five years (NMC, 2022). At that event, we made a public commitment that tackling this issue and focusing on retention would be a central tenet of our work in 2024 and beyond.

The issue of workplace culture, specifically in the context of anti-racism, was also a feature of our work during the year. In October, during Black History Month, we launched the Michelle Cox RCN Foundation Anti-Racism Award, an annual grant to support a nurse- or midwife-led project which aimed to oppose racism and promote racial equality within nursing and midwifery.

Michelle, a registered nurse of 25 years, was employed by the NHS in the north of England when she made the decision to blow the whistle on poor practice in her service. She submitted a grievance which included discrimination by her manager. Dissatisfied with the way her complaints of racism were handled, and certain she had been mistreated for whistleblowing, Michelle took her employer to industrial tribunal and won a landmark racial discrimination case.

Determined to create a positive legacy from the devastating impact that the legal battle had on her, Michelle worked with the RCN Foundation and the RCN to create an award that aimed to support nursing and midwifery staff to tackle anti-racism. The first award under this programme was made this year and we look forward to seeing its outcomes in 2024. It has been both humbling and a privilege to work with Michelle to launch this important initiative.

Throughout the year, work took place to develop the Foundation's new strategy, which will be effective from January 2024. A significant and important element of this work, which helped to shape our future priorities, was the co-production events that took place with a wide range of nursing and midwifery staff from across the UK.

We are delighted that the new strategy, *Ignite, Inspire, Aspire: Our Vision to Transform Lives*, has the voice of nursing and midwifery staff, and what is important to them, running as a golden thread throughout the document.

During the year, we worked closely with Professor Deborah Sturdy, the Chief Nurse for Social Care at the Department of Health and Social Care, on the development of a Chair in Adult Social Care Nursing, the first of its kind in the UK. Through this initiative, we made a significant financial commitment of £700,000 to support and strengthen social care nursing over the next 5 years.

At our annual lecture in November, which featured a dynamic 'Question Time' style panel discussion and debate on critical aspects of adult social care nursing, we were thrilled to announce that the University of Salford had been awarded the funding to host the Chair in Adult Social Care Nursing.

This role will provide a critical opportunity to raise the profile of social care nursing, as well as to take a strategic lead in shaping teaching, research and clinical practice in this field. For the Foundation, this important initiative marks the legacy for our programme of support for social care nursing implemented over the past 8 years.

A highlight of our year was receiving recognition for *Here for Life*, the joint campaign between the RCN Foundation, and the UK and Ireland Chief Nursing Officers, which won two awards. In July, the campaign won highly commended in the Charitable Campaign of the Year category at the prestigious Communique Awards.

At the PM Society Digital Awards in September, we went one better and won gold in the Healthcare Charities, Patient Associations and the NHS category. *Here for Life* was described by one of the judges as “an outstanding campaign” that changed “behaviour and perception around the work that nurses do”.

As ever, we are incredibly grateful to the trustees, staff and volunteers who have worked tirelessly during the year to enable and support our work.

It has also been another year when we have been shown fantastic generosity and commitment from our donors and supporters. By standing with us, they have enabled us to continue to deliver our important work for nursing and midwifery staff and, through them, to improve the health and wellbeing of their patients and residents. We extend a deep and heartfelt thanks to them.

We hope that in reading this annual report, you will be inspired to find out more about how you can help to make a positive difference to the lives of nursing and midwifery staff across the nation. If you would like to know more about our work or how you can help, please don’t hesitate to contact us. Thank you.

Professor Jane Cummings CBE RN
Chair

Deepa Korea
Director

Your support in numbers

With your support, we have been able to achieve so much. Every donation we receive helps us to achieve our mission of supporting and strengthening nursing and midwifery, and ultimately improving patient care.

Education grants 2023

£157,000 awarded

100% of those that received an education grant and responded told us that it had a positive impact on their career

Benevolent grants 2023

514 individuals supported to get their life back on track with this grant

93% said the grant had a positive effect on their mental health

99% said the grant helped them to feel more in control of their circumstances

£200,000 awarded

BACK TO CONTENTS

Report of the trustees
for the year ending 31 December 2023
(incorporating the directors' report)

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2023 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This report is a summary of our operational and financial activities in 2023. It can be downloaded from the Foundation's website (**rcnfoundation.org.uk**), where there are further details about the Foundation's work.

Objectives

In 2023, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery, to improve the health and wellbeing of the public. We carried out a robust programme of activity in 2023 with a focus on achieving positive outcomes for nursing and midwifery staff, and the public. Our objectives for 2023, as listed in the 2022 Annual Report and Accounts, and the progress made against these objectives, are set out below.

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing- and midwifery-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the professions.

In 2023, the Foundation continued to provide its Benevolent Service to nurses, nursing associates, midwives, degree apprentice nursing students, health care support workers (HCSWs) and maternity support workers who were facing financial hardship due to a range of issues, many of which were exacerbated by the cost of living crisis. The service consisted of grant-making and signposting to targeted providers for additional support.

The service provided a digitalised approach with applications largely made through a bespoke online portal. This portal included an affordability tool and benefits checker provided by a partner organisation, Entitledto, which was an integral part of the application process. The aim of this step was to identify any unclaimed benefits that an applicant might be entitled to, thus providing sustained stability for their finances.

In 2023, the Foundation provided 514 hardship grants (2022: 618). 69% of grant recipients were employed. For many, their total net income was insufficient to meet their basic needs, signifying that they faced in-work poverty. As in 2022, the main presenting issue reported by grant recipients continued to be debt, often accompanied by mental and physical ill health. This was followed by cost-of-living pressures, childcare costs and financial challenges during a period of maternity leave.

In 2023, the Foundation made grants to the value of £200,000 (2022: £280,000) with 99% of grant recipients reporting they felt more in control of their situation as a result of the grant. Individuals were advised of an unclaimed benefit and a total of £22,698,479 was identified through unclaimed benefits. In 2023, individuals who accessed a benefits estimate were, on average, £10,631 better off (2022: £6,444) because of the support provided by the Foundation.

The Foundation continued to work in partnership with the debt advice charity, PayPlan. Through this partnership all individuals were able to benefit from free to access regulated debt advice. PayPlan continued to provide its bespoke service for the Foundation, with a dedicated telephone line and referral system which linked directly to a team of specialist debt advisors. The Benevolent Service benefited from monthly reporting data from PayPlan, as well as a range of joint communications and advice sessions, which have received very positive feedback.

Overall, 2,135 individuals received signposting support from the service.

Amelia's story:

"Your support has been life changing and helped me keep doing the job I love."

The last few years have been extremely difficult. I experienced domestic and financial abuse 3 years ago which resulted in me leaving my home with my newborn baby. I was left in a considerable amount of debt and I didn't have any savings to fall back on, so struggled to pay for childcare fees.

I applied to the RCN Foundation's Benevolent Fund to help with costs and upfront childcare fees so I could go back to work. Receiving the grant allowed me to get back on my feet. I've since returned to work and have recently been promoted to a band 7 nurse practitioner. This wouldn't have been possible without the support of the RCN Foundation.

I am incredibly grateful to be able to continue my career which I enjoy and provide for my daughter. Being back at work has also helped me to clear any debt that I was left with.

The Foundation continued to deliver a significant portfolio of education grants throughout 2023. During the year, £157,000 in education grants (2022: £348,000) was awarded to 111 individuals (2022:255). Funding was granted for a wide range of education activities, from one-off courses in a particular clinical specialism, to Masters' modules and funding for PhDs. The reduction in grants over the previous year was due to the specific and significant donation made by Deliveroo in 2022, which enabled a greater number of education grants to be awarded. The numbers awarded in 2023 reflected a return to the usual numbers awarded annually.

The partnership with two livery companies also continued in 2023. The Worshipful Company of Needlemakers increased its funding to £7,500. Eight nurses and midwives benefited from this grant which is for nurses and midwives who are looking to enhance their use of needles in their practice. 2023 also saw a second year of the partnership with the Leathersellers' Charity to provide education grants to non-mental health registered

nurses and midwives who are managing children and young people's mental health and emotional wellbeing within their areas of clinical practice. Eight nurses and midwives benefited from this grant.

There were 2 specific grants for HCSWs in 2023. The Kershaw Fund, made available through generous donations from Dame Betty Kershaw, provided an education grant to 3 HCSWs. In November, the Foundation once again partnered with LV= on the LV-RCN Foundation Education Grant to coincide with Nursing Support Workers' Day. Eight HCSWs benefitted from a training and development grant through this fund.

The Into Nursing grant for graduates seeking a career in nursing remained ever popular. Five grants were awarded totalling £27,500. The RCN Foundation Olufunke Adeyeye Education Grant also ran for a second year, aimed at funding nurses, midwives and HCSWs from the global majority to undertake education and development activities. Once again, the standard of applications was exceptionally high, with a total of £1,600 awarded.

The Foundation continued to fund a second cohort of students to undertake the University of Edinburgh's Postgraduate Certificate in Neurological Rehabilitation and Care. This grant was provided in partnership with the brain injury charity SameYou. In total, 15 students undertook the course in 2023.

Two new education grant funds were introduced in 2023 because of new donations – one for nurses undertaking courses in oncology and haematology, and a second for those working in London.

Fartun's story:

"I now feel more confident in making decisions"

Fartun received an Into Nursing grant that supported her to become a newly qualified nurse focusing on helping those with mental ill health. With the Foundation's support, she was able to focus on her academic studies and complete placements working with people with drug and alcohol problems.

Fartun feels the support allowed her to grow and develop as a person and she now feels her role allows her to make an impact on patient care. She was inspired to take this route based on her personal experience of having a mental illness. Having an admission and then being discharged into the community under the early intervention service made her passionate about helping people who have mental illness and support them and their families.

Fartun told the Foundation: "I have always been interested in human behaviour and mental health in particular. Thanks to my studies, and the support from the RCN Foundation, I have been able to build my knowledge base and develop as a person. I now feel more confident in making decisions. When I see a patient progress in their recovery journey, that's the best part of my job."

Crystal's story:

"I almost can't believe it, but I absolutely love it"

Crystal started living independently at the age of 16 in her own home in Manchester. She worked as a health care assistant taking care of the elderly but knew that she wanted to achieve more, and so progressed to become a nursing associate. With the support of the RCN Foundation, Crystal was able to challenge herself professionally and study towards an adult nursing degree at Manchester Metropolitan University. Following completion of her degree, Crystal secured a post on the ICU unit at Manchester Hospital.

Receiving support from the Foundation made Crystal believe in herself, and that she could achieve something that she thought was previously unattainable. Crystal told the Foundation: "Coming all the way from Jamaica and being the first in my family to go to university, I couldn't be prouder and will always wear it as a badge of honour. And here I am now as a registered nurse, and it feels almost like an out of body experience – I almost can't believe it but I absolutely love it. I wouldn't have been able to commit to my degree so totally without the extra financial support that the grant from the RCN Foundation provided."

The Foundation continued to provide support to grant applicants to improve the quality of applications. This includes a video on the website which sets out the steps to making a good application; and the continuation of the Helping Hands scheme, where alumni members supported those applying for the first time through the application process.

In 2023, the Foundation funded a number of nursing- and midwifery-led projects.

During the year, 2 funded projects came to an end. The first was a project to fund the training of 7 pre-registration nursing students at the Impact Nursing Institute in Bangladesh, through a grant to the Impact Foundation. Despite the challenges presented by the pandemic, all 7 students graduated from the Institute, and will practice within the locality. Much of the funding for the project was raised by Cecilia Anim during her tenure as RCN President from 2015-2018.

The RCN's *Sharing nurses' life stories through their archives* project was also completed this year. This aimed to support researchers to find the collections in the RCN archive which illustrated exactly how British nurses contributed to the wider world of international nursing in leadership, research and policy contexts and through direct health care delivery overseas. The project included a launch event which featured eminent speakers on the topic of international nursing, including Howard Catton and Barbara Stilwell. This was followed by an online tour of the new resources.

The work on the children and young people's mental health and emotional wellbeing grant programme, which focused on the development of a toolkit, continued during 2023. The University of Huddersfield undertook further quality assurance testing on the Huddersfield Application for Mental Health Assessment (HAMHA) app across Northern

Ireland, south-west Yorkshire and as far afield as Australia. Feedback demonstrated that the app had a significant impact on children and young people, with direct feedback from one family that the intervention had saved their child's life. The team also continued to work on the cognitive behavioural therapy (CBT) informed app and identified the best evidence-based apps to be included within the HAMHA tool moving forward.

The University of York received a grant to develop a Massive Online Open Course (MOOC) which would be included within the toolkit. The aim of the MOOC was to help nurses to understand early interventions to better support the mental health and emotional wellbeing of children and young people. Once developed, the MOOC is expected to be suitable for anyone working to support the mental health and emotional wellbeing of children and young people. The University of York team is working closely with the University of Huddersfield to ensure the HAMHA is included in the indicative content.

The Foundation also continued to support the Queen's Nursing Institute's National Care Home Nurses Network. The network has more than 1,900 members who received newsletters every 2 months, benefitted from a closed Facebook page and attended regular webinars to update and support their practice.

Following a robust selection process, the Foundation awarded a grant to the University of Salford to host the first chair in adult social care nursing in the UK. The chair will be supported by a post-doctoral research assistant to undertake and translate research into clinical practice and to develop the evidence-base upon which the next generation of adult social care nurses can drive social care nursing practice forward. The chair, who will be appointed in 2024, will be research active with a role in teaching and learning, and maintain currency of clinical nursing practice in adult social care.

During 2023, further work led by Cardiff University continued on a study entitled *Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales*, also known as the ProJudge study. The key findings were presented at national conferences and discussed at a policy event held in October. This event identified the need to review current professional judgement frameworks and to develop a structured professional judgement template for organisational use. This work, along with further dissemination, will take place in 2024.

The University of Edinburgh continued to deliver a programme of research and education in neurological rehabilitation, funded by the Foundation. The YARNS Transition study launched early in 2023 and made good progress to identify a nurse-led intervention to support early psychosocial rehabilitation for young survivors of an acquired brain injury (ABI). This is a 3-year feasibility study and work has almost competed on the first phase, a realist review of published research, in which programme theories were developed of what works, for whom, and in what circumstances. These findings will underpin the next phase of the study which is a realist evaluation of psychosocial interventions for young adults post-ABI in the UK.

In 2020, the RCN Foundation commissioned The King's Fund to look at the mental health and wellbeing of nurses and midwives in the context of the COVID-19 pandemic. The resulting report, the *Courage of Compassion*, advocated for the use of the Compassionate Leadership Framework across nursing and midwifery.

It was always the Foundation's ambition that this seminal report should be followed up in a practical way, so as to better understand how compassionate leadership had been embedded within clinical nursing and midwifery practice, particularly for newly registered nurses and midwives since 2020. This resulted in funding being awarded in 2023 to The King's Fund once again, to develop and deliver the *Follow your Compassion* project.

Through an ethnographic lens, *Follow your Compassion* captured reflections and materials from a group of newly registered

nurses and midwives from across the UK, which documented their experience of compassionate leadership in contemporary clinical practice. The project culminated with an event where participants in the project met with senior leaders to share their stories and experiences. The Foundation will be looking to take forward the outcomes of the project in 2024.

2023 also saw the soft launch of the RCN Foundation Learning Disability Nursing grant programme. This is an ambitious programme of 9 research studies and 5 post-graduate advanced practice scholarships for those working across the NHS and social care. It aims to support registered learning disability nurses to address health inequality and enhance health related quality of life outcomes for those with lived experience of a learning disability. The programme was developed with significant input from people with lived experience, their families and carers, and those working in the field of learning disability nursing.

The Foundation delivered the Amin Abdullah RCN Foundation Grant programme for the second year. One of the 2 projects selected in 2022 was also completed in 2023. This project investigated the effect of a multi-dimensional intervention programme on nursing students' self-efficacy, engagement and wellbeing at Canterbury Christ Church University. Many nursing students reported improved self-confidence and emotional intelligence, giving them a sense of better wellbeing. One student reported that participating in the project transformed her life in that it solved the key source of her stress, resulting in a considerable reduction in her stress levels and liberation from a chaotic and depressing everyday life.

In 2023, the Foundation launched the Michelle Cox RCN Foundation Anti-Racism Award. Michelle is a Black registered nurse of 25 years from Liverpool who was employed by the NHS and was based in Manchester. She made the decision to blow the whistle on poor practice in her service across the north of England, submitting a grievance which included discrimination by her manager. Dissatisfied with the way her complaints of racism were handled, and certain she had been mistreated for whistleblowing, Michelle took her employer to industrial tribunal and won a landmark racial discrimination case.

Determined to create a positive legacy from her experience, Michelle worked with the RCN Foundation to create an award that aimed to support nursing and midwifery staff to tackle racism. The annual grant will support a nurse or midwifery-led project which aims to oppose racism and promote racial equality within the professions.

The grant programme was launched in October, to coincide with Black History Month. Following a robust application and selection process, the first grant was awarded at the end of 2023. The grant recipient will be undertaking this work across 2024.

2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.

As the RCN Foundation continues to flourish as an effective and sustainable grant-maker, there is a continued need for us to understand, demonstrate and communicate the difference our grants are making for both the nursing and midwifery staff who benefit from our funding, and for those receiving the care they provide.

The Foundation's impact assessment framework provided a structured, evidence-based approach to capture and report on the combined impact of the 3 areas of grant-making to meet our strategic aims and charitable objectives throughout the year. Impact continued to be overseen by a lead Trustee for Impact who was supported by an adviser from the Grants Committee.

The impact assessment framework supported the annual assessment and evaluation of the impact of the Foundation's grant-making at 2 levels. The first was the impact of individual grants, with all beneficiaries reporting on the impact their grant had on themselves, their practice and their patients on a case-by-case basis. The second was the combined impact across the Foundation's 3 areas of grant-making.

The Foundation continued to work hard to ensure the outcomes and outputs of funded work had the greatest benefit to nursing and midwifery staff and patients, through providing the best evidence base to underpin clinical practice. The Foundation also continued to build an extensive network which facilitated the wide dissemination of the findings of the world leading research which we commissioned.

Impact also involved dissemination of the outputs and outcomes. The Foundation used a range of approaches to support the most effective dissemination strategies to reach multiple audiences. This included facilitating interactive events with key stakeholders, with the aims of influencing knowledge, skills and attitudes. The Foundation also continued to grow its use of digital platforms to talk about the research studies that were funded and their effect on the health and wellbeing of the wider public and the professionals who provide this care.

3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various digital and other communication platforms.

In 2023, there was a renewed focus on increasing the Foundation's communications activity in a targeted way. This began with the development and launch of the Foundation's new website in May, the aim of which was to use the website as a key tool to raise profile and engage with a wider audience, including potential and existing donors, key stakeholders in health and social care, Alumni and beneficiaries. The website was made mobile-friendly to reach a broader audience, as research shows many users browse on mobile devices, and was designed to ensure accessibility.

Using compelling stories, images, and videos to showcase the Foundation's work, the website was regularly updated with news, events, and updates. The website highlighted partnerships and collaborations with other organisations or beneficiaries of the Foundation's funding to demonstrate broader impact. It also supported ongoing communication with supporters.

Post-development, a search engine optimisation (SEO) project with an external provider was completed to optimise the website's content for search engines to improve its visibility in search results, making it easier for people to find details of the work of the Foundation.

The Foundation's presence across social media continued to grow in 2023, with a particular focus on increasing engagement across Instagram, Facebook, X (formerly Twitter) and LinkedIn. Messaging encouraged followers to engage with and share the Foundation's content and included compelling calls to action to encourage specific actions, such as donating, applying for grants, or sharing content.

In 2023, we significantly improved our social media presence. We posted 23 times per month (compared to 6 in 2022) and saw engagement rise on Facebook (13%), Instagram (15%), LinkedIn (125%) and X (8%). Our biggest following remains on X which has grown to over 5,000 followers.

Our top 5 posts in 2023 covered events, grants, and celebrations. The Impact Awards garnered substantial engagement with increased followers across all platforms. Over a 48-hour period, on the day of the awards and the following day, there was an 81% increase in Facebook page visits, a 600% increase in Instagram profile visits and a 200% rise in profile visits on LinkedIn.

The Foundation's highest performing social media posts included the announcement of the Michelle Cox RCN Foundation Anti-Racism Award, which reached 48,000 profiles; and the announcement of the University of Salford as the host for the chair in adult social care nursing, which reached 24,000.

The Foundation featured in news stories across a wide range of media outlets during the year including BBC News (television and website), Sky News, ITV's Good Morning Britain, *Financial Times, The Guardian, The Sun, Big Issue, Nursing Times* and *General Practice Nursing*.

A number of events were held over the year, including the annual Impact Awards and the Annual Lecture. The Annual Lecture featured a dynamic Question Time style panel discussion and debate on critical aspects of adult social care nursing. The distinguished panel included: Professor Jane Cummings CBE RN, Chair of the RCN Foundation Board of Trustees, and former CNO for England; Professor Deborah Sturdy CBE FRCN, Chief Nurse for Adult Social Care; Andrea Sutcliffe CBE, Managing Director, Nursing and Midwifery Council; Professor Martin Green OBE, Chief Executive, Care England; Kier Dungo, Health and Social Care Lead, Philippine Nurses Association UK plus 2 individuals with lived experience of social care. The event also marked the announcement of the University of Salford as the host for the Chair in Adult Social Care Nursing.

In addition to our own events, the Foundation also had a presence at external events including RCN Congress, the RCN Education conference, the RCN International Nursing Research conference, RCNi Nursing Live, and the Clean and Tidy Home Show. These events not only raised the profile of the Foundation, they also enabled us to liaise directly with existing and future beneficiaries of our work and potential supporters.

Finally, *Here for Life*, the joint campaign between the RCN Foundation and the UK and Ireland Chief Nursing Officers, received recognition by winning 2 awards, solidifying its status as an outstanding and impactful initiative within the health care community. In July, the campaign won 'Highly Commended' in the Charitable Campaign of the Year category at the Communique Awards. At the PM Society Digital Awards in September, the campaign won gold in the 'Healthcare Charities, Patient Associations and The NHS' category. The campaign received praise from Jalilah Gibson, an Associate Partner at PEN Partnership and award judge who stated, "Fabulously thought through, delivering on its objectives and changing behaviour and perception around the work that nurses do – an outstanding campaign."

4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work.

It was another challenging year for the Foundation across all our income streams. Investment income performed relatively well, against the budget. However, the value of the portfolio rose by 7% to £34.5 million.

Voluntary income did not perform as well as expected in 2023 for several reasons. This included the postponement of the individual giving campaign and the underperformance of expected areas of fundraising including corporate and major donor fundraising. All of this was against the backdrop of an extremely challenging socio-economic environment, which had an impact on giving across the UK fundraising sector. All income streams have now been reviewed and actions taken to build a solid fundraising function. This will ensure voluntary income targets are achieved in 2024 and the RCN Foundation can navigate through the ongoing economic challenges.

5. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

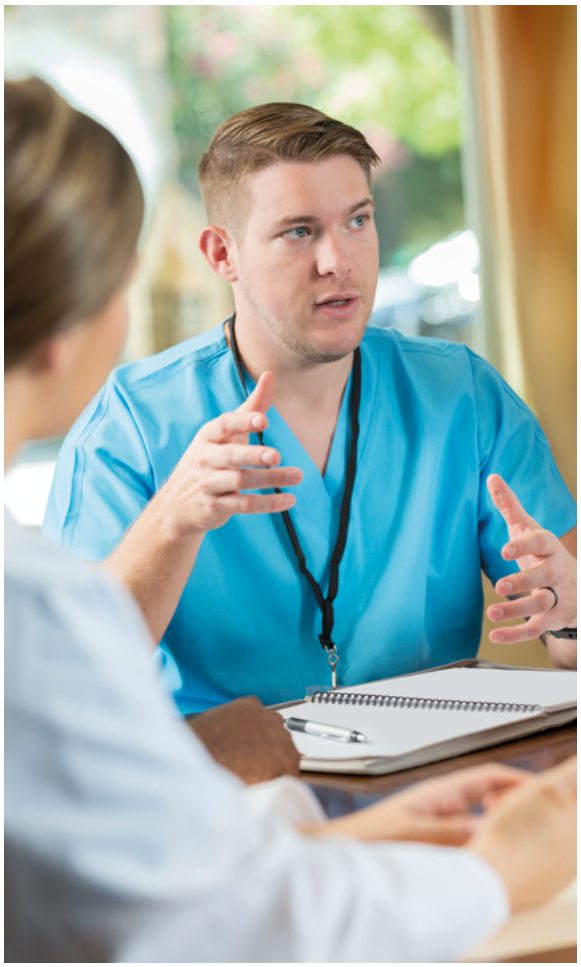
During 2023, the Foundation's long-standing board member and Vice-Chair, Christine Scott-Perry, completed her term of office. She was succeeded as the Vice-Chair by Charlotte McArdle. A second trustee, Jacqueline Dunkley-Bent, also stood down to take up an international role as the first Chief Midwife for the International Confederation of Midwives, based in The Hague. We were delighted that Jacqueline agreed to continue to support the Foundation as an adviser to the Grants Committee.

Two new trustees were recruited during the year to fill these vacancies and to address particular gaps in skills, experience and background required on the board. The first was a nurse or midwife under 30 years of age who was working in a clinical setting; and the second was a midwife. Both of these trustee roles were successfully filled.

In 2022, in line with good practice, an independent governance review was commissioned by the Foundation. The focus of the review was board and committee effectiveness. The resulting report was presented to the board in January. It found that the Foundation was *"very well governed...that it strongly demonstrates all seven elements of the Charity Governance Code...and that the board is unusually and impressively diverse in terms of both protected characteristics under the Equalities Act and career backgrounds."*

The review made a series of recommendations to further improve some areas of governance. An action plan to implement the recommendations was developed and delivered over the course of the year. Completed actions included an update to the terms of reference to the Foundation's Income Generation and Investment Committee to better reflect its financial oversight role; and changing the name of the Appointment Panel to the Governance and Nominations Committee to better reflect its focus and activities.

The report also recommended that the Foundation's country committees should be replaced with a wider Stakeholder Forum which could cover country representation, different disciplines within nursing, and which could also provide an opportunity for nursing and midwifery staff in clinical practice to contribute without needing to commit to the time needed as a trustee. It was also felt that the stakeholder forum would support greater diversity of thinking within the Foundation. To that end, the Wales and Scotland committees were disbanded and work on the development of a stakeholder forum began during the year.



Another key recommendation was that the Foundation should review and make changes to its Articles of Association to better reflect current best practice. Discussion on these proposed changes took place during the year with the RCN, in its capacity as the Foundation's sole member.

The Foundation continued to work with the RCN's various teams to make improvements to the CRM (customer relationship management) system. This system was integral to the efficient and effective delivery of our hardship and education grants programmes via online portals, as well as to the effective operation of our fundraising activities. The RCN spent a considerable part of 2023 making changes to the CRM system. This resulted in delays to updating and improving the grants portals, which in turn led to errors and delays for the grants process.

In 2023, a Spending Rule was agreed by the board which aimed to maximise returns from the investment portfolio. The Spending Rule stipulated that the Foundation could spend a maximum of 4% of an average of the previous 12 quarter end market values of the portfolio.

During the year, work began in earnest on developing the Foundation's new strategy, which would run from 2024-28. The strategy was co-produced with a wide range of nursing and midwifery staff from across the UK, including our alumni. They actively helped to shape the priorities set out within the strategy and provided a focus for the Foundation's future work.

6. Disseminate the findings of the evaluation of RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal. Close the subsidiary charity in 2023.

The COVID-19 Healthcare Support Appeal (CHSA) was created in 2020 as a result of a £5 million donation from TikTok, the global video sharing company. The donation was used to provide grants to health and social care workers affected by the pandemic and covered three areas of support: emergency aid and hardship, psychological support, and recovery and resilience.

Having fulfilled its purpose, CHSA was closed during 2023, and removed from the registers of the Charity Commission and Companies House. During the time that CHSA was operational, it provided grants totalling £4,867,447 to 30 organisations in the health and social care sectors. In total, the grants directly supported over 10,800 individuals.

An independent evaluation was commissioned to review the impact of CHSA and was carried out by Arc Research and Consultancy. The report concluded that CHSA's grants had: reduced pandemic-related psychological impact; strengthened the workforce; improved leadership; and eased financial pressures for health care workers.

The evaluation report was launched at a reception in the House of Lords hosted by Baroness Watkins.

7. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

The Foundation continued to work closely with the RCN and RCNi as part of the RCN Group. An RCN Foundation Trustee continued to sit on the RCN Group Audit Committee, and the RCN Group Remuneration Committee.

At the 2023 RCN Congress held in Brighton, the Foundation co-hosted a fringe event on children and young people's mental health which was part of the Learning and Wellbeing Programme. Professor Mike Doyle from the University of Huddersfield spoke about his work on the development of an evidence-based, web-based app (HAMHA) that could be readily accessed by non-specialist nurses to assess the child or young person in that moment. The Foundation Director also spoke at two other events during Congress – one on the mental health of nurses and midwives; and a second to announce the creation of the Michelle Cox RCN Foundation Anti-Racism Award.

The Foundation also continued to have a presence on the RCN Group exhibition stand at Congress, which proved popular once again.

Policies

During 2023, the board approved the following RCN Foundation policies: an updated version of the Donations Acceptance Policy; Safeguarding Policy; and Investment Policy. The following RCN Group policies were also approved by the board: Anti-Bribery, Corruption and Fraud Policy; and Anti-Money Laundering Policy.

Our position on modern slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2024

1. Implement a programme of grant-making to individuals that focuses on hardship and education grants.

2. Implement a programme of grant-making on nursing- and midwifery-led research and innovation projects that focus on key priority areas: children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings.

3. Launch the Foundation's new 5-year strategy, *Ignite, Inspire, Aspire: Our vision to transform lives*, setting out the key objectives and priorities to be achieved from 2024-28. To ensure robust delivery of the 5-year strategy, develop a series of enabling strategies to underpin the overall organisational strategy.

4. Implement a programme of targeted communications that: highlights the impact of our work; disseminates it so that it reaches appropriate audiences through a variety of channels including, but not limited to, the Foundation's various digital and other communication platforms; contributes to public policy debates and agendas; and raises the profile of the work of the Foundation.

5. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work.

6. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

Financial review

Investments, policy and performance

The RCN Foundation is subject to the Trustee Act 2000. The Foundation's investment objective is to seek to protect real income and capital growth over time. The trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The board oversees the management of the Foundation's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the board as appropriate.

The trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore, the investment managers retain a short-term fund consisting of cash, short-term deposits and short-dated bonds. During 2023, £873,000 has been withdrawn from the short-term fund for cashflow purposes. On 31 December 2023, £2.7 million was held in the short-term fund as Money Market Investments and is shown as a current asset on the Balance Sheet (31 December 2022: £3.5 million).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the Foundation's ethical requirements.

The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies. Specific restrictions include the avoidance of any investment in companies that manufacture tobacco products and alcohol, and in companies that are involved in gambling, adult entertainment, armaments, cluster bombs and landmines and civilian firearms. Moreover, the portfolio excludes investments in companies dealing with the extractions of thermal coal and the production of oil tar sands. Environmental, social and governance (ESG) factors are also embedded in the investment process for stock selection.

The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term. The trustees accept that in achieving this objective the portfolio will be subject to short-term volatility, and have taken a low to medium level of risk approach.

2023 has been a positive year for the valuation of the RCN Foundation investment portfolio, with reported net gains of £2.2 million (31 December 2022: net losses £5.4 million). The gross investment income in the year ended 31 December 2023 was £1.165 million (31 December 2022: £990,000). Investment management fees of £155,000 (2022: £156,000) The investment income was 18% higher compared to the gross income received in the prior year. The movement in the investments resulted in a significant increase in the market value of the combined portfolio from £35.8 million at the start of the year to £37.2 million at the end of the year. This increase in value can mainly be attributed to an increase in the market value of equities, which saw a sharp recovery in the final months of 2023.

We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities.

Review of financial position

The financial statements are presented in the format required under the 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2023 and the balance sheet as at 31 December 2023 are set out on pages 40 and 41. The statement of financial activities shows that the RCN Foundation had a net surplus of £1.9 million in the year ended 31 December 2023 (31 December 2022: net loss of £6.3 million).

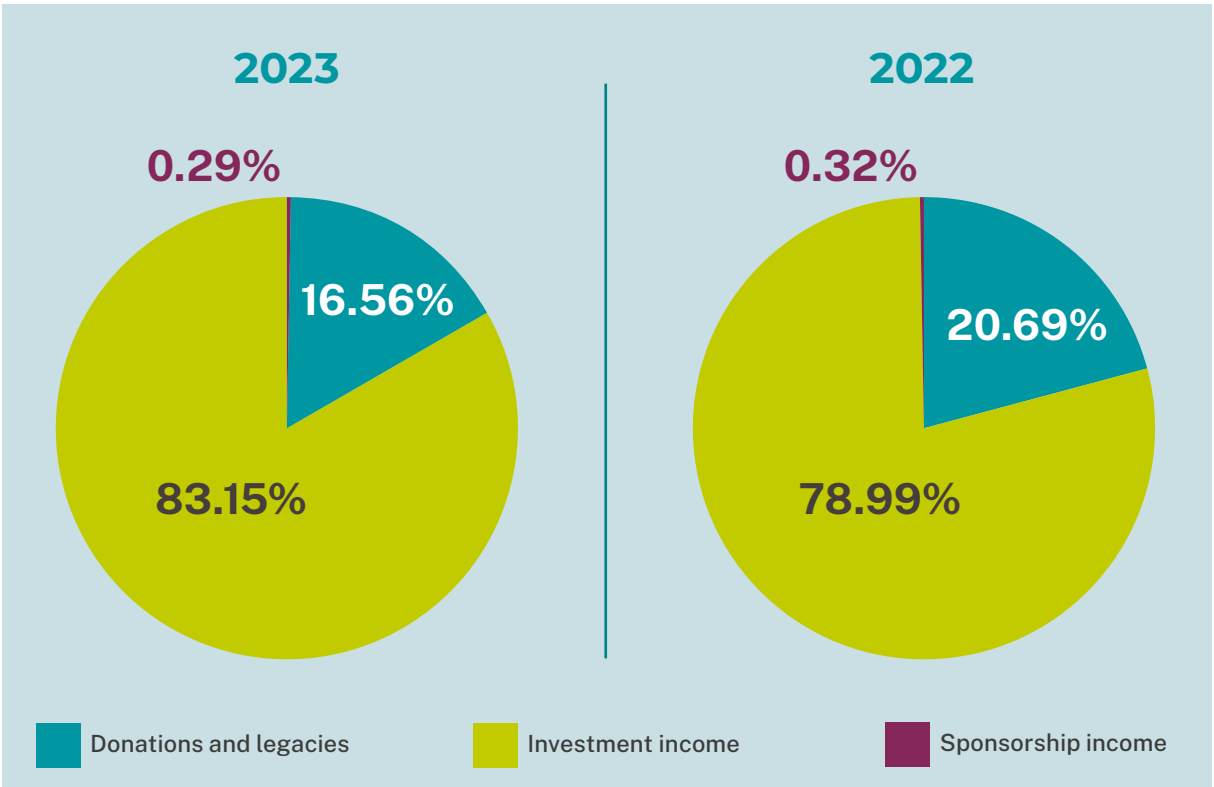
Income

The RCN Foundation income is made up of income from donations and legacies, income from Trusts and Foundations, income from trading activities and investment income.

Total income in the year was £1.401 million which is 12% higher than the previous year (31 December 2022: £1.252 million). After a fall in income in 2022 compared to 2021, the increase in income received in 2023 compared to 2022 reflects a reversing trend in socio-economic climate in the UK.

Legacies, donations and gift aid amounted to £232,000 (31 December 2022: £258,000). Income earned from other trading activities includes sponsorship income of £4,000.

Investment income for the year was £1.165 million (31 December 2022: £990,000) of which £906,000 was unrestricted (31 December 2022: £745,000). The RCN Foundation investments reported net gains of £2.23 million (31 December 2022: £5.367 million losses) mainly due to unrealised gains on the investment portfolio.



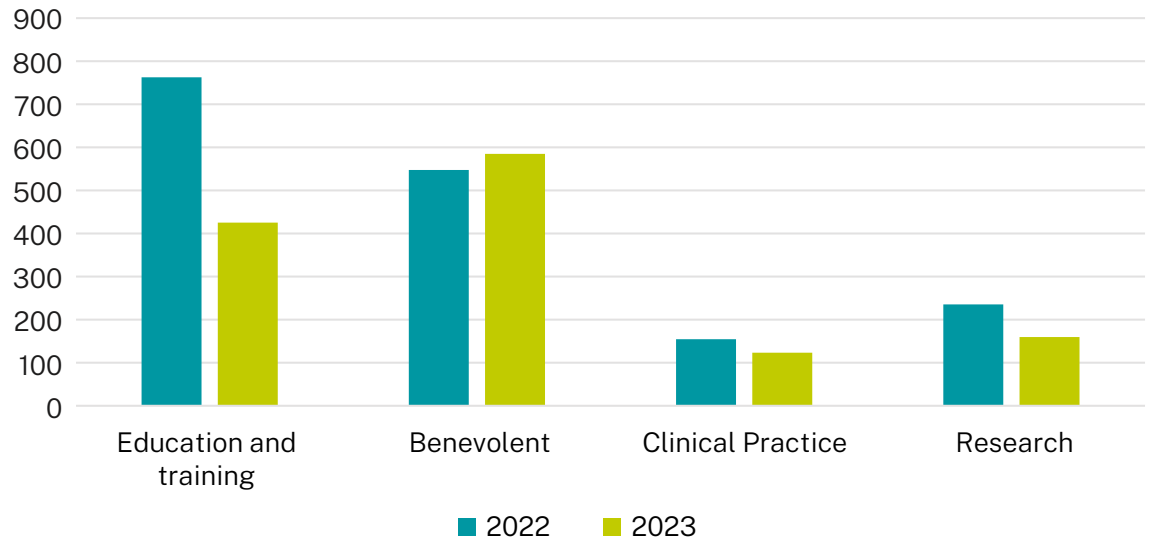
Expenditure

The RCN Foundation expenditure in the year amounted to £1.769 million (31 December 2022: £2.176 million) of which £1.141 million (31 December 2022: £1.374 million) was from unrestricted funds.

In 2023, expenditure decreased by 19% compared to 2022. The variance is due to less education and project grants awarded in 2023 and deferred to 2024. Fundraising initiatives have also been deferred. In addition, CHSA completed its grant-making activities in 2021, the charity wound up in the summer of 2023. However charitable spend as a portion of total spend was within the expected range at 73%.

2023 vs 2022 charitable expenditure

	Education and training £'000	Benevolent £'000	Clinical practice £'000	Research £'000
2022	£762	£547	£155	£236
2023	£425	£585	£124	£160



In 2023, £560,000 in grants were paid (31 December 2022: £936,000). Of these, £330,000 was paid to individuals - £200,000 relates to benevolent grants awarded through the RCN Foundation Benevolent Service (31 December 2022: £592,000), £130,000 to educational bursaries 31 December 2022: £312,000). There was also £230,000 was paid to 10 organisations.

A fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing, and other services and is included within unrestricted expenditure. This was £881,000 in the year ended 31 December 2023 (31 December 2022: £801,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation plus 12% overheads for RCN Foundation staff. The increase in fee is due to the cost of maternity cover during the year.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £475,000, this figure includes investment management fees, fundraising costs, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2022: £476,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2023: £155,000; 31 December 2022: £156,000).

In the year trustee expenses of £7,365 were incurred (31 December 2022: £4,902). These costs are treated as unrestricted expenditure.

Reserves

The RCN Foundation has adopted a reserves position which it considers appropriate to ensure it can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The level of free reserves at 31 December 2023 was £27,705 (31 December 2022: £26,132). This excludes those unrestricted funds that have been earmarked for particular purposes by the trustees and are shown as designated funds on the balance sheet and excludes tangible fixed assets. The £1.86 million increase in reserves is due to a combination of net expenditure and net gains on the investment portfolio.

The investment and reserves policies reflect the trustees' acknowledgment that the RCN Foundation is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy. This policy is reviewed annually.

RCN Foundation accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a strategic report for that purpose.

Principle risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the level of risk that the Foundation is willing to take in order to meet its strategic objectives. There are a range of appetites for different risks and these are set out below. During 2023, risk appetite was reviewed and re-evaluated by the board.

Financial

Appetite for risk: low

A key financial risk was the ongoing dependency on reserves and investment income to fund our work. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. In 2023, there has been some progress against the objectives set out in the 2021-22 Fundraising Strategy. However, the challenging economic climate in 2023 has resulted in another difficult year for fundraising. Investment income remained robust, although the value of the portfolio rose by 7% during the year. However, the value of the portfolio remained well above the Foundation's agreed reserves level. A Spending Rule was also introduced during the year to ensure that maximum benefit could be gained from any returns on the portfolio.

Governance

Appetite for risk: low

There were a number of governance risks that were kept under review during the year. These included: the inability to diversify the board through the recruitment of a young trustee; failure to carry out the recommendations of the RCN Foundation's Governance Review; and failure to appoint a new Vice-Chair. Governance risks were kept under review by the appointments panel and the board. Mitigating actions taken during the year included: a targeted advertising campaign to recruit a new trustee; and the development of a clear action plan to deliver the recommendations within the Governance Review, overseen by the Governance and Nominations Committee.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues. A Reportable Incidents Policy was in development during 2023 and will be put forward to the board for approval in 2024.

Operational

Appetite for risk: medium

There were a number of operational risks that were kept under review throughout the year. The key risks were: pressures on the Benevolent Service as a result of the cost of living crisis; key projects failing to deliver in a timely and effective manner; and a poorly performing CRM system. Mitigating actions taken during the year included: reconfiguring the Foundation's staff resource to support the Benevolent Service during busy periods; putting in place additional monitoring and reporting measures for those projects deemed not to be meeting KPIs; and escalating the issue of the underperforming CRM system to the RCN Group Risk Register. The CRM risk in particular has increased during the year due to its impact on our ability to deliver our grant-making programme in a timely, accurate and efficient manner, and to ensure that accurate donor records are maintained as fundraising continues to grow.

External environment

Appetite for risk: medium

As with 2022, economic challenges in the UK and the cost of living crisis were key risks faced by the Foundation in 2023. We faced a 'double whammy' in relation to these risks – they adversely affected the Foundation's financial performance, leading to lower income returns, at a time when the challenges faced by our beneficiaries was increasing leading to greater demand for support. This particularly affected our Benevolent Service, which saw a marked increase in applications for hardship grants. Despite this, we maintained budgeted grant-making by making use of reserves where required.

Board of Trustees

External advisers; reference and administrative details; structure, governance and management

Board of Trustees

The trustees who are in office or have been during 2023 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Christine Perry, Vice-Chair and Chair of the Governance and Nominations Committee (retired 31 October 2023)

Elizabeth Jane Cantrell

Catherine Deakin

Gregory Dix

Professor Jacqueline Dunkley-Bent OBE (resigned 31 May 2023)

Alison Hoad

Gordon Hull, Chair of the Income Generation and Investment Committee

Cristy Belle Jaleco (from 1 September 2023)

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee

Professor Charlotte McArdle, Vice Chair and Chair of the Governance and Nominations Committee (from 1 November 2023)

Anthony Osijo

External advisers

The external advisers on our committees are:

Victoria Bennett (Income Generation and Investment Committee)

Fiona Bickley (Governance and Nominations Committee)

Professor Michael Brown (Scotland Committee) – retired 26 July 2023

Matthew Craddock (Income Generation and Investment Committee)

Professor Jacqueline Dunkley-Bent OBE (Grants Committee) – from 1 September 2023

Ann Gow (Grants Committee)

Dawn Jackson (Grants Committee)

Katrin Lehmann (Grants Committee)

Mickella Lewis-Purvis (Grants Committee)

Professor Donna Mead OBE (Wales Committee) – retired 26 July 2023

Hemal Naran (Income Generation and Investment Committee)

Tanya Strange MBE (Wales Committee) – retired 26 July 2023

Sian Thomas (Wales Committee) - resigned 8 February 2023

Vivien Waterfield (Income Generation and Investment Committee)

Andrew Wauchope (Income Generation and Investment Committee)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN
Telephone 020 7409 3333
Website: rcnfoundation.rcn.org.uk

Bankers

National Westminster Bank PLC
1 Cavendish Square, London W1A 4NU

Independent auditors

Crowe U.K. LLP
55 Ludgate Hill, London EC4M 7JW

Lawyers

Mishcon de Reya LLP
Africa House, 70 Kingsway, London WC2B 6AH

Investment managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered charity: 1134606

Scottish registered charity: SC043663

Registered company: 7026001

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2023 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances during 2023. It can be downloaded from the Foundation's website (rcnfoundation.org.uk) where there are further details about the Foundation's work.

NHS
We care We respect We welcome
NHS
Farhan Ali

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the RCN is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the RCN, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the RCN that sets out how the 2 organisations will work together to support nursing and midwifery, and improve care.

Objects

The objects of the RCN Foundation are to:

- promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing including those who are students
- promote the advancement of nursing as a profession in all or any of its branches
- promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

Public benefit statement

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the RCN. The board has provision for no fewer than 7 and no more than 12 trustees, 4 of whom are members of the RCN and a member of RCN Council is included in the recruitment process. At least 3 of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual board awayday. Two of the three substantive committees of the board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis. The Governance and Nominations Committee meets at least 3 times a year.

The Grants Committee is accountable to the board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager. The Governance and Nominations Committee, previously known as the appointments panel, is accountable to the board for the governance arrangements for the Foundation including the recruitment and appointment of trustees, vice chair and committee chair elections, and committee appointments. It also oversees trustees' induction, development programmes and performance review.

The membership of these committees is largely drawn from the board and the committees are chaired by a trustee. We have also appointed additional independent members with particular relevant experience and expertise to our committees.

In 2022, the Board of Trustees commissioned an independent governance review on board and committee effectiveness. One of the recommendations from the review was to replace the country committees with a stakeholder forum in order to broaden even further the range of views and expertise available to the Foundation. The implementation of the recommendation commenced in 2023 and the country committees were stood down. The stakeholder forum has been in development during 2023 and will be implemented in 2024.

Terms of reference for all committees have been agreed by the board.

Management

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a services agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Digital, Marketing and Communications Officer; Fundraising and Communications Assistant; Benevolent Grants Manager; Benevolent Grants Officer; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation is also supported throughout the year by a number of RCN staff as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which is available on the Foundation website.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A financial strategy was developed in 2019.

Conflicts of interest

We have a register of interests which is updated regularly. We have guidance for managing conflicts and we ask trustees and advisers to identify any conflicts at the beginning of each meeting.

Fundraising statement

The RCN Foundation is committed to achieving its charitable objectives to support and strengthen nursing and improve patient care. We fundraise so that we can deliver our charitable objectives.

Our fundraising function operates within the guidance provided by the Fundraising Regulator, and all fundraising activity supports the Code of Fundraising Practice. We promise to be open, honest, clear, respectful, fair, reasonable, and accountable.

All Foundation staff and volunteers, including the Board of Trustees, have a responsibility to be aware and have a thorough understanding of fundraising best practice. The Foundation respects the rights of its supporters to clear, truthful information about our work, how donations and other income are spent, and how we manage donors' information responsibly.

The individuals that we mail are our supporters with whom we already have a relationship, and who have given their consent to be contacted by us. All supporter data is stored securely and is GDPR compliant. We never buy in any data lists for fundraising, and we do not sell or share supporter details with any other individuals or organisations.

We employed 2 professional fundraising agencies with regard to key aspects of our fundraising activities in 2023. All other fundraising activities were planned and delivered in house by our small fundraising team, who build relationships with our supporters.

Our policies and procedures are compliant with best practice as set out by the Chartered Institute of Fundraising, with the best interests of the charity's donors and the vulnerable paramount. We never pressure anyone to make a donation and take particular care to avoid asking vulnerable people for donations. This is clearly set out in our policy on Fundraising Communications with Vulnerable Supporters.

We will not solicit or accept donations from companies or individuals who participate in activities which could cause detriment to the charity's reputation or work.

The charity received no complaints regarding its fundraising activities in 2023. Complaints are taken very seriously and will be investigated, with disciplinary action being taken where appropriate. If a complaint is deemed serious enough it may result in the removal of a fundraiser from a campaign and/or the termination of a campaign. As an organisation committed to learning we review our fundraising practices annually and update all fundraising processes and policies to ensure the highest fundraising standards are achieved.

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during 2023.

With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public.

Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care support workers, and through them, patients and families.

Sponsored by
LIVERPOOL VICTORIA
Car • Home • Travel • Pet
LV.com/RCN

TICKETS FOR GOOD

SCHOLASTIC

BIRD & BLEND TEA CO.

salt.

DKMS
WE DELETE BLOOD CANCER

OXO
RESTAURANT • BAR • BRASSERIE

SAME YOU

The Worshipful Company of Needlemakers

nursem

THE LEATHERSELLERS' FOUNDATION

the lightbody foundation

Elbow Grease

minky homecare

Portal Trust

Clean & Tidy HOME SHOW

University of Salford MANCHESTER

British Indian Nurses Association
BINA
ESTD 2020

deliveroo

COMPOSTY

Statement of trustees' responsibilities

The trustees (who are also directors of the RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 incoming resources and application of resources, including 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 the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- 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.

The Trustees' Annual Report on pages 6 to 19 was approved by the board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 30 April 2024

Independent auditor's report to the members and trustees of the RCN Foundation

Opinion

We have audited the financial statements of RCN Foundation ('the charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet the Statement of Cashflows and notes to the financial statements, including 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 December 2023 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 contained within the annual report. 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.

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 mis-statements, we are required to determine whether this gives rise to a material mis-statement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material mis-statement 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 our audit

- the information given in the trustees' report, which includes the directors' report, prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material mis-statements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' Directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of responsibilities set out on page 34, 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 mis-statement, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material mis-statement, 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 mis-statement when it exists. Mis-statements 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material mis-statement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material mis-statements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, mis-representations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, United Kingdom

Date: 31 May 2024

Financial statements

Statement of financial activities 31 December 2023 (Incorporating the income and expenditure account)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Income from:									
Income and endowments									
Donations and legacies	2	79	60	153	198	–	–	232	258
Income earned from other activities									
Investment income	3	906	745	259	245	–	–	1,165	990
Income earned from other trading activities									
Sponsorship income		4	4	–	–	–	–	4	4
Licence income		–	–	–	–	–	–	–	–
Total income		**989**	**809**	**412**	**443**	**–**	**–**	**1,401**	**1,252**
Expenditure									
Cost of raising funds	4	475	476	–	–	–	–	475	476
Expenditure on charitable activities:									
Education and training		277	443	149	319	–	–	426	762
Benevolent fund		169	214	416	333	–	–	585	547
Clinical practice and promoting the profession		60	155	63	-	–	–	123	155
Research		160	86	–	150	–	–	160	236
Total expenditure	4	**1,141**	**1,374**	**628**	**802**	**–**	**–**	**1,769**	**2,176**
Net (expenditure) before investment gains/(losses)		**(152)**	**(565)**	**(216)**	**(359)**	**–**	**–**	**(368)**	**(924)**
Net gains/(losses) on investments	13	**1,647**	**(3,965)**	**532**	**(1,278)**	**51**	**(124)**	**2,230**	**(5,367)**
Net income/(expenditure) for the year		**1,495**	**(4,530)**	**316**	**(1,637)**	**51**	**(124)**	**1,862**	**(6,291)**
Transfers between funds	13	–	**(3)**	–	**196**	**–**	**(193)**	**–**	**–**
Net movement in funds	13	**1,495**	**(4,533)**	**316**	**(1,441)**	**51**	**(317)**	**1,862**	**(6,291)**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**26,398**	**30,931**	**8,710**	**10,151**	**466**	**783**	**35,574**	**41,865**
Fund balances carried forward at the end of the period	13	**27,893**	**26,398**	**9,026**	**8,710**	**517**	**466**	**37,436**	**35,574**

Notes on pages 43 to 57 form part of these financial statements.

BACK TO CONTENTS

Balance sheet as at 31 December 2023

	Note	31 December 2023 £'000	31 December 2022 £'000
Fixed assets			
Tangible assets	6	–	1
Long-term investments	8.1	34,549	32,301
Total fixed assets		**34,549**	**32,302**
Current assets			
Debtors	9	20	24
Short-term investments	8.2	2,667	3,519
Cash at bank and in hand		802	551
Total current assets		**3,489**	**4,094**
Liabilities			
Creditors: amounts falling due within one year	10	(555)	(764)
Net current assets		**2,934**	**3,330**
Total assets less current liabilities		**37,483**	**35,632**
Creditors: amounts falling due after one year	10	(47)	(58)
Total net assets		**37,436**	**35,574**
The funds of the charity			
Restricted funds:			
Permanent endowment	13	88	82
Expendable endowment	13	429	384
Restricted income funds	13	9,026	8,710
Total restricted funds		**9,543**	**9,176**
Unrestricted funds:			
Revaluation reserve	12	3,001	991
General funds	13	24,704	25,141
Designated funds	13	188	266
Total unrestricted funds	**13**	**27,893**	**26,398**
Total charity funds		**37,436**	**35,574**

Approved and authorised for issue by the Board of Trustees on 30 April 2024 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

Statement of cash flows

	Note	31 December 2023 £'000	31 December 2022 £'000
Reconciliation of net movement in funds to net cash flow from operating activities:			
Net movement in funds		1,862	(6,291)
Dividends and interest from investments		(1,165)	(990)
(Gains)/losses from investments		(2,230)	5,367
Decrease/(increase) in debtors	9	4	111
(Decrease)/increase in creditors	10	(220)	192
Net cash (used) in operating activities		**(1,749)**	**(1,611)**
Cash flows from investing activities:			
Dividends and interest from investments	3	1,165	990
Proceeds from sale of investments	8	20,953	20,973
Purchase of investments	8	(23,965)	(16,075)
Net cash used by investing activities		**(1,847)**	**5,888**
Change in cash and cash equivalents in the reporting period		**(3,596)**	**4,277**
Opening cash at bank		551	724
Opening cash in investments		1,236	362
Opening cash in short-term investment		3,519	500
Cash and cash equivalents at the beginning of the reporting period		**5,306**	**1,586**
Change in cash and cash equivalents due to exchange rate movements		**103**	**(557)**
Cash and cash equivalents at the end of the reporting period		**1,813**	**5,306**
Represented by:			
Closing cash at bank		802	551
Closing cash held in investment portfolio		974	1,236
Closing cash in short-term investment		37	3,519
Total cash and cash equivalents		**1,813**	**5,306**

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2023.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2023.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Measurability in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the Trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2023 %	31 December 2022 %
Cost of raising funds	27	23
Education and training	23	32
Benevolent fund	34	26
Clinical practice	7	8
Research	9	11

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient.

In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions have been satisfied by the recipient. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of trustee meetings and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

The only asset held by the RCN Foundation is a customer relationship management database. The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database. There is a residual value of less than £1,000 at 31 December 2023.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the statement of financial activities as they arise. Realised and unrealised investment gains and losses are combined in the statement of financial activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2023, £76,782 (2022: £131,215) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation.

The RCN Foundation is planning to spend the remaining funds in the next year.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the service level agreement (SLA) they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation Board of Trustees has reviewed the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged.

The board is of the opinion that the sustainability and viability of the business as a going concern are not threatened. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business. The RCN Foundation is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements.

2. Donations and legacies

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Regular giving	15	16	77	84	92	100
Major donors	15	–	25	83	40	83
Legacies	–	9	1	11	1	20
Corporate income and partnership	6	6	48	14	54	20
Other donations	36	26	1	2	37	28
Gift aid	7	3	1	4	8	7
Total	**79**	**60**	**153**	**198**	**232**	**258**

3. Investment income

	31 December 2023 £'000	31 December 2022 £'000
UK equities	294	397
Overseas equities	421	383
UK fixed interest	258	179
Bank interest	192	31
Overseas fixed interest	–	–
Total	**1,165**	**990**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Grants/bursaries:								
— to organisations	–	–	230	423	–	–	230	423
— to individuals	–	–	330	592	–	–	330	592
RCN UK service fee	151	159	402	338	328	305	881	802
Investment management fee	155	156	–	–	–	–	155	156
Fundraising costs	47	65	–	–	–	–	47	65
Trustee costs	–	–	–	–	10	38	10	38
Audit and tax advice	–	–	–	–	14	14	14	14
Publicity and events	–	–	–	–	79	45	79	45
Professional services	–	–	–	–	8	17	8	17
Travel and subsistence	–	–	–	–	13	2	13	2
IT costs	–	–	–	6	2	–	2	6
Miscellaneous cost	–	–	–	–	–	16	–	16
	353	**380**	**962**	**1,359**	**454**	**437**	**1,769**	**2,176**
Support costs	122	96	332	341	(454)	(437)	–	–
Total	**475**	**476**	**1,294**	**1,700**	**–**	**–**	**1,769**	**2,176**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £14,400 including VAT are included in these financial statements (31 December 2022: £13,500).

4.1. Expenditure on charitable activities

	Education and training		Benevolent funds		Clinical practice and promoting the profession		Research		Total charitable activities	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Grants/bursaries (note 5):										
— to organisations	86	209	49	–	27	68	68	146	230	423
— to individuals	130	312	200	280	–	–	–	–	330	592
RCN UK service fee	100	88	186	151	65	56	51	43	402	338
IT costs	–	–	–	6	–	–	–	–	–	6
Care home summit	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	–	–	–	–	–	–	–	–	–
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	–	–	–	–	–	–	–
	316	**609**	**435**	**437**	**92**	**124**	**119**	**189**	**962**	**1,359**
Support costs	109	153	150	110	32	31	41	47	332	341
Total	**425**	**762**	**585**	**547**	**124**	**155**	**160**	**236**	**1,294**	**1,700**

In 2023, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee). Under the agreement there are 10 employee who work for the RCN Foundation (31 December 2022: 10 employees), one earns between £90,000 - £100,000 per annum, one earns between £70,000 - £80,000 per annum and one earns between £60,000 and £70,000. Pension payments made with regard to the highest paid individual amounted to £11,585 (31 December 2022: £10,758).

	31 December 2023 £'000	31 December 2022 £'000
Wages and salaries	656	572
Social security costs	68	64
Other pension costs	62	66
Total	**786**	**702**

5. Grants payable

	Unrestricted funds		Restricted funds		Total grants payable	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Balance brought forward at start of period	**93**	–	**251**	**166**	**344**	**166**
Awarded in the period:						
Grants and bursaries	99	271	487	780	586	1,051
Unused awards written back	–	–	(27)	(36)	(27)	(36)
Charge to SOFA	**99**	**271**	**460**	**744**	**559**	**1,015**
Paid in period	(22)	(178)	(604)	(659)	(626)	(837)
Balance carried forward at the end of the period	**170**	**93**	**107**	**251**	**277**	**344**
Falling due within one year	170	93	60	193	230	286
Falling due after one year	–	–	47	58	47	58

Grants were awarded as follows:

Grants/bursaries to organisations:	31 December 2023 £'000	31 December 2022 £'000
Cardiff University	50	83
Impact Foundation	9	9
King's Fund	49	–
Northumbria University	(2)	11
Queen Mary University	–	11
Queen's Nursing Institute	9	2
RCN	–	4
RCN – Sharing nurses' life stories	5	–
Salt Thinking	13	62
University of Edinburgh	77	200
University of Huddersfield	10	30
University of Hertfordshire	–	10
University of York	10	–
Total grants to organisations	**230**	**422**
Grants/bursaries to individuals:		
Educational bursaries	157	348
Educational bursaries write backs	(27)	(36)
Benevolent grants	200	276
COVID-19 related benevolent grants	–	4
Total grants to individuals	**330**	**592**

In the year the RCN Foundation awarded educational bursaries to 110 individuals (2022: 255) and benevolent grants to 514 individuals (2022: 618).

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2023		14	–	14
Disposals		–	–	–
Balance at 31 December 2023		**14**	–	**14**
Accumulated depreciation				
Balance at 1 January 2023		**13**	–	**13**
Charge for the year		1	–	**1**
Balance at 31 December 2023		**14**	**–**	**14**
Net book value at 31 December 2023		**–**	**–**	**–**
Net book value at 31 December 2022		**1**	**–**	**1**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all of its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2023 £'000	31 December 2022 £'000
Market value at the start of the year	31,065	40,772
Additions at cost	21,340	16,011
Call payments	–	64
Disposals at carrying value	(20,755)	(20,923)
Redemptions	(198)	(50)
Realised gain	113	3,191
Unrealised gains/(losses)	2,010	(8,000)
Investments at market value at the end of the year	**33,575**	**31,065**
Cash held for reinvestment	974	1,236
Market value at the end of the year	**34,549**	**32,301**
Historic cost at the end of the year	**31,536**	**31,317**

Investments at market value (including short-term investments) comprise:

	31 December 2023 £'000	31 December 2022 £'000
Listed investments		
Fixed interest (Government securities and bonds)	6,947	5,644
UK equities	2,342	7,638
Global equities	21,325	14,734
Alternative assets	1,625	1,697
Property	1,342	1,452
Liquid assets in long-term fund	968	1,136
Total	**34,549**	**32,301**

The trustees believe that the carrying value of the investments is supported by their underlying net assets. All investments are owned by the RCN Foundation.

Holdings over 5%

At the end of December 2023, the investment portfolio includes one holding in excess of 5%, the Sarasin Responsible Corporate Bond Fund.

8.2. Short-term investments

	31 December 2023 £'000	31 December 2022 £'000
Market value at the start of the year	**500**	**500**
Additions at cost	2,625	–
Redemptions	(500)	–
Unrealised gain/(loss)	5	–
Investments at market value at year end	**2,630**	**500**
Cash held for reinvestment	37	3,019
Market value at the end of the year	**2,667**	**3,519**
Historic cost at end of the year	**2,667**	**3,519**

All investments are owned solely by the RCN Foundation.

9. Debtors

	31 December 2023 £'000	31 December 2022 £'000
Prepayments and accrued income	10	18
Trade debtors	10	6
Total	**20**	**24**

10. Creditors

	31 December 2023 £'000	31 December 2022 £'000
Amounts falling due within one year		
Trade creditors	39	3
Grants payable (note 5)	230	286
Accruals	49	76
Due to RCN UK	237	385
Other creditors	–	14
Total	**555**	**764**
Amounts falling due after one year		
Grants payable (note 5)	47	58
Total	**602**	**822**

11. Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Fund balances at the end of the period are represented by:								
Software	–	1	–	–	–	–	–	1
Investments	24,910	22,906	9,122	8,929	517	466	34,549	32,301
Current assets	3,479	4,062	10	32	–	–	3,489	4,094
– Current liabilities and provisions	(496)	(571)	(59)	(193)	–	–	(555)	(764)
– Non current liabilities	–	–	(47)	(58)	–	–	(47)	(58)
Total net assets	**27,893**	**26,398**	**9,026**	**8,710**	**517**	**466**	**37,436**	**35,574**

12. Revaluation reserve

	31 December 2022 £'000	Investment unrealised gains £'000	31 December 2023 £'000
Revaluation reserve	991	2,010	3,001
Total	**991**	**2,010**	**3,001**

In 2023, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation year end 31 December 2023

	31 December 2022 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between funds £'000	31 December 2023 £'000
Endowment funds						
Permanent						
Educational funds	**82**	–	–	6	–	**88**
Expendable						
Educational funds	**–**	–	–	–	–	**–**
Benevolent funds	**–**	–	–	–	–	**–**
Research funds	**384**	–	–	45	–	**429**
Total endowment funds	**466**	**–**	**–**	**51**	**–**	**517**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,200**	103	(38)	198	(7)	**3,456**
Trevor Clay Scholarship Fund	**235**	8	(15)	28	–	**256**
John Colyer Fund	**122**	4	(29)	26	–	**123**
Other educational funds	**377**	59	(67)	10	7	**386**
Total educational funds	**3,934**	**174**	**(149)**	**262**	**–**	**4,221**
Benevolent funds						
RCNF benevolent funds	**3,732**	183	(384)	204	–	**3,735**
Other benevolent funds	**868**	25	(33)	49	–	**909**
Total benevolent funds	**4,600**	**208**	**(417)**	**253**	**–**	**4,644**
Research funds	**176**	**31**	**(63)**	**17**	**–**	**161**
Total restricted funds	**8,710**	**413**	**(629)**	**532**	**–**	**9,026**
Unrestricted funds						
General funds	**26,132**	**988**	**(1,062)**	**1,647**	**–**	**27,705**
Designated funds						
Omaze	**266**	–	(78)	–	–	**188**
Total designated funds	**266**	–	**(78)**	–	–	**188**
Total unrestricted funds	**26,398**	**988**	**(1,140)**	**1,647**	**–**	**27,893**
Total funds	**35,574**	**1,401**	**(1.769)**	**2,230**	**–**	**37,436**

13.2. RCN Foundation year end 31 December 2022

	31 December 2021 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between funds £'000	31 December 2022 £'000
Endowment funds						
Permanent						
Educational funds	**98**	–	–	(16)	–	**82**
Research fund — Daphne Heald R&D Fund	**667**	–	–	(130)	(537)	–
Expendable						
Educational funds	–	–	–	–	–	–
Benevolent funds	–	–	–	–	–	–
Other funds	**18**	–	–	22	344	**384**
Total endowment funds	**783**	–	–	**(124)**	**(193)**	**466**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,589**	86	13	(476)	(12)	**3,200**
Trevor Clay Scholarship Fund	**292**	6	3	(66)	–	**235**
John Colyer Fund	**202**	4	(21)	(63)	–	**122**
Cowdray Scholarship Fund	–	–	–	–	–	–
Other educational funds	**660**	41	(314)	(25)	15	**377**
Total educational funds	**4,743**	**137**	**(319)**	**(630)**	**3**	**3,934**
Benevolent funds						
RCNF benevolent funds	**4,200**	254	(328)	(491)	97	**3,732**
Other benevolent funds	**1,065**	23	(5)	(118)	(97)	**868**
Total benevolent funds	**5,265**	**277**	**(333)**	**(609)**	–	**4,600**
Research funds	**143**	**29**	**(150)**	**(39)**	**193**	**176**
Total restricted funds	**10,151**	**443**	**(802)**	**(1.278)**	**196**	**8,710**
Unrestricted funds						
General funds	**30,465**	**809**	**(1,174)**	**(3,965)**	**(3)**	**26,132**
Designated funds						
Omaze	**466**	–	(200)	–	–	**266**
Other designated funds	–	–	–	–	–	–
Total designated funds	**466**	–	**(200)**	–	–	**266**
Total unrestricted funds	**30,931**	**809**	**(1,374)**	**(3,965)**	**(3)**	**26,398**
Total funds	**41,865**	**1,252**	**(2,176)**	**(5,367)**	–	**35,574**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

14. Related party transactions

During the year a service charge of £881,993 was incurred by the RCN Foundation due to RCN based upon the agreed service level agreement (31 December 2022: £801,286). As at 31 December 2023 £237,847 is outstanding from the RCN Foundation due to the RCN for this service level agreement.

15. Remuneration

For 2023, one trustee received remuneration for consultancy fees of £8,863 (31 December 2022: None). Costs incurred by the RCN Foundation trustees while carrying out trustee duties amounted to £7,365 in the year (31 December 2022: £5,047). These expenses related to £4,836 in accommodation and meals and £2,529 in travel. These costs relate to 12 trustees and are made up of both out-of-pocket expenses reimbursed, as well as those paid directly to a third party.

16. Ultimate controlling party

The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN Group, which are available from the above address.

20 Cavendish Square, London W1G 0RN
Tel: 020 7409 3333

rcnfoundation.rcn.org.uk

June 2024 | 011 352

Published by the Royal College of Nursing (RCN)
The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992

THE RCN FOUNDATION

England & Wales - Charity number 1134606

Accounts

RCNFoundation
Supporting nursing, improving care

Group Annual Report 2022

The RCN Foundation Group Annual Report and Financial Statements 1 January to 31 December 2022

Contents

Introduction from the Chair and Director	2
Your support in numbers	5
Report of the Trustees	6
Financial Review	20
Principle risks and uncertainties	24
Board of Trustees	26
Thank you to all our supporters	32
Statement of Trustees' responsibilities	34
Independent auditor's report	35
Financial statements	39

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious.**

RCNFoundation
Supporting nursing, improving care

Registered Charity: 1134606 | Scottish Registered Charity: SC043663 | Registered Company: 7026001

This document has been designed in collaboration with RCN members to ensure it meets most accessibility standards. However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction from the RCN Foundation Chair and Director

2022 was another extraordinary year for nursing and midwifery. As we moved into a 'living with COVID' world which tried to define what the 'new normal' looked like, there remained much uncertainty and disruption within health and care. Staff and systems grappled with ever growing demand, staff shortages and chronic burnout. And as the year wore on, we were faced with one of the worst cost of living crises in living memory.

Against this backdrop, the RCN Foundation not only continued to deliver our grant-making programmes but was able to significantly expand some of them to meet growing and urgent need.

This *RCN Foundation Group Annual Report* shares highlights from our work in 2022 and sets out our plans for 2023. It also contains our financial statements for 2022. This will be the final year of RCN Foundation Group accounts incorporating the report and accounts of the COVID-19 Healthcare Support Appeal (CHSA). CHSA will close in 2023 having completed its mission to support all staff working in the health and care sectors who were adversely affected by the pandemic.

At the beginning of the year, the administration of the Benevolent Service was transferred back to the Foundation from the RCN. The service provided grants, signposting and benefits advice to nursing and midwifery staff, working with our partner organisations Entitledto and PayPlan. The Foundation introduced an online application portal, resulting in a more effective service being delivered. In response to the cost of living crisis facing many of our nursing and midwifery staff, the Board of Trustees significantly increased the budget for hardship grants during the year. In 2022, 618 individuals received a hardship grant from the Foundation, an increase of 64% compared to 2021. Those who had received benefits through the signposting service were on average better off by £6,444 per year. Over 3,200 individuals also received signposting support from the service.

We were delighted to have been able to also significantly increase the number of education grants we were able to provide, thanks to generous donations from individuals, companies and charitable foundations. These included Deliveroo, LV=, the Leathersellers' Charity and the family of deceased nurse, Olufunke Adeyeye. Thanks to their support, and others, we were able to increase the number of education grants awarded by 131% compared to 2021.

In May, we launched our *Here for Life* campaign in partnership with the Chief Nursing Officers for the UK and Ireland. This social media campaign aimed to raise public awareness of the breadth, depth and diversity of the nursing and midwifery professions and the impact that they have on individuals, communities and wider society. The impact of the campaign was far-reaching and immediate. Over a four-day period, social media assets for *Here for Life* reached more than 3.3 million individuals. The estimated cost of gaining this reach through paid placement is around £8.7 million.

Other highlights from the year included the graduation of the first cohort of students in the PG Certificate in Neurological Rehabilitation and Care, developed as a partnership between the Foundation, the brain injury charity SameYou, and the University of Edinburgh. We also awarded the second grant in our children and young people's mental health and emotional wellbeing programme; and funding for a feasibility study in neurological rehabilitation and care.

This year we were able to hold our annual Impact Awards in person once again, the first time since 2019. Held at the Royal College of Physicians in July, the awards showcased some of the outstanding nurses, midwives and health care support workers that we have supported through our education grants, and their contribution to patient care.

A final highlight was the Sustainability Nursing Conference held in October in partnership with NHS England, RCNi and the RCN. A Dragon's Den-style event took place as part of the conference, showcasing nursing and midwifery led innovations that had a positive environmental impact on health and social care delivery and patient care. The winning entry came from a nurse in the West Midlands, who was awarded funding from the Foundation for a project to refine a decision support tool to begin to quantify the green impact of products to ensure their quality, safety, value and sustainability is considered in the clinical product procurement process.

Nursing and midwifery have a crucial role to play in delivering the sustainability and climate change agenda, something that we will continue to focus on in the future.

We know that significant challenges lie ahead for our nursing and midwifery communities. We will continue to respond to these and have an exciting programme of work ahead in 2023. This includes a partnership with The King's Fund to follow up on our collaboration on compassionate leadership, launching our Learning Disability grants programme, and sharing findings and next steps from the Professional Judgement research which concludes during the year.

Also in 2023, we will be developing our new three-year strategy, to be implemented from 1 January 2024. We hope to consult as widely as possible on the priorities to be included within the new strategy. Please do get in touch if you would like to share with us what you think is important for nursing, midwifery, health and social care in the future.

We are grateful to the staff, trustees and volunteers who have worked tirelessly during the year to enable and support our work.

Last, but by no means least, we want to thank our donors and supporters over the past year. We simply would not have been able to provide the breadth and depth of our support without their generosity, and we are immensely grateful to them.

We hope you enjoy reading about our work in this annual report. If you would like to know more, or find out how you can help, please don't hesitate to contact us.

Professor Jane Cummings CBE RN
Chair

Deepa Korea
Director

Your support in numbers

With your support, we have been able to achieve so much. Every donation we receive helps us to achieve our mission of supporting and strengthening nursing and midwifery, and ultimately improving patient care.

Here for Life

The campaign, launched on 12 May, was viewed by **3.3 million people** over four days. The estimated cost of gaining this reach through paid placement is £8.7 million.

£280,000
awarded in **hardship** grants, an increase of 36% on the previous year

14%
of the grants awarded in 2022 were made to survivors of **domestic abuse**

95%
of those who received this grant told us that they felt **more in control** of their circumstances

618
individuals supported to get their **life back on track** with this grant

£348,000
awarded in **education** grants

90%
who received an education grant told us that it had a **positive effect** on their roles and careers

Report of the Trustees
for the year ending 31 December 2022
(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2022 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This report is a summary of our operational and financial activities in 2022. It can be downloaded from the Foundation's website (rcnfoundation.org.uk), where there are further details about the Foundation's work.

Objectives

In 2022, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery, to improve the health and wellbeing of the public. Despite the ongoing challenges presented by the external environment, we carried out a robust programme of activity in 2022 with a focus on achieving positive outcomes for nursing and midwifery staff, and the public. Our objectives for 2022, as listed in the 2021 Annual Report and Accounts, and the progress made against these objectives, are set out below.

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the professions.

On 1 January 2022, we launched the RCN Foundation Benevolent Service, following the end of our partnership with the RCN to provide benevolent activities on behalf of the Foundation. This new service adopted a grant-making and signposting approach to supporting nurses, midwives and health care support workers (HCSWs) who were facing financial hardship due to a range of issues, many of which were exacerbated by the cost-of-living crisis. In late 2021, two members of staff of the former provider, the RCN Lamplight Support Service (LSS) moved across to the Foundation to deliver the new service.

The Foundation's new Benevolent Service provided a digitalised approach and involved applications being made through a bespoke online portal. This included an affordability tool and benefits checker provided by a partner organisation, Entitledto, which was an integral part of the application process.

In 2022, the Foundation provided 618 hardship grants, in comparison to 378 provided by LSS in 2021. 75% of grant recipients were employed, with 60% in substantive posts, and 15% employed as agency or bank nurses. For many, their total net income was insufficient to meet their basic needs, signifying that they faced in-work poverty. Whilst 69% of grant

recipients reported debt as their main issue, this was often accompanied by other issues including mental (35%) and physical (32%) ill health. 16% of those experiencing mental ill health mentioned a work-related link or cause of this.

Another worrying trend was the sharp increase in the number of nurses, midwives and HCSWs who were applying for support as a result of fleeing domestic violence. 14% of the grants awarded in 2022 were made to survivors of domestic abuse. The service also saw an increase in the need for support with housing costs, with 15% of grant recipients mentioning homelessness or a significant housing problem in their application.

During the first quarter of the year, against a national backdrop of continually increasing fuel costs, the number of applicants mentioning challenges with petrol costs for work journeys rose by a staggering 87%. This was particularly important for nurses and midwives providing services in rural locations who were struggling to pay for fuel. Overall, 12% of grant recipients mentioned increased costs as one of the causes of their financial difficulty.

In 2022, the Foundation made grants to the value of £280,000 (2021: £206,000) with 95% of grant recipients reporting they were more financially independent as a result of the grant. 173 individuals were advised of an unclaimed benefit and a total of £92,853 was identified through unclaimed benefits. In 2022, individuals who accessed a benefits estimate were, on average, £6,444 better off (2021: £6,000) as a result of the support provided by the Foundation.

Case study

"I can breathe again"

Alice is a hospital charge nurse who also lives with a disability and is a single parent of a ten-year-old child. Due to a number of challenges, she did not renew her NMC registration in time this year, which led to a loss of income. Alice received a grant of £950 towards cost of living. She told us: "My recent circumstances resulted in me facing financial crisis and hardship, my reality being a nurse, with a disability, single parent unable to pay my bills, my mortgage or provide for myself and my dependants. I have been struggling with overwhelming stress, crippling anxiety, poor sleep and low mood.

I am still shocked and so grateful to have been granted help from the RCN Foundation. I can breathe again – I cannot explain how much this grant has helped me, my mental health my ability to perform my role as a nurse and as a mum. I am sleeping again, I have regained my appetite, I can buy food and cook meals again".

The Foundation has developed a strong partnership with the debt advice charity, PayPlan. Through this partnership all individuals were able to benefit from free to access regulated debt advice. PayPlan developed a bespoke service for the Foundation, with a dedicated telephone line and referral system which linked directly to a team of specialist debt advisors. The Benevolent Service benefited from monthly reporting data from PayPlan, as well as a range of joint communications and advice sessions, which have received very positive feedback.

Overall, 3,230 individuals received signposting support from the service.

The RCN Foundation continued to deliver a significant portfolio of education grants throughout 2022. Unlike previous years, this was not restricted to two grant rounds due to the increase in specific donations received for this area of our work. Grants programmes were opened at different times throughout the year to enhance the accessibility and reach of a range of education grants.

Over the course of 2022, £348,000 in education grants (2021: £149,000) was awarded to 255 individuals (2021:95). Activities individuals undertook ranged from a baby massage course through to a Master's in Healthcare Leadership.

The Deliveroo-RCN Foundation NHS Education Grants Programme was launched in March. Following a donation of £300,000 from the customers and suppliers of the food delivery service Deliveroo, 211 education grants were awarded totalling £276k. The grants were aimed at nurses, midwives and HCSWs working at lower pay bands within the NHS.

The portfolio of annual education grants continued with the partnership with the Worshipful Company of Needlemakers. Eleven nurses and midwives benefited from this grant which is for nurses and midwives who are looking to enhance their use of needles in their practice.

There were two specific grants for HCSWs in 2022. The Kershaw Fund, made available through generous donations from Dame Betty Kershaw, provided an education grant to two HCSWs. In November, the Foundation also launched the LV-RCN Foundation Education Grant to coincide with Nursing Support Workers Day. In the region of 18 HCSWs will benefit from a training and development grant through this fund.

The Into Nursing grant for graduates seeking a career in nursing remained ever popular. Four grants were awarded totalling £20k.

A key priority area for the Foundation is children and young people's mental health and emotional wellbeing. The Foundation partnered with the Leathersellers' Charity to provide education grants to non-mental health registered nurses and midwives who are managing children and young people's mental health and emotional wellbeing within their areas of clinical practice. So far, 17 nurses and one midwife have benefited from this grant. The impact will be evaluated as they complete their education activities.

The Foundation launched the annual Olufunke Adeyeye Education Grant. Following a donation made by the Adeyeye family, in memory of their mother who was a nurse and midwife with a passion for supporting those from a minority ethnic background, this grant was established for nurses, midwives and HCSWs from an ethnic minority background to undertake education and development activities. The standard of applications was exceptionally high, resulting in four grants being awarded instead of two. A total of £5.7k was awarded.

The RCN Foundation partnered with the family and friends of the late Amin Abdullah to launch the Amin Abdullah RCN Foundation Grant. The annual grant supports nurse-led projects which explore issues related to nurse wellbeing. This year, the Foundation awarded two £1,000 grants to projects to be delivered by Canterbury Christ Church University and Keele University.

The Foundation continued to fund the University of Edinburgh's Postgraduate Certificate in Neurological Rehabilitation and Care. This grant was provided in partnership with the brain injury charity, SameYou, and was delivered using funds raised through the Omaze fundraising initiative in 2018. Twenty-three nurses graduated in July 2022, with one progressing onto the full MSc Programme. A significant outcome of this programme has been the positive impact on students' personal and professional development, clinical knowledge and, consequently, patient experience as demonstrated through their reflective assignments. The Foundation is funding a further 14 students in 2022-23. As part of a research programme, the Foundation is also funding a post-Doctoral position for an early career researcher and a Master's in Research scholarship. These positions will both undertake further research at the University into nurse-led psychosocial interventions to support young adults following an acquired brain injury.

The Foundation continues with a number of interventions to support successful grant applications. A video on the website sets out the steps to a good application and the Helping Hands scheme continues, where alumni members support those applying for the first time through the application process.

Case study

"The most amazing opportunity"

"I currently work with children, young people and their families in a local child and adolescent mental health service (CAMHs) as an ADHD Clinical Nurse Specialist/ Non-Medical Prescriber (NMP). As an NMP, I was regularly prescribing medicines to aid better sleep. I wanted to be able to use other strategies to empower parents and their children in understanding how they could help in these situations to establish better sleep routines and use interventions such as sleep hygiene.

I had approached my organisation for funding, but this was not available. I was not prepared to leave the situation as it was, so started researching other possible funding streams and thankfully found the RCN Foundation Bursary Scheme Grant. This was by far the most amazing opportunity and made me feel relieved, excited and motivated to find the appropriate training which would serve the purpose of having a positive outcome.

The grant was instrumental in enabling me to enhance the quality of care and treatment to children, young people and their families who attend the ADHD clinic. I use these strategies confidently as a first line approach to managing sleep difficulties, rather than prescribing medication. Families are supported in using appropriate strategies and feel more in control at nighttime, thanks to the help I am now able to offer them.

I want to wholeheartedly thank the RCN Foundation for this grant. The benefits to children, young people and their families goes far beyond what written words can express."

In 2022, the Foundation funded a number of nursing- and midwifery-led projects. We launched a three-year grants programme to support children and young people's mental health and emotional wellbeing. Following the publication of a comprehensive scoping review undertaken by Sheffield Hallam University and funded by the Foundation in 2020, this programme had two strands.

The first strand was the development of a toolkit to support non-mental health registered nurses (such as those working in schools, emergency departments or GP surgeries) and midwives, to assess, plan and implement care for children and young people who might be experiencing mental health challenges and were unable to access support from mainstream services. The second strand was the development of an education grants programme to enhance the skills and knowledge in this area of non-specialist nurses, details of which we provided earlier in this report.

The first component of the toolkit was to develop a web-based app holding a limited data set of assessment tools for non-mental health nurses to use to assess and plan the care for children and young people, who may be experiencing challenges with mental health and emotional wellbeing.

The University of Huddersfield were successful in their bid to develop the app. The study aimed to identify the most effective evidence-based assessment tools to enhance and complement the therapeutic relationship between the young person and the nurse. Following an in-depth analysis of the vast number of assessment tools available, the team developed a web-based app holding a dataset of the most effective, evidence-based assessment tools for non-specialist nurses to use in a variety of educational and health and social care settings. This study reported in late 2022, and the ambition of both the university and the Foundation is for the app to be eventually available to every practising nurse.

The same team at Huddersfield will be working on the second element of the toolkit in 2023, which is a web-based app for a Cognitive Behaviour Therapy-informed intervention for non-mental health registered nurses and midwives. This project is expected to complete in late 2023.

A further four studies were completed in 2022.

- The CareVis study at the University of Hertfordshire, which explored the impact of a co-designed resource to support people with a learning disability on their understanding and engagement with the COVID-19 vaccine.
- The HeaLiN study at Queen Margaret University, which explored what made healthful leadership strategies in nursing.
- Band 5 Leadership Development Needs Study at Northumbria University.
- The EMPATH study at Northumbria University – Evaluation and Measurement of Psychological first Aid in the care home sector.

The EMPATH study sought to identify the current evidence on the effectiveness, acceptability and feasibility of Psychological First Aid (PFA) for nursing teams working in care home settings. The research looked at where in the UK PFA was being used and how it was being implemented. Through a UK-wide web-based, cross-sectional survey, the study compared levels of safety, calmness, self and community efficacy, connectedness and hope, stress, resilience, and coping in care home staff working in settings that had or had not implemented PFA. Qualitative data relating to the lived experience of PFA in a care home setting was obtained through a further questionnaire.

EMPATH found that those who had received PFA training coped better, felt safer and more hopeful than those who had not received the training. Despite this, the study reported that nurses working within the care home sector were unaware of the availability of PFA. The study concluded that it should be mandatory for all those working in a care home setting.

A number of other projects remained ongoing throughout the year. These were: Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales led by the University of Cardiff; QNI's Care Home Nurses' Network; and the IMPACT Foundation project to support nursing students in Bangladesh.

A key area which underpinned all of the Foundation's grant-making was health inequality, including targeting areas of high deprivation. The Foundation worked towards increasing the reach of our grant-making programmes to areas of high deprivation and health inequality.

Case study

Children and Young People's Mental Health Screening and Assessment App

Childhood and adolescence are the most crucial and vulnerable periods in developing mental distress that can persist for a lifetime. Various research suggests any form of mental health difficulties that occur before the age of 24 has a possibility of having a negative effect on the whole lifespan of an individual with the potential to affect education and employment negatively and increase risks of substance abuse and violence.

An RCN Foundation-funded scoping review, undertaken by the University of West London, highlighted the role and importance of early/pre-crisis interventions from non-mental health nurses. It was found that non-mental health trained nurses such as school nurses, health visitors and emergency department nurses were well placed to deliver screening and assessments of children and young people in various settings. The accurate assessment was found to reduce referral rates. Effective, stand-alone interventions were provided for some service-users, which also involved signposting to services and encouraging self-management. They also found that the nurses' therapeutic relationships were fundamental for early interventions typically targeted at levels of resilience, emotional regulation, and prevention of ongoing mental health problems.

In 2022, the RCN Foundation commissioned the University of Huddersfield to develop an assessment app to help non-mental health nurses to assess children and young people's mental health needs and risks.

The project team conducted a literature review, focus group consultations and interviews with experts, non-mental health workers, other professionals, academics and researchers.

Based on the information generated, the team developed a decision support tool for non-mental health nurses to structure clinical judgements about children and young people's mental health needs and risks to enhance defensible decision-making and match the needs of children and young people with safe and effective interventions.

Alpha and Beta 1 versions of the app were developed and tested. Early findings from the testing was very positive, with users reporting that the app could aid them with decision making and prioritising cases, making correct referrals, and ultimately reducing the burden on CAMHS services.

One user said: "As a non-mental health professional, I feel the app will give me increased confidence to have discussions with children and young people about their mental health needs. It will provide structure to discussions around emotional health and wellbeing whilst helping us to identify if problems exist and what, if any, further support is required. I feel that it will enable us to identify "red flags" that may otherwise be missed by a non-specialist, with us then being able to escalate as appropriate; whilst also helping to acknowledge more low-level needs, where we may be able to initiate some early interventions and support ourselves".

The next stage of the project is to test the Beta 2 version in clinical practice in Yorkshire and Northern Ireland, to provide validation of the tool.

Face Shield
Direct splash protection
Face Shield
Protective Isolation Mask

2.Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.

As the RCN Foundation grows as an effective and sustainable grant-maker, there is an increasing need for us to understand, demonstrate and communicate the difference our grants are making against our strategic aims. To help us achieve this, in 2022 we adopted a systematic and effective approach to impact assessment and evaluation through an impact framework.

The impact framework enabled us to adopt a systematic, evidence-based approach to measure and demonstrate the combined impact of the three areas of grant-making to meet our strategic aims and charitable objectives throughout the year. This approach also provides our beneficiaries with a simple but effective way to report on the impact of their grants to us. This work is overseen by a lead Trustee for Impact who is supported by an adviser from the Grants Committee.

The impact framework ensures that assessment and evaluation of the impact of our grant-making takes place across an annual cycle and occurs at two levels:

- the impact of individual grants: all beneficiaries report on the impact their grant has had on a case-by-case basis
- the combined impact across the Foundation's three areas of grant-making.

Further work will be undertaken in 2023 to better articulate the impact of the Foundation's grants on patient care.

In 2022, the dissemination of the outcomes from completed projects was largely undertaken via the Foundation's website. Work was undertaken on the website during the year in order to better showcase the projects that had been funded by the Foundation.

3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various digital and other communication platforms.

In 2022, the Foundation continued its partnership with the Chief Nursing Officers (CNOs) of England, Northern Ireland, Republic of Ireland, Scotland and Wales on a joint project to raise the status and profile of nursing and midwifery. The *Here for Life* (**herefor.life**) social movement was delivered across a number of digital platforms.

Work on *Here for Life* began in earnest during the year, with the creation of a digital media campaign to demonstrate the breadth, depth and diversity of the nursing and midwifery professions. The campaign was aimed at the general public, practitioners and policy makers. A creative agency, Salt Thinking, worked on the development of the material, supported by a

PR agency, Mearns and Pike. There was also input from Markettiers on the survey element of the campaign, and from Clarion Portfolio on media planning, buying and performance tracking. All of these companies gave their time either fully, or in part, on a pro bono basis. The value of this in-kind support was estimated to be between £317k and £383k.

Here for Life launched on International Nurses' Day on 12 May showcasing seven nurses and midwives from across the breadth and depth of the nursing and midwifery professions. The five countries were represented as were all branches of nursing.

The campaign was covered by two national news stories on the day. There were 200 regional stories and 10 quality radio pieces. The hashtag #hereforlife was in the top five hashtags trending on 12 May. Over the course of four days, the campaign was viewed by 3.3 million people. The estimated cost of gaining this reach through paid placement is £8.7 million.

Our social and digital media output was more targeted and enhanced during the year with the appointment of a Digital Marketing and Communications Officer. In 2022, there was a more comprehensive approach to using digital channels to disseminate information about our work. During the year, we saw significant rises in engagement across Twitter (25%), Facebook (90%), Instagram (19%) and LinkedIn (135%).

During the year we worked in partnership with children's publisher, Scholastic, to finalise the content and illustrations for a book aimed at children. The publication, entitled *Dear Nurse... A love letter to nurses and midwives everywhere*, will be published in February 2023 to mark the 75th anniversary of the NHS. As well as an opportunity to raise the profile of the Foundation, the book will also generate income with 50p from the sale of each book donated to the Foundation.

The first in-person Impact Awards event since 2019 was held in July 2022 at the Royal College of Physicians. The event received significant positive feedback from guests. The Awards resulted in good social media engagement, with a 250% increase in Facebook page visits, and a 77% increase in Instagram profile visits for that week. Our Twitter thread detailing the award-winners reached nearly 5,000 people. There was also a 472% rise in searches for the RCN Foundation on LinkedIn during the same month. Reactions and comments were uniformly warm and positive across all social media channels.

4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Implement key aspects of the fundraising strategy agreed in 2021.

It was a challenging year for the Foundation across all of our income streams. Investment income performed relatively well, against the budget. However, the value of the combined portfolio fell by 14% to £35.8 million.

Voluntary income did not perform as well as expected in 2022 for a number of reasons. This included the postponement of the individual donor insert campaign due to take place in autumn 2022; the delay to the start of the corporate fundraising campaign; and the underperformance of expected areas of fundraising such as community giving and one-

off donations, which returned to pre-pandemic levels. All of this was against the backdrop of an extremely challenging socio-economic environment, which had an impact on giving across the sector.

In line with the fundraising strategy implemented in 2021, work with two agencies took place to support the Foundation's fundraising activities. Both agencies led to the development of clear propositions and a plan for next steps in relation to individual and corporate giving. Work will continue on both of these key parts of our strategy in 2023. All income streams will be reviewed early in 2023 in light of the ongoing challenges to the economic climate.

5. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

Strengthening the Foundation's governance structures and processes continued to be a key feature in 2022. During the year, five new advisers were recruited to our committees. They came from a wide range of backgrounds including finance and investments, HR and nursing. One new trustee was also recruited. This was to replace a long-standing Board member whose term of office had expired, who was also the Chair of the Income Generation and Investment Committee. A new Chair for that committee was also recruited from within the board.

An independent governance review took place in 2022, the first such review since the Foundation was established in 2010. The review focused on board and committee effectiveness. The review will be published, and the recommendations implemented, in 2023.

Two internal audits also took place during the year. The first was an advisory audit on the effectiveness of the CRM for the Foundation, which was ongoing at the end of 2022. The second was an RCN Group-wide audit on trademarks, which was also ongoing at the end of 2022.

A strategic financial framework was approved by the Board in July. This provided an overview of activity that would take place over an 18-month period which would encompass the development of a financial plan, and updated investment and reserves policies. This work was also intended to coincide with the development of a new strategy for the Foundation from 2024. Early work on the strategy began during the year, with discussions at trustee and staff level. This will continue and conclude in 2023.

As mentioned above, two new online portals were developed by the RCN's Engineering Team which supported the Foundation's grant-making process. As a result, the Foundation established online applications processes for its hardship and educations grants. We are grateful to the Engineering Team for their significant support to the Foundation during the year.

6. Support and deliver the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal. Evaluate the impact of the subsidiary charity's grant-making. Close the subsidiary charity at the end of 2022, ensuring that all funds ave been effectively expended in line with charitable objectives.

With final grants awarded by the COVID-19 Healthcare Support Appeal (CHSA) at the end of 2021, 2022 activity focused on grant monitoring and reporting, preparing to close the charity and commissioning an independent evaluation of its work.

Since January, all grant management for CHSA was undertaken by the RCN Foundation's Grants Manager. As at the end of 2022, a total of 10,852 beneficiaries had been supported by the charity.

In September, ARC Research and Consultancy Ltd was appointed to undertake an independent evaluation of the impact of the work of CHSA. The evaluation took place during the final quarter of 2022. Key findings included that partnership working was critical to ensuring that support reached target groups, speed of decision-making was key in the context of the pandemic, and willingness to take a risk with emerging organisations showing signs of success was a factor in the success of the grant-making.

A closure plan was developed, and the Foundation is working with its legal advisers to close the charity. Due to the legal requirements in relation to the closure, CHSA will now close in 2023, having completed its mission to support all health and care staff affected by the pandemic.

7. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

The Foundation continued to work closely with the Royal College of Nursing and RCNi as part of the RCN Group. An RCN Foundation Trustee continued to sit on the RCN Group Audit Committee, and the RCN Group Remuneration Committee.

In 2022, an in-person RCN Congress was held for the first time since 2019. The Foundation co-hosted two events as part of the Learning and Wellbeing fringe programme. An event was held in partnership with the RCN Older People's Forum entitled *Providing psychological support to nursing teams working within care home settings throughout COVID-19 and beyond*. The Chief Nurse for Social Care within the Department of health and Social Care was a keynote speaker at the event. A second fringe event was held in partnership with the RCN Nurses in Management and Leadership Forum entitled *Leadership Legacies from COVID-19*. The Chief Nursing Officer for Wales was a keynote speaker at the event.

The Foundation also continued to have a presence on the RCN Group exhibition stand at Congress.

In October, the RCN Group entities partnered with NHS England and NHS Improvement to host a virtual conference on greener nursing practice. The conference focused on practical and innovative things that the nursing and midwifery professions could do to reduce CO2 emissions and improve the health of patients. Elizabeth Iro, the World Health Organisation's Chief Nurse gave the keynote speech.

As part of the event, nurses presented innovations aimed at reducing carbon emissions within health care. In a Dragon's Den-style panel, the winner received a grant from the RCN Foundation to implement their project.

Here for Life Campaign

Policies

During 2022, the Board approved the Foundation's Fundraising Communications with Vulnerable Supporters Policy.

Our position on modern slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2023

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing- and midwifery-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the professions.

2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.

3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various digital and other communication platforms.

4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work.

5. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

6. Disseminate the findings of the evaluation of RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal. Close the subsidiary charity in 2023.

7. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

Financial review

Investments, policy and performance

The RCN Foundation Group, which incorporates the RCN Foundation and the COVID-19 Healthcare Support Appeal, is subject to the Trustee Act 2000. The Group's investment objective is to seek to protect real income and capital growth over time. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The board oversees the management of the group's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the board as appropriate

The Trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short-term fund consisting of cash, short-term deposits and short-dated bonds. During 2022, £3.5m had been transferred from the long-term to short-term portfolio following a request from the Trustees. Of this, £500,000 was withdrawn for cashflow purposes. At 31 December 2022, £3.5m was held in the short-term fund as Money Market Investments and is shown as a current asset on the balance sheet (31 December 2021: £500k).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the group's ethical requirements.

The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the Trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies. Specific restrictions include the avoidance of any investment in companies that manufacture tobacco products and alcohol, and in companies that are involved in gambling, adult entertainment, armaments, cluster bombs and landmines and civilian firearms. Moreover, the portfolio excludes investments in companies dealing with the extractions of thermal coal and the production of oil tar sands. Environmental, social and governance (ESG) factors are also embedded in the investment process for stock selection.

The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility, and have taken a low to medium level of risk approach.

2022 has been a difficult year for the valuation of the RCN Foundation investment portfolio, with reported net losses of £5.4m (31 December 2021: net gains £3.5m). On the contrary, the gross investment income in the year ended 31 December 2022 was £990,000 (associated investment management fees of £155,000) which was 22% higher compared to the gross income received in 2021 (£809,000, associated investment management fees of £169,000). The movement in the investments resulted in a significant decrease in the market value of the combined portfolio from £41.6m at the start of the year to £35.8m at the end of the year.

We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities.

Review of financial position

The financial statements are presented in the format required under the 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2022 and the balance sheet as at 31 December 2022 are set out on pages 40 and 42. The statement of financial activities shows that the RCN Foundation Group had a net loss of £6.2m in the year ended 31 December 2022 (31 December 2021: net surplus of £1.1m).

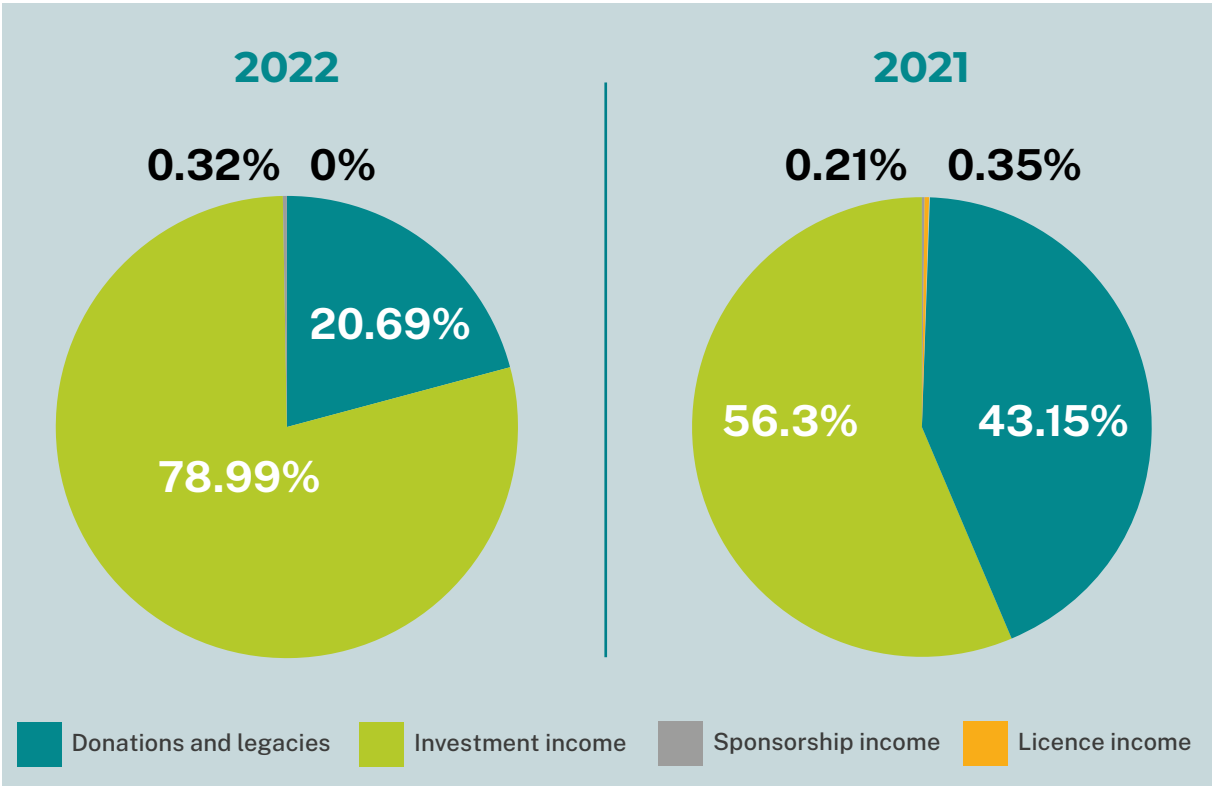
Income

The RCN Foundation Group income is made up of income from donations and legacies, income from trading activities and investment income.

Total income in the year was £1,253k which is 14% lower than the previous year (31 December 2021: £1,465k). After a couple of years where donors have been particularly generous towards the RCN Foundation Group cause, the decrease in donations received in 2022 reflects the UK difficult socio-economic climate.

Legacies, donations and gift aid amounted to £259k (31 December 2021: £648k). Income earned from other trading activities includes sponsorship income of £4k.

Investment income for the year was £990k (31 December 2021: £809k) of which £745k was unrestricted (31 December 2021: £609k). The RCN Foundation Group investments reported net losses of £5,367k (31 December 2021: £3,534k gains) mainly due to unrealised losses on the investment portfolio.



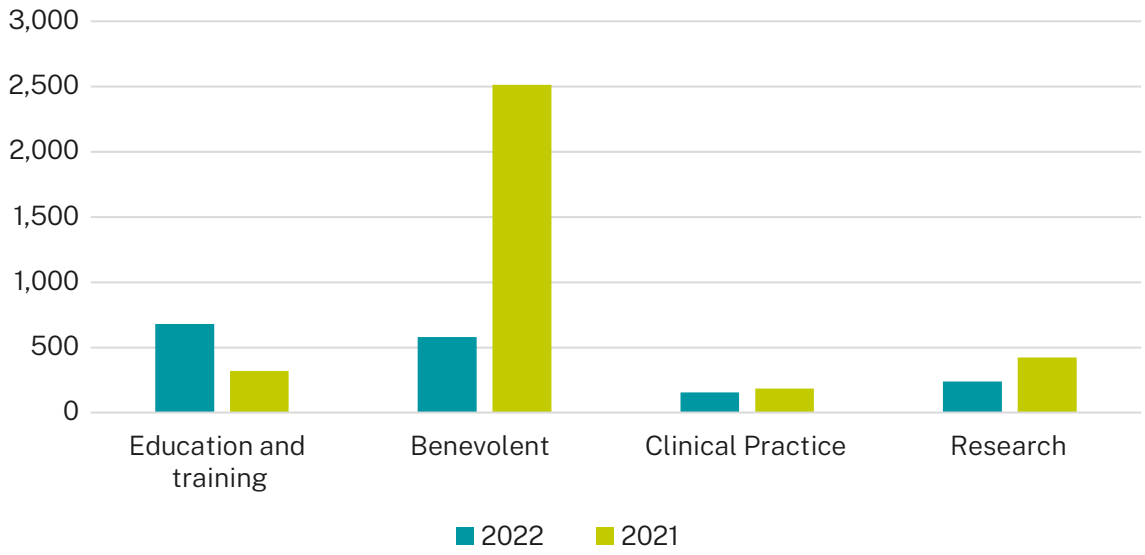
Expenditure

The RCN Foundation Group expenditure in the year amounted to £2,207k (31 December 2021: £3,877k) of which £1,405k (31 December 2021: £3,236k) was from unrestricted funds.

In 2022 expenditure decreased by 43% compared to 2021. The variance is due to the amount of benevolent grants awarded in response to the COVID-19 pandemic in 2021. CHSA completed its grant-making activities in 2021, the charity will be wound up in the summer of 2023.

2022 vs 2021 charitable expenditure

	Education and training £'000	Benevolent £'000	Clinical practice £'000	Research £'000
2021	£321	£2,515	£184	£424
2022	£762	£578	£155	£236



In 2022, £1,006k in grants were paid (31 December 2021: £2,861k). Of these, £592k was paid to individuals - £280k relates to benevolent grants awarded through the RCN Foundation Benevolent Service (31 December 2021: £229k), £312k to educational bursaries (31 December 2020: £111k). £414k was paid to 11 organisations, £9k unused grant was returned to CHSA in 2022.

A fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing, and other services and is included within unrestricted expenditure. This was 802k in the year ended 31 December 2022 (31 December 2021: £626k). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation Group plus 12% overheads for RCN Foundation staff. The increase in fee is due to the recruitment of two new roles, Digital Marketing & Communications Officer and the Benevolent Grants Officer.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £476k, this figure includes investment management fees, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2021: £433k). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2022: £156k; 31 December 2021: £169k).

In the year trustee expenses of £4,902 were incurred (31 December 2021: £1,101). While in 2021 the COVID-19 pandemic restrictions limited travelling for Trustees, more costs have been incurred as a result of attending events like the Impact Awards and RCN Congress. These costs are treated as unrestricted expenditure.

Reserves

The RCN Foundation Group has adopted a reserves position which it considers appropriate to ensure it can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The level of free reserves at 31 December 2022 was £26,142k (31 December 2021: £30,496k), which accounts for about 70% of total reserves held by the charity. This excludes those unrestricted funds that have been earmarked for particular purposes by the trustees and are shown as designated funds on the Balance Sheet and excludes tangible fixed assets. The £4.4m decrease in reserves is due to a combination of net deficit and net losses on the investment portfolio.

The investment and reserves policies, set by the Trustees at £18.5m, reflect their acknowledgment that the RCN Foundation Group is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The Trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy. For these reasons, as well as the recent changes in the socio-economic environment, the Trustees will review the current reserves policy in 2023, to ensure a level of free reserves in line with the long term objectives of the charity.

RCN Foundation Group accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a strategic report for that purpose.

Principle risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the level of risk that the Foundation is willing to take in order to meet its strategic objectives. There are a range of appetites for different risks and these are set out below.

Financial

Appetite for risk: low

There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. In 2022, progress against the objectives in the 2021 Fundraising Strategy has been slower than expected. The strategy will be implemented more comprehensively in 2023. Investment income remained robust, although the value of the portfolio fell by 21% during the year. However, the value of the portfolio remained well above the Foundation's agreed reserves level, as indicated above.

Governance

Appetite for risk: low

There were a number of governance risks that were kept under review during the year. These included: the ability to recruit new trustees and advisers with the skills and experience required to fill existing vacancies; and the potential for Board and committee meetings to be inquorate due to the demands on trustees who worked clinically. Governance risks were kept under review by the Appointments Panel and the Board. Mitigating actions taken during the year included using an agency with relevant experience to recruit new advisers, and managing agendas to ensure decision items were discussed when meetings were quorate.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues.

Operational

Appetite for risk: medium

The ability to deliver our grant-making plans continued to feature as a key risk. In 2022, key risks included: the implementation of the new Benevolent Service in a timely and efficient manner, following its transition from the RCN to the Foundation; the delivery of a significantly expanded education grants programme following a six-figure donation; and the development of the learning disability strand of our grants programme.

External Environment

Appetite for risk: medium

Economic upheaval in the UK and the cost of living crisis were key risks faced by the Foundation in 2022. We faced a 'double whammy' in relation to these risks – they adversely affected the Foundation's financial performance, leading to lower income returns, at a time when the challenges faced by our beneficiaries was increasing leading to greater demand for support.

The Foundation Board maintained close oversight of the impact of the external financial climate on the charity's income and expenditure, both through the management accounts and the risk register. Expenditure was planned throughout the year. This meant that in the event that there was a severe reduction in income, expenditure could be curbed as necessary.

Board of Trustees

External advisers; reference and administrative details; structure, governance and management

Board of Trustees

The Trustees who are in office or have been during 2022 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Christine Perry, Vice-Chair and Chair of the Appointments Panel

Elizabeth Jane Cantrell, Chair of the Scotland Committee

Catherine Deakin

Gregory Dix, Chair of the Wales Committee

Professor Jacqueline Dunkley-Bent OBE

Alison Hoad (from 01 August 2022)

Gordon Hull, Chair of the Income Generation and Investment Committee

David Jones, Chair of the Income Generation and Investment Committee (retired 31 July 2022)

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee

Professor Charlotte McArdle

Anthony Osijo

External Advisers

The external advisers on our committees are:

Victoria Bennett (Income Generation and Investment Committee)

Fiona Bickley (Appointments Panel) (from 1 September 2022)

Professor Michael Brown (Scotland Committee)

Matthew Craddock (Income Generation and Investment Committee) (from 1 September 2022)

Ann Gow (Grants Committee)

Joanne Griffin (Income Generation and Investment Committee) – (resigned 24 April 2022)

Alison Hoad (Income Generation and Investment Committee) (resigned 31 July 2022)

Dawn Jackson (Grants Committee)

Katrin Lehmann (Grants Committee) (from 1 September 2022)

Mickella Lewis-Purvis (Grants Committee)

Yvette Lloyd (Income Generation and Investment Committee) (resigned 31 March 2022)

Professor Donna Mead OBE (Wales Committee)

Jane Miles (Grants Committee) (resigned 31 May 2022)

Hemal Naran (Income Generation and Investment Committee) (from 1 September 2022)

Tanya Strange MBE (Wales Committee)

Sian Thomas (Wales Committee)

Vivien Waterfield (Income Generation and Investment Committee)

Andrew Wauchope (Income Generation and Investment Committee) (from 1 September 2022)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN

Telephone 020 7409 3333

Website: rcnfoundation.rcn.org.uk

Bankers

National Westminster Bank PLC
1 Cavendish Square, London W1A 4NU

Independent auditors

Crowe U.K. LLP
55 Ludgate Hill, London EC4M 7JW

Lawyers

Bates Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Taylor Vinters LLP
Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ

Investment managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered Charity: 1134606

Scottish registered charity SC043663

Registered Company: 7026001

Case study

How can psychological first aid support care workers in UK care homes?

A study by Northumbria University and the University of the Highlands and Islands

What is the problem?
Care homes have been dramatically impacted by the COVID-19 pandemic. Staff working in these settings have been affected by increased workload, resident deaths, and negative publicity. It is therefore important that we understand the best ways to help care home staff deal with traumatic events.

Psychological First Aid (PFA) is an intervention used to reduce the impact of trauma. PFA aims to increase feelings of safety, hopefulness and connectedness, and has been shown to be useful for reducing stress and improving coping. During the COVID-19 pandemic, Public Health England suggested PFA should be available to all front-line staff, and it was made free through the government website. However, little is known about how useful PFA is for care home staff.

What we did?
We used an online survey to understand how many people working in UK nursing and care homes have had PFA training, how PFA may affect stress and coping abilities compared to staff who have not had the training, and what their experiences of the training was like.

What we found?
388 staff members from care homes across the UK took part in the survey, 37 (9.5%) had done PFA training.

Staff who had PFA training said they coped better, felt safer and more hopeful compared to staff who had not had the training. They also told us they found it useful for increasing their self-awareness, improving their relationships with others, and helped them to overcome stress.

Staff members also shared that a lack of awareness of PFA made accessing the training challenging but believed the benefits of the training mean it should be mandatory for everyone working in a nursing or care home.

What next?
Findings suggest that PFA training is useful for supporting care home staff facing traumatic events.

More research is needed with larger groups of health / social care workers doing PFA training to understand how it may help well-being over longer periods of time. Work is also needed to see how the training can be tailored to meet the specific needs of staff in these settings as they continue to deal with the long-term impacts of the COVID-19 pandemic.

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the Royal College of Nursing in the United Kingdom (RCN UK) is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the Royal College of Nursing, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the Royal College of Nursing that sets out how the two organisations will work together to support nursing and midwifery, and improve care.

Objects

The objects of the RCN Foundation are to:

- Promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing including those who are students
- Promote the advancement of nursing as a profession in all or any of its branches
- Promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- Relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The Board has provision for no fewer than 7 and no more than 12 Trustees, four of whom are members of the Royal of College of Nursing and a member of RCN Council is included in the recruitment process. At least three of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual Board Awayday. The two substantive committees of the Board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis.

The Grants Committee is accountable to the Board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the Board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager.

The membership of these committees is largely drawn from the Board and the committees are chaired by a Trustee. We have also appointed additional independent members with particular relevant experience and expertise to our committees.

The Appointments Panel oversees the recruitment and appointment of Trustees, Chair and Vice Chair elections, and committee appointments on behalf of the Board. It also oversees Trustees' induction, development programmes and performance review.

The Foundation also has two country committees, one for Scotland and a second for Wales. The role of these committees is to raise the profile of the Foundation's work in their respective countries; bring knowledge of the key country-specific issues affecting nursing, midwifery and healthcare to the attention of the Foundation; and aim to raise funds for the Foundation's work. Country committees are chaired by a Trustee from the relevant country.

Terms of reference for all committees have been agreed by the Board.

Management

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a Services Agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Digital, Marketing and Communications Officer; Benevolent Grants Manager;Benevolent Grants Officer; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation is also supported throughout the year by a number of RCN staff as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which is available on the Foundation website.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A financial strategy was developed in 2019.

Conflicts of interest

We have a register of interests which is updated regularly. We have guidance for managing conflicts and we ask Trustees and advisers to identify any conflicts at the beginning of each meeting.

Fundraising statement

The RCN Foundation is committed to achieving its charitable objectives to support and strengthen nursing and improve patient care. We fundraise so that we can deliver our charitable objectives.

Our fundraising function operates within the guidance provided by the Fundraising Regulator, and all fundraising activity supports the Code of Fundraising Practice. We promise to be open, honest, clear, respectful, fair, reasonable, and accountable.

All Foundation staff and volunteers, including the Board of Trustees, have a responsibility to be aware and have a thorough understanding of fundraising best practice. The Foundation respects the rights of its supporters to clear, truthful information about our work, how donations and other income are spent, and how we manage donors' information responsibly.

The individuals that we mail are our supporters with whom we already have a relationship, and who have given their consent to be contacted by us. All supporter data is stored securely and is GDPR compliant. We never buy in any data lists for fundraising, and we do not sell or share supporter details with any other individuals or organisations.

We employed two professional fundraising agencies with regard to key aspects of our fundraising activities in 2022. All other fundraising activities were planned and delivered in house by our small fundraising team, who build relationships with our supporters.

Our policies and procedures are compliant with best practice as set out by the Chartered Institute of Fundraising, with the best interests of the charity's donors and the vulnerable paramount. We never pressure anyone to make a donation and take particular care to avoid asking vulnerable people for donations. This is clearly set out in our policy on Fundraising Communications with Vulnerable Supporters.

We will not solicit or accept donations from companies or individuals who participate in activities which could cause detriment to the charity's reputation or work.

The charity received no complaints regarding its fundraising activities in 2022. Complaints are taken very seriously and will be investigated, with disciplinary action being taken where appropriate. If a complaint is deemed serious enough it may result in the removal of a fundraiser from a campaign and/or the termination of a campaign. As an organisation committed to learning we review our fundraising practices annually and update all fundraising processes and policies to ensure the highest fundraising standards are achieved.

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during the year.

With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public.

Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care practitioners, and through them patients and families.

Thank you.

Mearns&Pike
LOVE WHAT YOU DO

SCHOLASTIC

salt.

THE LEATHERSELLERS' FOUNDATION

deliveroo

The Worshipful Company of Needlemakers

Sponsored by
LIVERPOOL VICTORIA
Car • Home • Travel • Pet
LV.com/RCN

the lightbody foundation

THE LIGHT FUND
Licensed to Give

NHS

Statement of Trustees' responsibilities

The Trustees (who are also directors of RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 incoming resources and application of resources, including 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 the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- 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.

The Trustees' Annual Report on pages 6 to 19 was approved by the board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 25 April 2023

Independent auditor's report to the members and Trustees of the RCN Foundation

Opinion

We have audited the financial statements of RCN Foundation ('the charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet the Statement of Cashflows and notes to the financial statements, including 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 December 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 contained within the annual report. 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.

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 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 our audit

- the information given in the Trustees' report, which includes the directors' report, prepared 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 directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of responsibilities set out on page 34, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these

laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, United Kingdom

Date: 31 May 2023

Financial statements

Statement of financial activities 31 December 2022 (Incorporating the income and expenditure account)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	RCNF 2022 £'000	RCNF Group 2022 £'000	RCNF 2022 £'000	RCNF Group 2022 £'000	RCNF 2022 £'000	RCNF Group 2022 £'000	RCNF 31 December 2022 £'000	RCNF Group 31 December 2022 £'000
Income from:									
Income and endowments									
Donations and legacies	2	60	61	198	198	–	–	258	259
Income earned from other activities									
Investment income	3	745	745	245	245	–	–	990	990
Income earned from other trading activities									
Sponsorship income		4	4	–	–	–	–	4	4
Licence income		–		–	–	–	–	–	–
Total income		**809**	**810**	**443**	**443**	–	–	**1,252**	**1,253**
Expenditure									
Cost of raising funds	4	476	476	–	–	–	–	476	476
Expenditure on charitable activities:									
Education and training		443	443	319	319	–	–	762	762
Benevolent fund		214	245	333	333	–	–	547	578
Clinical practice and promoting the profession		155	155	-	–	–	–	155	155
Research		86	86	150	150	–	–	236	236
Total expenditure	4	**1,374**	**1,405**	**802**	**802**	–	–	**2,176**	**2,207**
Net (expenditure) before investment (losses)		**(565)**	**(595)**	**(359)**	**(359)**	–	–	**(924)**	**(954)**
Net (losses) on investments	13	**(3,965)**	**(3,965)**	**(1,278)**	**(1,278)**	**(124)**	**(124)**	**(5,367)**	**(5,367)**
Net expenditure for the year		**(4,530)**	**(4,560)**	**(1,637)**	**(1,637)**	**(124)**	**(124)**	**(6,291)**	**(6,321)**
Transfers between funds	13	**(3)**	**(3)**	**196**	**196**	**(193)**	**(193)**	–	–
Net movement in funds	13	**(4,533)**	**(4,563)**	**(1,441)**	**(1,441)**	**(317)**	**(317)**	**(6,291)**	**(6,321)**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**30,931**	**30,962**	**10,151**	**10,151**	**783**	**783**	**41,865**	**41,896**
Fund balances carried forward at the end of the period	13	**26,398**	**26,399**	**8,710**	**8,710**	**466**	**466**	**35,574**	**35,575**

Notes on pages 44 to 66 form part of these financial statements.

BACK TO CONTENTS

Statement of financial activities 31 December 2021 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 31 December 2021 £'000	RCNF Group 31 December 2021 £'000
Income from:									
Income and endowments									
Donations and legacies	2	96	124	524	524	–	–	620	648
Income earned from other activities									
Investment income	3	609	609	200	200	–	–	809	809
Income earned from other trading activities									
Sponsorship income		3	3	–	–	–	–	3	3
Licence income		–	–	5	5	–	–	5	5
Total income		**708**	**736**	**729**	**729**	**–**	–	**1,437**	**1,465**
Expenditure									
Cost of raising funds	4	433	433	–	–	–	–	433	433
Expenditure on charitable activities:									
Education and training		140	140	181	181	–	–	321	321
Benevolent fund		524	2,270	245	245	–	–	769	2,515
Clinical practice and promoting the profession		184	184	–	–	–	–	184	184
Research		209	209	215	215	–	–	424	424
Total expenditure	4	**1,490**	**3,236**	**641**	**641**	**–**	–	**2,131**	**3,877**
Net income/(expenditure) before investment gains/ (losses)		**(782)**	**(2,500)**	**88**	**88**	**–**	–	**(694)**	**(2,412)**
Net gains on investments	13	**2,611**	**2,611**	**841**	**841**	**82**	**82**	**3,534**	**3,534**
Net income for the year		**1,829**	**111**	**929**	**929**	**82**	**82**	**2,840**	**1,122**
Transfers between funds	13	**(68)**	**(68)**	**70**	**70**	**(2)**	**(2)**	**–**	**–**
Net movement in funds	13	**1,761**	**43**	**999**	**999**	**80**	**80**	**2,840**	**1,122**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**
Fund balances carried forward at the end of the period	13	**30,931**	**30,962**	**10,151**	**10,151**	**783**	**783**	**41,865**	**41,896**

Balance sheet as at 31 December 2022

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6	1	2	1	2
Long-term investments	8.1	32,301	41,134	32,301	41,134
Total fixed assets		**32,302**	**41,136**	**32,302**	**41,136**
Current assets					
Debtors	9	24	135	24	131
Short-term investments	8.2	3,519	500	3,519	500
Cash at bank and in hand		551	724	551	1,475
Total current assets		**4,094**	**1,359**	**4,094**	**2,106**
Liabilities					
Creditors: amounts falling due within one year	10	(764)	(592)	(763)	(1,308)
Net current assets		**3,330**	**767**	**3,331**	**798**
Total assets less current liabilities		**35,632**	**41,903**	**35,633**	**41,934**
Creditors: amounts falling due after one year	10	(58)	(38)	(58)	(38)
Total net assets		**35,574**	**41,865**	**35,575**	**41,896**
The funds of the charity					
Restricted funds:					
Permanent endowment	13	82	765	82	765
Expendable endowment	13	384	18	384	18
Restricted income funds	13	8,710	10,151	8,710	10,151
Total restricted funds		**9,176**	**10,934**	**9,176**	**10,934**
Unrestricted funds:					
Revaluation reserve	12	991	8,991	991	8,991
General funds	13	25,141	21,474	25,142	21,505
Designated funds	13	266	466	266	466
Total unrestricted funds	**13**	**26,398**	**30,931**	**26,399**	**30,962**
Total charity funds		**35,574**	**41,865**	**35,575**	**41,896**

Approved and authorised for issue by the Board of Trustees on 25 April 2022 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

Statement of cash flows

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		£'000	£'000	£'000	£'000
Reconciliation of net movement in funds to net cash flow from operating activities:					
Net movement in funds		(6,291)	2,840	(6,321)	1,121
Dividends and interest from investments		(990)	(809)	(990)	(809)
Losses/(gains) from investments		5,367	(3,534)	5,367	(3,534)
Decrease/(increase) in debtors	9	111	(51)	107	(47)
Increase/(decrease) in creditors	10	192	219	(525)	(374)
Net cash (used) in operating activities		**(1,611)**	**(1,335)**	**(2,362)**	**(3,643)**
Cash flows from investing activities:					
Dividends and interest from investments	3	990	809	990	809
Proceeds from sale of investments	8.1	20,973	10,144	20,973	10,144
Purchase of investments	8.1	(16,075)	(10,118)	(16,075)	(10,118)
Net cash provided by investing activities		**5,888**	**835**	**5,888**	**835**
Change in cash and cash equivalents in the reporting period		**4,277**	**(500)**	**3,526**	**(2,808)**
Opening cash at bank		724	758	1,474	3,817
Opening cash in investments		362	1,320	362	1,320
Opening cash in short-term investment		500	–	500	–
Cash and cash equivalents at the beginning of the reporting period		**1,586**	**2,078**	**2,336**	**5,137**
Change in cash and cash equivalents due to exchange rate movements		**(557)**	**8**	**(556)**	**8**
Cash and cash equivalents at the end of the reporting period		**5,306**	**1,586**	**5,306**	**2,337**
Represented by:					
Closing cash at bank		551	724	551	1,475
Closing cash held in investment portfolio		1,236	362	1,236	362
Closing cash in short-term investment		3,519	500	3,519	500
Total cash and cash equivalents		**5,306**	**1,586**	**5,306**	**2,337**

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2022.

The RCN Foundation Group financial statements consolidate the accounts of the RCN Foundation and its subsidiary, COVID-19 Healthcare Support Appeal.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2022.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Measurability in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the Trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2022 %	31 December 2021 %
Cost of raising funds	23	20
Education and training	32	15
Benevolent fund	26	36
Clinical practice	8	9
Research	11	20

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions have been satisfied by the recipient. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of Trustee meetings and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

The only asset held by the RCN Foundation is a customer relationship management database. The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the statement of financial activities as they arise. Realised and unrealised investment gains and losses are combined in the statement of financial activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide

for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate Trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the Trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2022 £131,215 (2021: £100,635) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation. The RCN Foundation is planning to spend the remaining funds in the next two years.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the service level agreement (SLA) they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as

at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation Board of Trustees has reviewed the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged.

The board is of the opinion that the sustainability and viability of the business as a going concern are not threatened. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business. The RCN Foundation is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements.

2. Donations and legacies

RCN Foundation

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Regular giving	16	11	84	97	100	108
Major donors		24	83	21	83	45
Legacies	9	(34)	11	69	20	35
Corporate income and partnership	6	57	14	320	20	377
Other donations	26	37	2	7	28	44
Gift aid	3	1	4	10	7	11
Total	**60**	**96**	**198**	**524**	**258**	**620**

The negative amount in legacies for 2021 relates to a legacy incorrectly accounted for in 2021.

RCN Foundation Group

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Regular giving	16	11	84	97	100	108
Major donors		24	83	21	83	45
Legacies	9	(34)	11	69	20	35
Corporate income and partnership	6	57	14	320	20	377
Other donations	26	65	2	7	28	72
Gift aid	4	1	4	10	8	11
Total	**61**	**124**	**198**	**524**	**259**	**648**

3. Investment income

	31 December 2022 £'000	31 December 2021 £'000
UK equities	397	337
Overseas equities	383	310
UK fixed interest	179	162
Bank interest	31	–
Overseas fixed interest	–	–
Total	**990**	**809**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

4.1. RCN Foundation

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Grants/bursaries:								
— to organisations	–	–	423	840	–	–	423	840
— to individuals	–	–	592	340	–	–	592	340
RCN UK service fee	159	179	338	264	305	183	802	626
Investment management fee	156	169	–	–	–	–	156	169
Fundraising costs	65	21	–	–	–	–	65	21
Trustee costs	–	–	–	–	38	47	38	47
Audit and tax advice	–	–	–	–	14	14	14	14
Publicity and events	–	–	–	–	45	32	45	32
Professional services	–	–	–	–	17	30	17	30
Travel and subsistence	–	–	–	–	2	–	2	–
IT costs	–	–	6	–	–	–	6	–
Miscellaneous cost	–	–	–	–	16	12	16	12
	380	**369**	**1,359**	**1,444**	**437**	**318**	**2,176**	**2,131**
Support costs	96	64	341	254	(437)	(318)	–	–
Total	**476**	**433**	**1,700**	**1,698**	–	–	**2,176**	**2,131**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £13,500 including VAT are included in these financial statements (31 December 2021: £13,830).

4.2. RCN Foundation Group

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2022 £'000	**2021** £'000	**2022** £'000	**2021** £'000	**2022** £'000	**2021** £'000	**31 December 2022** £'000	**31 December 2021** £'000
Grants/bursaries:								
— to organisations	–	–	414	2,521	–	–	414	2,521
— to individuals	–	–	592	340	–	–	592	340
RCN UK service fee	159	179	338	264	305	183	802	626
Investment management fee	156	169	–	–	–	–	156	169
Fundraising costs	65	21	–	–	–	–	65	21
Trustee costs	–	–	–	–	38	47	38	47
Audit and tax advice	–	–	–	–	14	23	14	23
Publicity and events	–	–	–	–	45	36	45	36
Professional services	–	–	–	–	57	82	57	82
Travel and subsistence	–	–	–	–	2	–	2	–
IT costs	–	–	6	–	–	–	6	–
Miscellaneous cost	–	–	–	–	16	12	16	12
	380	**369**	**1,350**	**3,125**	**477**	**383**	**2,207**	**3,877**
Support costs	96	64	381	319	(477)	(383)	–	–
Total	**476**	**433**	**1,731**	**3,444**	–	–	**2,207**	**3,877**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

4.3. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice and promoting the profession		Research		Total charitable activities	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Grants/bursaries (note 5):										
— to organisations	209	70	–	350	68	90	146	330	423	840
— to individuals	312	111	280	229	–	–	–	–	592	340
RCN UK service fee	88	92	151	75	56	66	43	31	338	264
IT costs	–	–	6	–	–	–	–	–	6	–
Care home summit	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	–	–	–	–	–	–	–	–	–
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	–	–	–	–	–	–	–
	609	**273**	**437**	**654**	**124**	**156**	**189**	**361**	**1,359**	**1,444**
Support costs	153	48	110	115	31	28	47	63	341	254
Total	**762**	**321**	**547**	**769**	**155**	**184**	**236**	**424**	**1,700**	**1,698**

In 2022, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs – RCN Foundation

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee). Under these arrangements there are ten employee who work for RCN Foundation (31 December 2021: ten employees), one of whom falls into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,758 (31 December 2021: £10,002).

	31 December 2022 £'000	31 December 2021 £'000
Wages and salaries	572	463
Social security costs	64	51
Other pension costs	66	52
Total	**702**	**566**

4.4. Expenditure on charitable activities – RCN Foundation Group

	Education and training		Benevolent funds		Clinical practice and promoting the profession		Research		Total charitable activities	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Grants/bursaries (note 5):										
— to organisations	209	70	(9)	2,031	68	90	146	330	414	2,521
— to individuals	312	111	280	229	–	–	–	–	592	340
RCN UK service fee	88	92	151	75	56	66	43	31	338	264
IT costs	–	–	6	–	–	–	–	–	6	–
Care home summit	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	–	–	–	–	–	–	–	–	–
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	–	–	–	–	–	–	–
	609	**273**	**428**	**2,335**	**124**	**156**	**189**	**361**	**1,350**	**3,125**
Support costs	153	48	150	180	31	28	47	63	381	319
Total	**762**	**321**	**578**	**2,515**	**155**	**184**	**236**	**424**	**1,731**	**3,444**

Staff costs – RCN Foundation Group

The RCN Foundation Group does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee) and an arrangement is in place between RCN UK and CHSA for the provision of services to CHSA. In 2022, no employee worked for CHSA (31 December 2021: one).

	31 December 2022 £'000	31 December 2021 £'000
Wages and salaries	572	490
Social security costs	64	54
Other pension costs	66	55
Total	**702**	**599**

5. Grants payable

Grants payable – RCN Foundation

	Unrestricted funds		Restricted funds		Total grants payable	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Balance brought forward at start of period	–	**19**	**166**	**186**	**166**	**205**
Awarded in the period:						
Grants and bursaries	271	539	780	678	1,051	1,217
Unused awards written back	–	–	(36)	(37)	(36)	(37)
Charge to SOFA	**271**	**539**	**744**	**641**	**1,015**	**1,180**
Paid in period	(178)	(558)	(659)	(661)	(837)	(1,219)
Balance carried forward at the end of the period	**93**	–	**251**	**166**	**344**	**166**
Falling due within one year	93	–	193	128	286	128
Falling due after one year	–	–	58	38	58	38

Grants payable – RCN Foundation Group

	Unrestricted funds		Restricted funds		Total grants payable	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Balance brought forward at start of period	**700**	**1,310**	**166**	**186**	**866**	**1,496**
Awarded in the period:						
Grants and bursaries	271	2,220	780	678	1,051	2,898
Unused awards written back	(9)	–	(36)	(37)	(45)	(37)
Charge to SOFA	**262**	**2,220**	**744**	**641**	**1,006**	**2,861**
Paid in period	(869)	(2,830)	(659)	(661)	(1,528)	(3,491)
Balance carried forward at the end of the period	**93**	**700**	**251**	**166**	**344**	**866**
Falling due within one year	93	700	193	128	286	828
Falling due after one year	–	–	58	38	58	38

Grants were awarded as follows:

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	**31 December 2022** £'000	**31 December 2021** £'000	**31 December 2022** £'000	**31 December 2021** £'000
Aneurin Bevan University	–	10	–	10
British Association of Social Workers (BASW)	–	–	–	90
Body & Soul	–	–	–	98
Cardiff University	83	150	83	150
Care Workers Charity	–	–	–	150
Central and North West London NHS Foundation Trust	–	–	–	30
Doctors in Distress	–	–	–	80
Edinburgh Napier University	–	7	–	7
Frontline 19	–	–	–	175
Impact Foundation	9	13	9	13
Hospice UK	–	–	–	140
Hospital Consultants and Specialists Association (HCSA)	–	–	–	24
Institute of Health Visitors	–	16	–	66
Intensive Care Society	–	–	–	170
Lamplight Support Services (LSS)	–	350	–	350
Listen Up Storytelling	–	–	–	19
Northumbria University	11	20	11	20
Nurse Lifeline	–	–	–	50
Pharmacist Support	–	–	–	32
Queen Mary University	11	19	11	19
Queen's Nursing Institute (QNI)	2	38	2	168
Queen's Nursing Institute Scotland (QNIS)	–	–	–	59
RCN	4	–	4	123
RCN – Prince of Wales Cadet Scheme	–	50	–	50
RCN – Sharing nurses' life stories	–	4	–	4
Salt Thinking	62	22	62	22
Society and College of Radiographers	–	–	(9)	11
South Tyneside and Sunderland Charity	–	–	–	120
TASC (The Ambulance Staff Charity)	–	–	–	130
University of Edinburgh	200	101	200	101
University of West London (UWL)	–	10	–	10
University of Huddersfield	30	10	30	10
University of Hertfordshire	10	20	10	20
Total grants to organisations	**422**	**840**	**413**	**2,521**

	RCN Foundation		RCN Foundation Group	
	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Grants/bursaries to individuals:				
Educational bursaries	348	149	348	149
Educational bursaries write backs	(36)	(37)	(36)	(37)
Benevolent grants	276	206	276	206
COVID-19 related benevolent grants	4	22	4	22
Total grants to individuals	**592**	**340**	**592**	**340**

In the year the RCN Foundation Group awarded educational bursaries to 255 individuals (2021: 95) and benevolent grants to 618 individuals (2021: 378).

In the year the RCN Foundation awarded educational bursaries to 255 individuals (2021: 95) and benevolent grants to 618 individuals (2021: 378).

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2022		**14**	**–**	**14**
Disposals		–	–	–
Balance at 31 December 2022		**14**	–	**14**
Accumulated depreciation				
Balance at 1 January 2022		**12**	**–**	**12**
Charge for the year		1	–	**1**
Balance at 31 December 2022		**13**	–	**13**
Net book value at 31 December 2022		**1**	–	**1**
Net book value at 31 December 2021		**2**	**–**	**2**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2022 £'000	31 December 2021 £'000
Market value at the start of the year	40,772	37,273
Additions at cost	16,011	10,118
Call payments	64	–
Disposals at carrying value	(20,923)	(9,960)
Redemptions	(50)	(184)
Realised gain	3,191	2,435
Unrealised (loss)/gains	(8,000)	1,090
Investments at market value at the end of the year	**31,065**	**40,772**
Cash held for reinvestment	1,236	362
Market value at the end of the year	**32,301**	**41,134**
Historic cost at the end of the year	**31,317**	**32,143**

Investments at market value (including short-term investments) comprise:

	31 December 2022 £'000	31 December 2021 £'000
Listed investments		
Fixed interest (Government securities and bonds)	5,644	5,384
UK equities	7,638	8,756
Global equities	14,734	21,901
Alternative assets	1,697	2,883
Property	1,452	1,710
Liquid assets in long-term fund	1,136	1,001
Total	**32,301**	**41,635**

The Trustees believe that the carrying value of the investments is supported by their underlying net assets. All investments are owned by the RCN Foundation.

Holdings over 5%
None of the investments represented holdings in excess of 5% of the investment portfolio at the start or the end of the period.

8.2. Short-term investments

	31 December 2022 £'000	31 December 2021 £'000
Market value at the start of the year	500	1,000
Additions at cost	–	1,000
Redemptions	–	(2,000)
Investments at market value at year end	**500**	**–**
Cash held for reinvestment	3,019	500
Market value at the end of the year	**3,519**	**500**
Historic cost at end of the year	**3,519**	**500**

All investments are owned solely by the RCN Foundation.

9. Debtors

	RCN Foundation		RCN Foundation Group	
	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Prepayments and accrued income	18	127	18	127
Trade debtors	6	3	6	3
Due from RCN UK	–	–	–	–
Due from CHSA	–	4	–	–
Sundry debtor	–	1	–	1
Total	**24**	**135**	**24**	**131**

10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Amounts falling due within one year				
Trade creditors	3	77	3	77
Grants payable (note 5)	286	127	286	828
Accruals	76	115	76	123
Due to RCN UK	385	273	385	280
Other creditors	14	–	13	–
Total	**764**	**592**	**763**	**1,308**
Amounts falling due after one year				
Grants payable (note 5)	58	38	58	38
Total	**822**	**630**	**821**	**1,346**

11. Analysis of net assets between funds

RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Fund balances at the end of the period are represented by:								
Software	1	2	–	–	–	–	1	2
Investments	22,906	30,136	8,929	10,215	466	783	32,301	41,134
Current assets	4,062	1,258	32	101	–	–	4,094	1,359
– Current liabilities and provisions	(571)	(465)	(193)	(127)	–	–	(764)	(592)
– Non current liabilities	–	–	(58)	(38)	–	–	(58)	(38)
Total net assets	**26,398**	**30,931**	**8,710**	**10,151**	**466**	**783**	**35,574**	**41,865**

RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Fund balances at the end of the period are represented by:								
Software	1	2	–	–	–	–	1	2
Investments	22,906	30,136	8,929	10,215	466	783	32,301	41,134
Current assets	4,062	2,004	32	101	–	–	4,094	2,105
– Current liabilities and provisions	(570)	(1,180)	(193)	(127)	–	–	(763)	(1,308)
– Non current liabilities	–	–	(58)	(38)	–	–	(58)	(38)
Total net assets	**26,399**	**30,962**	**8,710**	**10,151**	**466**	**783**	**35,575**	**41,896**

12. Revaluation reserve

	31 December 2021 £'000	Investment unrealised (loss) £'000	31 December 2022 £'000
Revaluation Reserve	8,991	(8,000)	991
Total	**8,991**	**(8,000)**	**991**

In 2022, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation year end 31 December 2022

	31 December 2021 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2022 £'000
Endowment funds						
Permanent						
Educational funds	**98**	–	–	(16)	–	**82**
Research fund — Daphne Heald R&D Fund	**667**	–	–	(130)	(537)	–
Expendable						
Educational funds	–	–	–	–	–	–
Benevolent funds	–	–	–	–	–	–
Other funds	**18**	–	–	22	344	**384**
Total endowment funds	**783**	–	–	**(124)**	**(193)**	**466**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,589**	86	13	(476)	(12)	**3,200**
Trevor Clay Scholarship Fund	**292**	6	3	(66)	–	**235**
John Colyer Fund	**202**	4	(21)	(63)	–	**122**
Cowdray Scholarship Fund	–	–	–	–	–	–
Other educational funds	**660**	41	(314)	(25)	15	**377**
Total educational funds	**4,743**	**137**	**(319)**	**(630)**	**3**	**3,934**
Benevolent funds						
RCNF benevolent funds	**4,200**	254	(328)	(491)	97	**3,732**
Other benevolent funds	**1,065**	23	(5)	(118)	(97)	**868**
Total benevolent funds	**5,265**	**277**	**(333)**	**(609)**	–	**4,600**
Research funds	**143**	**29**	**(150)**	**(39)**	**193**	**176**
Total restricted funds	**10,151**	**443**	**(802)**	**(1.278)**	**196**	**8,710**
Unrestricted funds						
General funds	**30,465**	**809**	**(1,174)**	**(3,965)**	**(3)**	**26,132**
Designated funds						
Omaze	**466**	–	(200)	–	–	**266**
Other designated funds	–	–	–	–	–	–
Total designated funds	**466**	–	**(200)**	–	–	**266**
Total unrestricted funds	**30,931**	**809**	**(1,374)**	**(3,965)**	**(3)**	**26,398**
Total funds	**41,865**	**1,252**	**(2,176)**	**(5,367)**	–	**35,574**

13.2. RCN Foundation year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Research fund — Daphne Heald R&D Fund	**597**	–	–	70	–	**667**
Expendable						
Educational funds	**2**	–	–	–	(2)	–
Benevolent funds	**–**	–	–	–	–	–
Other funds	**16**	–	–	2	–	**18**
Total endowment funds	**703**	–	–	**82**	**(2)**	**783**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,239**	68	(31)	313	–	**3,589**
Trevor Clay Scholarship Fund	**336**	7	(65)	44	(30)	**292**
John Colyer Fund	**172**	4	(15)	41	–	**202**
Cowdray Scholarship Fund	**–**	–	–		–	–
Other educational funds	**271**	424	(71)	16	20	**660**
Total educational funds	**4,018**	**503**	**(182)**	**414**	**(10)**	**4,743**
Benevolent funds						
RCNF benevolent funds	**3,904**	179	(206)	323	–	**4,200**
Other benevolent funds	**997**	29	(39)	78	–	**1,065**
Total benevolent funds	**4,901**	**208**	**(245)**	**401**	–	**5,265**
Research funds	**233**	**18**	**(214)**	**26**	**80**	**143**
Total restricted funds	**9,152**	**729**	**(641)**	**841**	**70**	**10,151**
Unrestricted funds						
General funds	**28,590**	**708**	**(1,390)**	**2,611**	**(54)**	**30,465**
Designated funds						
Omaze	**512**	–	(100)	–	54	**466**
Other designated funds	**68**	–	–	–	(68)	–
Total designated funds	**580**	–	**(100)**	–	**(14)**	**466**
Total unrestricted funds	**29,170**	**708**	**(1,490)**	**2,611**	**(68)**	**30,931**
Total funds	**39,025**	**1,437**	**(2,131)**	**3,534**	–	**41,865**

13.3. RCN Foundation Group year end 31 December 2022

	31 December 2021 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2022 £'000
Endowment funds						
Permanent						
Educational funds	**98**	–	–	(16)	–	**82**
Research fund — Daphne Heald R&D Fund	**667**	–	–	(130)	(537)	–
Expendable						
Educational funds	–	–	–	–	–	–
Benevolent funds	–	–	–	–	–	–
Other funds	**18**	–	–	22	344	**384**
Total endowment funds	**783**	–	–	**(124)**	**(193)**	**466**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,589**	86	13	(476)	(12)	**3,200**
Trevor Clay Scholarship Fund	**292**	6	3	(66)	–	**235**
John Colyer Fund	**202**	4	(21)	(63)	–	**122**
Cowdray Scholarship Fund	–	–	–	–	–	–
Other educational funds	**660**	41	(314)	(25)	15	**377**
Total educational funds	**4,743**	**137**	**(319)**	**(630)**	**3**	**3,934**
Benevolent funds						
RCNF benevolent funds	**4,200**	254	(328)	(491)	97	**3,732**
Other benevolent funds	**1,065**	23	(5)	(118)	(97)	**868**
Total benevolent funds	**5,265**	**277**	**(333)**	**(609)**	–	**4,600**
Research funds	**143**	**29**	**(150)**	**(39)**	**193**	**176**
Total restricted funds	**10,151**	**443**	**(802)**	**(1,278)**	**196**	**8,710**
Unrestricted funds						
General funds	**30,496**	**810**	**(1,205)**	**(3,965)**	**(3)**	**26,133**
Designated funds						
Omaze	**466**	–	(200)	–	–	**266**
Other designated funds	–	–	–	–	–	–
Total designated funds	**466**	–	**(200)**	–	–	**266**
Total unrestricted funds	**30,962**	**810**	**(1,405)**	**(3,965)**	**(3)**	**26,399**
Total funds	**41,896**	**1,253**	**(2,207)**	**(5,367)**	–	**35,575**

13.4. RCN Foundation Group year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Research fund — Daphne Heald R&D Fund	**597**	–	–	70	–	**667**
Expendable			–			
Educational funds	**2**	–	–	–	(2)	–
Benevolent funds	**–**	–	–	–	–	–
Other funds	**16**	–	–	2	–	**18**
Total endowment funds	**703**	–	–	**82**	**(2)**	**783**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,239**	68	(31)	313	–	**3,589**
Trevor Clay Scholarship Fund	**336**	7	(65)	44	(30)	**292**
John Colyer Fund	**172**	4	(15)	41	–	**202**
Cowdray Scholarship Fund	**–**	–	–	–	–	–
Other educational funds	**271**	424	(71)	16	20	**660**
Total educational funds	**4,018**	**503**	**(182)**	**414**	**(10)**	**4,743**
Benevolent funds						
RCNF benevolent funds	**3,904**	179	(206)	323	–	**4,200**
Other benevolent funds	**997**	29	(39)	78	–	**1,065**
Total benevolent funds	**4,901**	**208**	**(245)**	**401**	–	**5,265**
Research funds	**233**	**18**	**(214)**	**26**	**80**	**143**
Total restricted funds	**9,152**	**729**	**(641)**	**841**	**70**	**10,151**
Unrestricted funds						
General funds	**30,339**	**736**	**(3,136)**	**2,611**	**(54)**	**30,496**
Designated funds						
Omaze	**512**	–	(100)	–	54	**466**
Other designated funds	**68**	–	–	–	(68)	–
Total designated funds	**580**	–	(100)	–	**(14)**	**466**
Total unrestricted funds	**30,919**	**736**	**(3,236)**	**2,611**	**(68)**	**30,962**
Total funds	**40,774**	**1,465**	**(3,877)**	**3,534**	–	**41,896**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

Transfers between funds - RCN Foundation

The transfer of £537,000 out of permanent endowments was processed after the Charity Commission agreed with the findings that the Daphne Heald R&D fund should have been treated as expendable endowment. Part of the amount transferred to the expendable endowment has been moved to the related research restricted fund (£193,000), as agreed by the Trustees, to fund one of the existing research projects.

The transfer of £97,000 to the RCNF Benevolent funds relates to the closure of the COVID-19 support fund that was established, through a transfer from RCNF Benevolent funds, in 2020 during the pandemic.

14. Related party transactions

During the year a service charge of £801,286 was incurred by the RCN Foundation Group to RCN based upon the agreed service level agreement to provide staff (31 December 2021: £625,982). As at 31 December 2022, £394,340 is outstanding from RCN Foundation Group to RCN for this service level agreement and arrangement to provide staff (31 December 2021, £321,152).

In the year the RCN Foundation awarded RCN a grant of £4,000 to run the Mary Abbott project. No balance is outstanding at the end of the year relating to this transaction.

15. Remuneration

None of the Trustees received remuneration. Costs incurred by the RCN Foundation Trustees while carrying out trustee duties amounted to £5,047 in the year (31 December 2021: £1,101). These expenses related to £2,794 in accommodation and meals and £2,253 in travel. These costs relate to 8 trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

16. Ultimate controlling party

The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN which are available from the above address.

20 Cavendish Square, London W1G 0RN
Tel: 020 7409 3333

rcnfoundation.rcn.org.uk

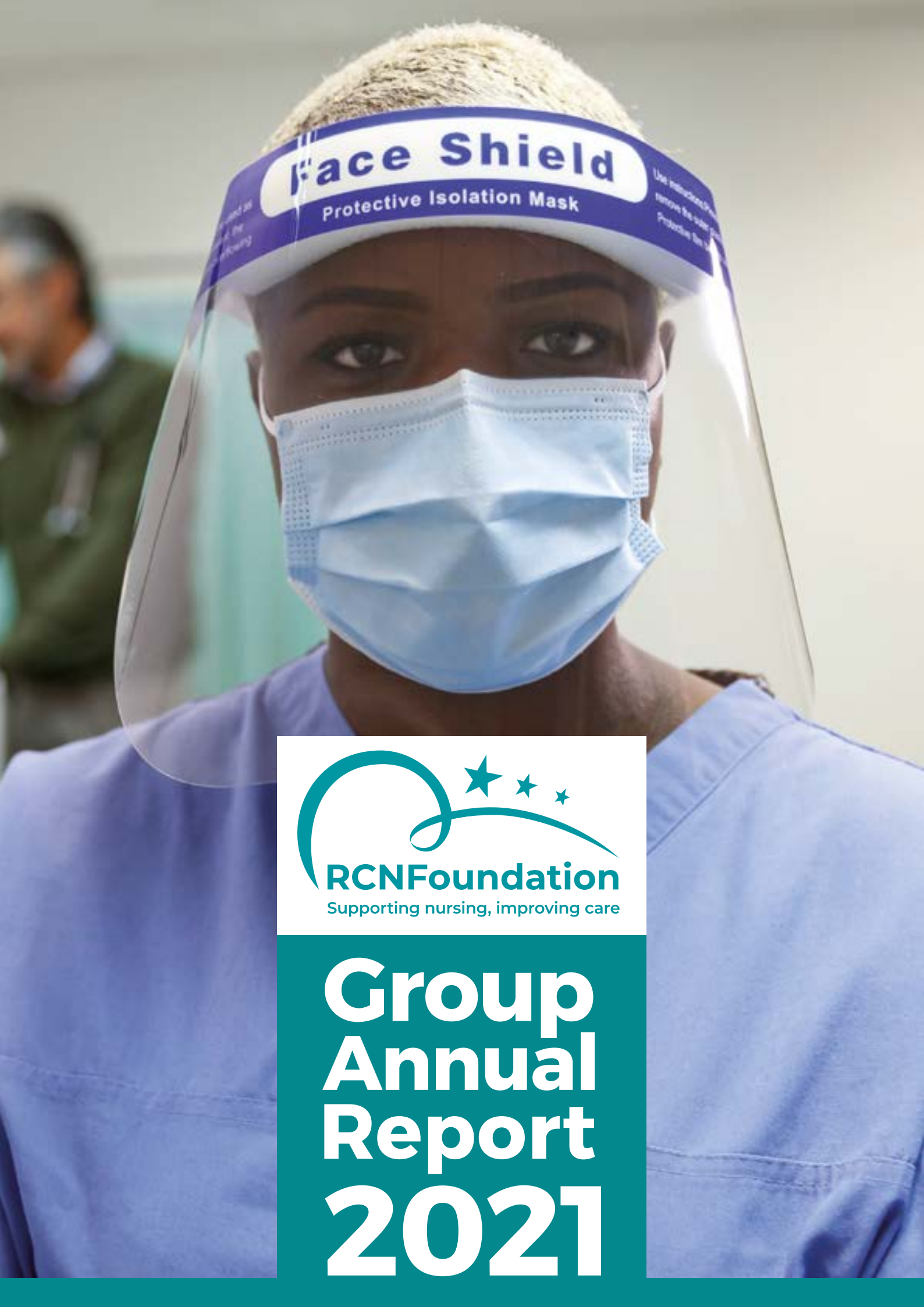
May 2023 | 010 603

Published by the Royal College of Nursing
The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992

THE RCN FOUNDATION

England & Wales - Charity number 1134606

Accounts



RCNFoundation
Supporting nursing, improving care

Group Annual Report 2021

The RCN Foundation Group Annual Report and Financial Statements 1 January to 31 December 2021

Contents

Introduction from the Chair and Director	3
Report of the Trustees	4
Financial review	20
Principal risks and uncertainties	24
Board of Trustees	26
Reference and administrative details	27
Structure, governance and management	29
Thank you to all our supporters	32
Statement of Trustees' responsibilities	34
Independent auditor's report	35
Financial statements	39

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious.**

Registered Charity: 1134606 | Scottish Registered Charity: SC043663 | Registered Company: 7026001

This document has been designed in collaboration with RCN members to ensure it meets most accessibility standards. However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction from the RCN Foundation Chair and Director

The RCN Foundation Group Annual Report shares highlights from our work in 2021 and sets out our plans for 2022. It also contains our financial statements for 2021.

As the pandemic continued across the UK and beyond, our work to support and strengthen the health and social care nursing and midwifery teams remained our top priority. Having quickly reorientated our work in 2020 so that we could provide emergency assistance to those in the professions hardest hit by the pandemic, we hoped that 2021 would become a year of trying to rebalance our work. It quickly became clear that this was not to be the case.

Alongside our ambition to deliver on our long-term priorities, we realised that we would need to 'flex and pivot' in order to address the ongoing challenges posed by the pandemic, not only for nursing and midwifery, but also for our own organisation. We faced a number of challenges brought on by the pandemic that had an impact on our programmes, operations and finances at a time when nursing and midwifery staff most needed us. These included fewer community fundraising events leading to less income in this area and slower delivery of some of our projects due to staff shortages.

However, our firm commitment to nursing and midwifery, to the health and care sectors, and to patients, those who needed support and their families, did not falter. We continued to provide a safety net through our benevolent grants, increased clinical skills and expertise through our education grants, and funded projects that will not only advance our knowledge of the impact of the pandemic on nursing practice, but also improve the care of some of society's most vulnerable individuals. Our annual report sets out what we have achieved in 2021 as well as the challenges that we faced.

During 2021, the work of our subsidiary charity, the COVID-19 Healthcare Support Appeal, continued to deliver tangible benefit and impact for wider health and care staff affected by the pandemic. The charity, set up following a £5m donation from TikTok, allocated the majority of its funding in grants to organisations working in health and social care. In 2021, the charity made grants totalling nearly £1.7m to 20 organisations. Since the start of the pandemic, over 9,000 individuals have been supported. Having fulfilled the purpose for which it was established, the charity intends to close at the end of 2022.

There is no doubt that it has been a tough 12 months for everyone involved in health and care and that it will continue to be so for the foreseeable future. We will continue to support collective efforts to build the longer-term recovery and resilience of the health and care sectors which is so vitally needed through the work that we do. It has never been more important to work together, and we can only look to the future with hope by doing so.

To all those who supported us this year, and made our work possible, we say a huge thank you. Your commitment and faith in us have once again enabled us to deliver real benefit for nursing and midwifery across the UK. Finally, we would also like to thank all those we were able to support in some way over the last year – thank you for allowing us to be part of your journey.

Professor Jane Cummings CBE RN
Chair

Deepa Korea
Director

Report of the Trustees
for the year ending 31 December 2021
(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation Group (comprising the RCN Foundation and the COVID-19 Healthcare Support Appeal) presents its annual report and financial statements for the year ended 31 December 2021 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances in 2021. It can be downloaded from the Foundation's website (**rcnfoundation.rcn.org.uk**), where there are further details about the Foundation's work and that of its subsidiary, the COVID-19 Healthcare Support Appeal.

Objectives

Throughout 2021, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. Despite the challenges presented by the pandemic, we carried out a robust programme of activity with a focus on achieving positive outcomes for nursing and midwifery staff, and the public. Our objectives for 2021, as listed in the 2020 Annual Report and Accounts, and the progress made against these objectives, are set out below.

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the profession.

During the year, we continued to support members of the nursing and midwifery team who were facing hardship by funding the Lamplight Support Service (LSS) which was administered by the Royal College of Nursing. LSS provided advice and grants to nurses, midwives and nursing support workers who were facing financial hardship because of a wide range of issues including physical and mental ill health, debt, relationship breakdowns, caring responsibilities, and domestic abuse. The majority of grants were for cost-of-living expenses. Support to nurses, midwives and nursing support workers affected by COVID-19 reduced significantly in 2021, although this was continually monitored throughout the year.

In 2021, the Foundation made grants to the value of £206,000 through LSS (2020: £225,000), with 76% of grant recipients reporting that they were more financially independent as a result of the grant they received. 961 individuals benefited from telephone assessments (2020: 1,088) and were, on average £6,000 (2020: £5,800) better off as a result of the advice they received.

During 2020 and early 2021, the Foundation engaged in discussions with the RCN about the future delivery of the benevolent service, given that the agreement to provide hardship support through the LSS was due to end on 31 December 2021. A proposal setting out the Foundation's expectations about the future service was formally submitted to the RCN at the beginning of 2021. The RCN decided not to take the proposal forward and the board therefore agreed that the Foundation would instead deliver the benevolent service from January 2022 onward.

From April 2021, the Foundation began planning for the development and implementation of the new service. The service would encompass grant-making and signposting, with technology playing a greater role in its delivery. Staff and processes were put in place for the service to be launched on 4 January 2022. Alongside the delivery of this new service in 2022, the Foundation also plans to undertake a comprehensive review of the current landscape in relation to modern benevolent support for the professions.

Hardship case study

"I will be forever grateful for the help I was given." Hannah*, Nursing Support Worker

Hannah had been a nursing support worker for a number of years before she became pregnant at the height of the pandemic. As she was on the frontline, she soon had to stop working to keep both her and her baby safe. She was terrified about how she would be able to pay the bills and provide for her child, without putting themselves at risk.

After contacting our hardship service, Hannah had a phone interview and was awarded a Hardship Grant of £1,000 to pay for items required for her baby. She says "The support was unbelievable; it means the whole world. I was given help when I needed it the most."

*Different name used for anonymity

We continued to support those seeking to improve their clinical skills and expertise through education and training. In 2021, the Foundation awarded £149,000 in education grants (2020: £150,000) to 97 individuals (2020: 70). These grants were for a broad range of activities encompassing postgraduate studies and courses aimed at contributing to continuing professional development. Once again, the courses being undertaken were in a variety of topics including respiratory care, diabetes, and mental health. In addition, we also awarded grants to those with a first non-nursing degree wishing to take up a degree in nursing.

The Monica Baly award for the history of nursing was awarded to a team of researchers from Edinburgh Napier University for a project entitled *Witches' stories – accused and persecuted for helping others: documentary analysis of early midwives and nurses/healers as reported within the Scottish Witchcraft Survey database (1536-1746)*. The research team investigated the stories of these individual nurses and midwives, documented who they were, and reflected on their practices from today's health care perspective.

Following a review of the funding landscape for undergraduate nursing and midwifery students entering university, our partnership grants programme with the Leathersellers' Company Charitable Fund to fund these students came to an end. Keen to continue the successful partnership, Leathersellers made a further financial commitment to the Foundation towards an education programme aimed at non-specialist nurses to train in early interventions to support children and young people's mental health and emotional wellbeing. The Foundation will provide match funding towards this grant. Our successful joint grant-making partnership with the Worshipful Company of Needlemakers, for nurses and midwives using needles in their work, continued for another year.

After analysis of the reach of the Foundation's Professional Bursary Scheme, the board agreed to reduce the maximum grant available under the Scheme to £1,600 which took effect from the autumn round of applications. This will enable the Foundation to increase the number of grants it is able to award, without compromising applicants' ability to access continuing professional development opportunities.

The Foundation funded The University of Edinburgh to develop and deliver a Postgraduate Certificate in Neurological Rehabilitation and Care. This programme was undertaken in partnership with the brain injury charity SameYou and was delivered using funds raised through the Omaze fundraising initiative in 2018. Thirty two students commenced the programme in May 2021. Three students withdrew due to changes in their clinical practice and a further two withdrew due to personal circumstances. 27 nurses remain enrolled on the programme. An important outcome of this course has been the positive impact on students' personal and professional development, clinical knowledge, and patient experience demonstrated through their reflective assignments.

A number of initiatives were undertaken during the year to boost the quality and quantity of applications for education grants. A pilot webinar was developed which set out the elements of a good grant application. The event was live and recorded. Feedback was positive and the webinar will be held again in 2022. Anecdotal feedback from grant reviewers suggested that they had seen an increase in the quality of grant applications. Conversion rates for applications to grants also increased.

The Foundation also piloted a new Helping Hands scheme, whereby Foundation alumni (previous successful education grant recipients) supported applicants through the grant application process. Evaluation of the scheme demonstrated that one in two of those who received this support were successful in their application for a grant. Importantly, the scheme also demonstrated a positive impact in terms of increasing successful applications from ethnic minority applicants. This initiative will be rolled out fully in 2022.

Education case study

"The bursary has enhanced my practice as a midwife and provided a crucial step in my progression towards becoming an independent researcher."
Layla, Research Midwife

Layla was granted £1,975 towards the completion of "The Practice of Evidence-Based Health Care" – a Master's level module undertaken through the University of Oxford's Continuing Education Department. This course enabled Layla to learn how to evaluate the quality of different types of research studies in a systematic way and apply this knowledge to clinical scenarios and decision-making.

Since completing the module Layla has presented at several study days run by the charity Action on Pre-eclampsia. The knowledge she gained from the evidence-based practice module was crucial in helping her to develop these presentations.

Layla was able to secure funding to undertake a full Master's degree. The award gave her the confidence to apply for a pre-doctoral fellowship. She has been encouraged to apply for a doctoral fellowship with the National Institute for Health Research (NIHR). The course motivated Layla to pursue further academic study and to take on greater responsibility as a researcher.

"The RCN Foundation grant enabled me to obtain a Master's degree and proved a catalyst for further opportunities. I would strongly encourage anyone thinking of applying to go for it."

Layla went on to win the Trevor Clay Professional Bursary Scheme Award which was presented at the RCN Foundation Virtual Impact Awards 2020 by Professor Jacqueline Dunkley-Bent OBE, Chief Midwifery Officer for NHS England and a trustee of the RCN Foundation.

Education case study

"It will give me a sense of accomplishment and pride to forever have my name associated with the RCN Foundation."
James, Nurse

James was awarded a grant of £7,500 over three years to undertake an MA in Adult Nursing at the University of Salford. Having previously worked in the music industry, James decided to pursue a career in nursing after a life-changing experience volunteering at a government hospital in Sierra Leone.

During the clinical placements on his course, he was exposed to a wide variety of nursing specialities and developed a greater understanding of the nursing process. James received a Distinction upon completion of his course and now works in the Acute Medical Unit at St George's Hospital, London.

James hopes eventually to become a nurse consultant in emergency medicine. In the future, he would like to undertake a Master's degree in Advanced Clinical Practice, having already worked as a charge nurse.

"The bursary has greatly alleviated some of the financial pressure of returning to education. Once you're a nurse, you're a nurse all day, every day. I can't imagine not being that."

Dr Ruth May, Chief Nursing Officer for England presented James with the Margaret Parkinson Award at the RCN Foundation Virtual Impact Awards 2020 for outstanding achievement in student nursing.

A number of nursing-led projects were supported during the year. A proportion of these projects, which had been funded over multiple years, were completed during the year. All of our funded projects continued to be affected to varying degrees by the pandemic. Our approach during this period was therefore to offer support and flexibility to enable funded projects to continue.

Four projects were completed during 2021:

- Aneurin Bevan University Health Board – this project aimed to tackle loneliness and isolation in care homes in Wales.
- University of West London – this was scoping research to understand the contribution of nurses to improving the health and wellbeing of children, adults and older people with learning disabilities now and for the future.

- Institute of Health Visitors – this project was supported in direct response to the pandemic. Funding was for the provision of emotional wellbeing at work support to health visiting teams during the pandemic.
- RCN – the England pilot of the RCN Prince of Wales Nursing Cadet Scheme.

In 2021, the Foundation funded five new projects. In response to the pandemic, the Foundation undertook its own review to identify the gaps in COVID-19 related research taking place. The aim of the review was to ascertain where the Foundation might best direct any funding relating to nursing-led COVID-19 research. This review led to two projects being funded through open calls.

The first of these was the EMPATH study carried out by Northumbria University and the University of the Highlands and Islands, which sought to identify the current evidence on the effectiveness, acceptability and feasibility of Psychological First Aid (PFA) for nursing teams working in care home settings. The research looked at where in the UK PFA was being used and how it was being implemented. Through a UK-wide web-based, cross-sectional survey, the project compared levels of safety, calmness, self and community efficacy, connectedness and hope, stress, resilience and coping in care home staff working in settings that had or had not implemented PFA. Qualitative data relating to the lived experience of PFA in a care home setting was obtained through a further questionnaire. The project will be completed in 2022.

The second project was the COVID-19 leadership study, carried out by Queen Margaret University in Scotland. The aim of the project was to explore nurses' and midwives' perspectives and experiences of effective leadership strategies during the pandemic; make recommendations for how healthy practices could be incorporated into future leadership strategies within nursing and midwifery beyond the pandemic; and identify any convergence, divergence and silence in nurses and midwives' experiences of effective leadership strategies across the four nations during the pandemic. The project will be completed in 2022.

An urgent priority identified by the Foundation during the pandemic was the disproportionately high numbers of people with learning disabilities (also referred to as people with intellectual disabilities) who were dying from COVID-19. To address this, the Foundation funded the CAREVIS study, a partnership project between the University of Hertfordshire and the charity Beyond Words. The aim of the project was to develop a picture story book to provide information in pictures about having the COVID-19 vaccine.

As the book was being developed, people with learning disabilities and people who care for them were asked for their input. The picture book is being widely distributed to people with learning disabilities and those who care for them, including family and friends, paid carers, nurses, social workers, and other professionals who support them. The book has been published and is freely available on the Beyond Words website. The project team will also evaluate the impact that the picture book has had. The project will be completed in 2022.

In 2021, the Foundation developed a three-year grants programme focused on its key priority of nursing-led interventions to support children and young people's mental health and emotional wellbeing. The first call under this programme was launched during the year. The University of Huddersfield was awarded a grant to develop a limited data set of assessment tools for children and young people's mental health and emotional wellbeing. The project aims to understand which assessment tools enhance and complement the therapeutic relationship between the young person and the nurse. It will develop a web-based app holding a dataset of evidence-based assessment tools for non-specialist nurses to use in a variety of educational, health and social care settings. The project will be completed in 2022.

Finally, the Foundation awarded funding to the RCN for a project entitled the *Mary Abbott Archive – Sharing nurses' life stories through their archives*. This project will highlight how the personal collections of the late Mary Abbott are an exemplar of how historical papers, images, biography and oral history interview recordings can be linked together to improve online accessibility and promote knowledge about the achievements of individual nurses. This will be done in two phases, working with Mary Abbott's own collection and then selecting other individuals from the RCN's own collections who have had a similar impact and creating the same ease of access to their stories. The project will be completed in 2023.

A number of other projects remained ongoing throughout the year. These were: *Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales* led by the University of Cardiff; an exploration and evaluation of Band 5 nurses' leadership development and practice led by the University of Northumbria; QNI's Care Home Nurses' Network; and the IMPACT Foundation project to support nursing students in Bangladesh.

As part of our objective to raise the profile and public understanding of the professions, the Foundation continued its partnership with the Chief Nursing Officers (CNOs) of England, Northern Ireland, Republic of Ireland, Scotland and Wales on a joint project to raise the status and profile of nursing and midwifery.

Work on the project began in earnest during the year to create a digital media campaign to demonstrate the breadth of the nursing and midwifery professions. The campaign will be aimed at the general public, practitioners and policy makers. A creative agency, Salt Thinking, worked on the development of the campaign and collating the material for it. Seven case studies will be featured, with individuals from different parts of the professions and from across the five countries.

In November, the Foundation held its annual lecture, entitled *Folk Healers and Midwives Accused of Witchcraft in Scotland 1563-1736*. Dr Nicola Ring, Nessa McHugh and Rachel Davidson-Welch from Edinburgh Napier University discussed their investigation of the stories of individual nurses and midwives who had been accused of witchcraft and reflected on their practices from today's health care perspective. The lecture attracted over 400 attendees and was the RCN Foundation's most popular annual lecture to date.

The Foundation's charitable expenditure during the year was 80% of its total expenditure incurred in the year.

Project case study

Witches' Stories – righting a historical wrong

To celebrate the International Year of the Nurse and Midwife, the RCN Foundation awarded a Monica Baly fund grant to an Edinburgh Napier University research team exploring the links between witchcraft, folk healing and modern nursing and midwifery. Using archival documents, the team found that among 3,200 people accused of witchcraft in Scotland between 1563 and 1736, a portion practiced folk healing to tend to the sick and to support women during childbirth.

The team collated its research to write biographies of these individuals, deepening understanding of specific midwifery and healing practices of the time. Thanks to this research, and the grant that funded it, the names of some early nurses and midwives accused of witchcraft are now known.

Project case study

Institute of Health Visiting: Emotional Wellbeing at Work Programme project

When the pandemic began, upheavals to how health visitors work rapidly affected their psychological wellbeing. The Institute of Health Visiting (iHV) proposed that better mental health support could sustain health visitors as they redeployed into unfamiliar roles or took on challenging caseloads. The iHV proposed the creation of an Emotional Wellbeing at Work Programme (EWW) for health visitors across England, Northern Ireland, Scotland and Wales.

The Foundation awarded £48,300 to fund the project. A total of 58 health visitors participated in online sessions where facilitators focused on sharing restorative supervision practices. All participants reported that their coping skills around chronic stress improved. They also valued having a safe space to talk over challenges and get support from peers. The Journal of Health Visiting published a report on the programme, and outcomes have been presented at both the iHV evidence-based conference in September 2021 and the iHV leadership conference in December 2020. As a result of the programme's success, iHV has secured further funding to train programme champions to use the model and roll it out in their workplace.

2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.

In 2021, the Foundation took an increasingly proactive and targeted approach to increase the reach, visibility and media coverage around the impact and outcome of funded projects. A number of projects received media publicity during the year.

This included the launch communications for the Monica Baly History of Nursing research project awarded to Edinburgh Napier University. The story was featured by a number of news and broadcast outlets, including *STV*, *the Scottish Metro*, *Mail* and *Sun*, *Nursing Standard* and *Nursing Times*.

There was also coverage of another Foundation funded project led by the University of Hertfordshire in conjunction with the charity Beyond Words, which aimed to create and evaluate a visual resource to help people with intellectual disabilities give their consent to receiving the COVID-19 vaccine. Coverage included a news piece in *Nursing Standard*.

Finally, we received online coverage of a research project, led by Northumbria University, and the University of Highlands and Islands in Scotland, which investigated the importance of psychological first aid training as a tool to support the mental health and emotional wellbeing of nurses working in care homes during the pandemic. The story was featured on the Healthcare Newsdesk and Psychreg shared sites.

At the end of the year, the Foundation's Grants Committee reviewed a proposed new impact framework model for the Foundation. This will be reviewed by the board in 2022.

3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various communication platforms and a review of branding.

In 2021, the Foundation worked alongside creative marketing agency, Salt Thinking, who gave up their time on a pro bono basis to undertake a brand review for the charity. Work on the brand review has received input from the board and remains ongoing.

As part of a series of measures designed to deliver a more cohesive donor engagement experience for the Foundation's supporters the *2020 Impact Report* was, for the first time, sent via post to more than 5,000 donors. This approach also included the implementation of a quarterly supporter e-newsletter, with news and updates on the Foundation's work and impact. This resulted in more that 250 supporters increasing their engagement with the Foundation by updating their details, expressing further interest in fundraising and legacy initiaitves, or volunteering to share their story with the Foundation.

The Foundation's 2021 Impact Awards took place virtually in October. More than 170 people registered to attend the event, which shone a spotlight on the awardees and their achievements. It was also an opportunity to highlight the 2020 Impact Award recipients, following the cancellation of the 2020 awards due to COVID-19. Guest presenters of the awards included the Chief Nursing Officers of England and Northern Ireland, and England's Chief Midwifery Officer. The virtual nature of the event meant that the Foundation was able to connect with people across the UK who would have been unable to join an in-person event. LV= sponsored the event with a contribution of £4,000 for which we are very grateful.

Throughout 2021, the Foundation increased its visibility across social media platforms including Facebook, Twitter and Instagram. Community giving initiatives such as the Song Club series of concerts and The Sizzle Show delivered via Instagram Live introduced the Foundation to new audiences.

As the Foundation's social media presence grew, there were strong levels of engagement across different channels for initiatives such as the Virtual Impact Awards, Annual Lecture, educational grants rounds and Nurses' Day.

4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Develop a clear and measurable fundraising strategy for the Foundation.

Against the backdrop of the ongoing pandemic, income from investments and fundraising performed relatively well during the year, in line with budgets and forecasts. In 2021, the value of the combined portfolio was £41.1m (2020: £38.6m).

In July, the Board of Trustees approved a new Fundraising Strategy. The strategy identified opportunities to maximise engagement and philanthropic support for the Foundation and to develop a long-term and sustainable fundraising programme, which aimed to develop diversified income streams.

During the year, the Foundation continued with its telephone fundraising upgrade campaign achieving a 23% participation rate against a target of 20%. A first reactivation and conversion campaign was also implemented which resulted in a 34% participation rate against a target of 20%.

The Foundation received a number of notable donations during the year. The UK-based online food delivery business, Deliveroo, made a £300,000 donation to support educational grants for nursing and midwifery staff across the UK working within the NHS. This donation was made up of donations from customers and suppliers in response to COVID-19 towards Deliveroo's *Supporting the NHS* campaign.

A donation of £22,500 was also received from the Apax Foundation which consisted of an individual donation matched by the Apax Foundation.

A donation of £20,000 was also received from the family of a deceased nurse who wished to establish an education grant in her name, to be called the Olufunke Adeyeye RCN Foundation Education Grant. This scheme will provide education grants for nurses, midwives and health care support workers from ethnic minority backgrounds.

For the third consecutive year, the Foundation received a donation from the Privy Purse Charitable Trust. In 2021, the donation was made at an increased level to that made in previous years in recognition of the ongoing challenges facing charities and the nursing and midwifery professions during the pandemic.

The Foundation was the beneficiary of a number of community fundraising initiatives during the year. A key initiative was led by singer/songwriter and Squeeze co-founder Chris Difford who, following his support of the Foundation through The Song Club album in 2020, curated a series of Zoom concerts in the first half of 2021, including in celebration of Nurses' Day.

Eleven runners took part in the Virtual London Marathon and Royal Parks Half Marathon events, collectively raising more than £5,500. Runners included RCN staff members, friends and family of Foundation staff members, members of the public and nursing staff.

Finally, RCN staff member and artist, Carl Bevan ran an art raffle to raise funds for the RCN Foundation and homeless charity, Llamau. This initiative raised £1,275 for the Foundation.

Work took place during the year on the Foundation's approach to ethical investments. As part of the first phase of this approach, the Board of Trustees agreed to exclude a number of areas from the Foundation's investment portfolio including cluster bombs and landmines, adult entertainment, alcohol, armaments, civilian firearms, gambling, tobacco, extraction of thermal coal, and production of oil tar sands. In 2022, the Foundation will further review its portfolio to identify any other potential areas for exclusions.

5. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

The Foundation continued to be involved with RCN Group initiatives during the year. In 2021, RCN Congress activities included an online education programme, as part of which the Foundation organised a panel event entitled *The Courage of Compassion: giving nurses a voice to lead*. This event highlighted the King's Fund report *The Courage of Compassion* and its impact on leadership within nursing and midwifery. The event was viewed by 191 people at its peak which compared to an average audience of 93 for other events within the programme.

The Foundation also continued to work closely with the RCN's Corporate Relations Team to explore joint opportunities to work together.

6. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

During the year, the Foundation appointed four new trustees to the board and six new advisers to its Committees. Trustees and advisers came from a broad range of backgrounds including finance, fundraising, marketing and communications, nursing and midwifery, grant-making and benevolence. As a result of these appointments, the Foundation's governance was significantly strengthened.

The development of the Foundation's Benevolent Service throughout the year was a key activity under this objective. Opening in 2022, the new service will, for the first time, be delivered using a digital platform to enable applicants to experience a smoother application process. Plans have also been put in place to support those without access to digital platforms. Two new roles within the Foundation were created to deliver this service and both roles were successfully filled before the end of the year.

The pandemic continued to bring increased focus on the work of the Foundation. As a result, the Foundation increased its communication capacity with the addition of a digital marketing and communications role to the team.

Work was undertaken on the Foundation's approach to equality, diversity and inclusion. The board underlined its firm commitment to ensuring that principles of equality, diversity and inclusion underpinned all aspects of it's work by agreeing an Equality, Diversity and Inclusion Statement. Alongside the Statement, the board also agreed a set of guiding principles and goals designed to support the delivery of its approach.

Equality, Diversity and Inclusion at the RCN Foundation – Our Ambition

The RCN Foundation will be a champion of equality, diversity, inclusion and human rights, and recognises the value of being a diverse, fair and inclusive employer.

As a charity and grant-giver, the RCN Foundation aspires to work towards creating an inclusive culture within which our beneficiaries and the wider public can participate, contribute and thrive without fear of discrimination, barriers and exclusion.

We recognise that there is a profound relationship between inequality and health. Through our work and the way in which we operate, we aim to respond to, and positively address, the impact of health inequalities and their adverse effect on individuals and communities.

7. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and our ability to continue to support the nursing and midwifery professions. This includes supporting the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

The final grants from the Foundation's COVID-19 Support Fund were made at the beginning of 2021 to support nursing and midwifery staff affected by the pandemic, following which the fund was closed. Despite this, the Foundation continued to closely monitor any potential impact of the pandemic on nursing and midwifery staff facing hardship throughout the year to ascertain whether the fund would need to reopen.

A number of COVID-19 projects were funded during the year which have been highlighted in earlier sections of this report. There were also various COVID-19-related fundraising initiatives during the early part of the year which again have been highlighted above.

The Foundation continued to operate and monitor a COVID-19 risk register to flag any potential risks caused by the ongoing pandemic on its governance, finances and operations. As new variants of the disease continue to emerge, the board has agreed that the COVID-19 risk register will remain in place in 2022.

The Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA), continued to make grants to health and care organisations whose beneficiaries had been affected by the pandemic. Grant-making fell into three priority areas – emergency aid and hardship; psychological support; and recovery and resilience.

In 2021, the CHSA Board of Trustees agreed grants to 20 organisations totalling £1,681,275. Further details about CHSA and its work is set out in its **annual report and accounts**.

Policies

During 2021, the board approved the following policies: Donations Acceptance Policy, Conflicts of Interest Policy, Trustee and External Adviser Recruitment Policy, and the RCN Group Risk Policy.

Our position on modern slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2022

1. **Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the professions.**
2. **Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.**
3. **Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various digital and other communication platforms.**
4. **Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Implement key aspects of the fundraising strategy agreed in 2021.**
5. **Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.**
6. **Support and deliver the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal. Evaluate the impact of the subsidiary charity's grant-making. Close the subsidiary charity at the end of 2022, ensuring that all funds have been effectively expended in line with charitable objectives.**
7. **Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.**

Treatment Room 1

Financial review

Investments, policy and performance

The RCN Foundation Group is subject to the Trustee Act 2000. The Group's investment objective is to seek to protect real income and capital growth over time. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The board oversees the management of the group's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the board as appropriate

The Trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short-term fund consisting of cash, short-term deposits and short-dated bonds. During 2021, £500,000 was withdrawn from the short-term fund for cashflow purposes. At 31 December 2021, £500,000 was held in the short-term fund as Money Market Investments and is shown as a current asset on the balance sheet (31 December 2020: £1m).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the group's ethical requirements.

The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the Trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies. Specific restrictions include the avoidance of any investment in companies that manufacture tobacco products and alcohol, and in companies that are involved in gambling, adult entertainment, armaments, cluster bombs and landmines and civilian firearms. Moreover, the portfolio excludes investments in companies dealing with the extractions of thermal coal and the production of oil tar sands. Environmental, social and governance (ESG) factors are also embedded in the investment process for stock selection.

The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility, and have taken a low to medium level of risk approach.

2021 showed an improvement compared to 2020 for the Group's investments both in terms of income generated and increase in the value of the portfolio. The gross investment income in the year ended 31 December 2021 was £809,000 (associated investment management fees of £169,000) which was 3.3% higher compared to the gross income received in 2020 (£783,000). The movement in the investments resulted in a significant increase in the market value of the combined portfolio from £38.6m at the start of the year to £41.6m at the end of the year.

This increase in value can mainly be attributed to a higher return on equities, properties and alternative investments. The market value of investments is subject to the fluctuation of the open market and are thus exposed to a degree of uncertainty and speculation.

We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities as we expect 2022 to also be an unusual year, given the ongoing COVID-19 pandemic.

Review of financial position

The financial statements are presented in the format required under the 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2021 and the balance sheet as at 31 December 2021 are set out on pages 40 and 42. The statement of financial activities shows that the RCN Foundation Group had a net surplus of £2.8m in the year ended 31 December 2021 (31 December 2020: net surplus of £1.7m).

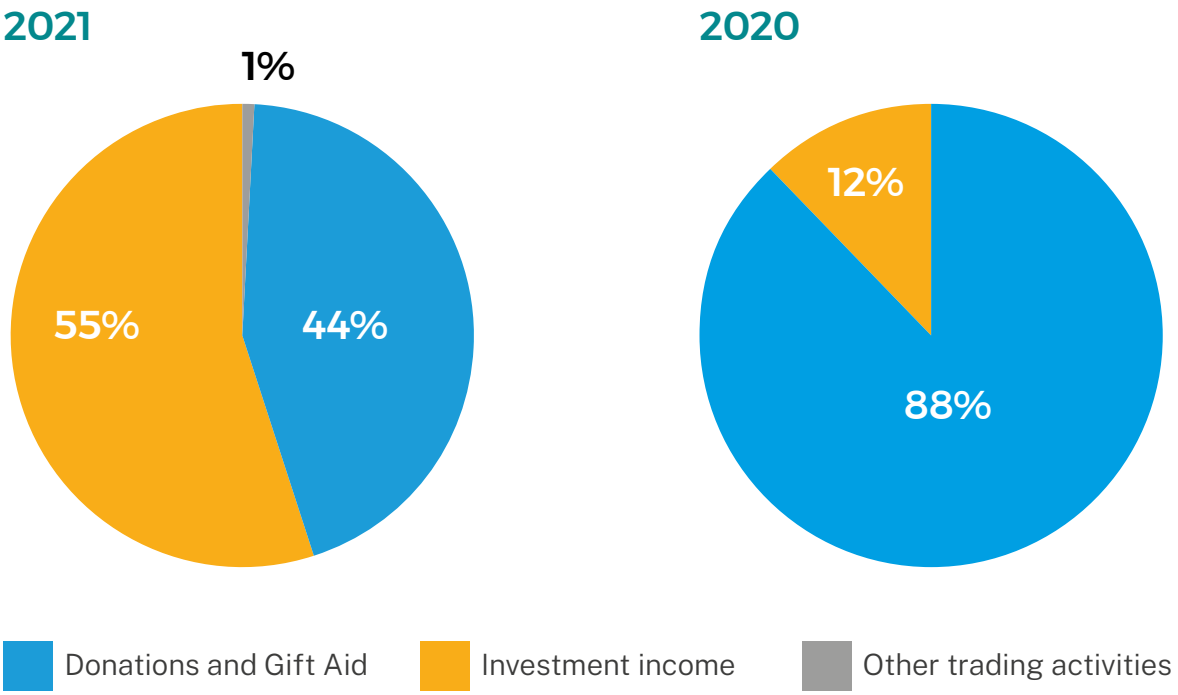
Income

The RCN Foundation income is made up of income from donations and legacies, income from trading activities and investment income.

Total income in the year was £1.465m which is 359% lower than the previous year (31 December 2020: £6.722m). The negative variance is attributable to the exceptional one-off donation received from TikTok in 2020 which resulted in the creation of the subsidiary charity – the COVID-19 Healthcare Support Appeal (CHSA). The income received in 2021 is broadly in line with the income received in 2019 (£1.598m).

Legacies, donations and gift aid amounted to £648,000 (31 December 2020: £5.909m). Income earned from other trading activities includes licence income of £5,000 (31 December 2020: £30,000) and sponsorship income of £3,000 (31 December 2020: £nil).

Investment income for the year was £809,000 (31 December 2020: £783,000) of which £609,000 was unrestricted (31 December 2020: £602,000). The RCN Foundation Group investments reported net gains of £3.534m (31 December 2020: £2.486m gains) mainly due to unrealised gains on the investment portfolio.



Expenditure

Total expenditure in the year amounted to £3.877m (31 December 2020: £5.718m) of which £3.237m (31 December 2020: £3.579m) was from unrestricted funds.

In 2021 expenditure decreased by 32% compared to 2020. The variance is due to the high amount of benevolent grants awarded in response to the COVID-19 pandemic in 2020 (as shown in the table below). In 2021 the support to the pandemic continued and has focused on awarding grants to organisations through the CHSA subsidiary.

2021 vs 2020 expenditure

	Education and training £'000	Benevolent £'000	Clinical practice £'000	Research £'000
2020	£354	£4,752	£144	£104
2021	£321	£2,541	£186	£425

In 2021, £2.861m in grants were paid (31 December 2020: £4.894m). Of these, £340,000 was paid to individuals - £206,000 relates to benevolent grants awarded through the Lamplight Support Service (31 December 2020: £239,000), £149,000 to educational bursaries (31 December 2020: £169,000). The Foundation Group paid £22,000 to individuals for COVID-19 grants (31 December 2020: £1,489).

£2.521m was paid by the RCN Foundation Group to 33 organisations – of which £1.750m was paid to 21 organisations for COVID-19 specific grants. £350,000 was paid to RCN UK as part of the agreement to run the Lamplight Support Services (which administered benevolent grants to individuals) (31 December 2020: £279,000) – this expenditure has been charged against unrestricted funds.

A fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing, and other services and is included within unrestricted expenditure. This was £626,000 in the year ended 31 December 2021 (31 December 2020: £571,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation Group plus 12% overheads for RCN Foundation staff and 20% VAT for CHSA staff. The increase in fee is due to the recruitment of two new roles, Digital Marketing and Communications Officer and the Benevolent Grants Manager.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £433,000, this figure includes investment management fees, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2020: £364,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2021: £169,000; 31 December 2020: £158,000).

In the year Trustee expenses of £1,101 were incurred (31 December 2020: £1,197). The negative variance is due to Trustees not incurring travel or subsistence costs due to the COVID-19 pandemic restrictions. These costs are treated as unrestricted expenditure.

Reserves

The RCN Foundation Group has adopted a reserves position which it considers appropriate to ensure it can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The level of free reserves at 31 December 2021 was £30.496m (31 December 2020: £30.337m). This excludes those unrestricted funds that have been earmarked for particular purposes by the Trustees and are shown as designated funds on the balance sheet, and excludes tangible fixed assets. The increase in reserves is due to the net gains on the investment portfolio.

The investment and reserves policies reflect the Trustees' acknowledgment that the RCN Foundation Group is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The Trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy.

RCN Foundation Group accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a strategic report for that purpose.

Principle risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the level of risk that the Foundation is willing to take in order to meet its strategic objectives. There are a range of appetites for different risks and these are set out below.

Financial

Appetite for risk: low

There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. A new fundraising strategy was agreed by the board in 2021 which will be deployed from 2022 onwards. The strategy will focus on particular areas of voluntary income which have greater potential for a positive return for the Foundation. The COVID-19 pandemic continued to impact on both voluntary and investment income, with steps put in place to mitigate the risk to income returns.

Governance

Appetite for risk: low

There were a number of governance risks that were kept under review during the year. These included: the ability to recruit new Trustees and Advisers with the skills and experience required to fill existing vacancies; the potential for board and committee meetings to be inquorate due to the demands of the pandemic on Trustees who worked clinically; and the need to conduct a governance review. A programme of work to mitigate these risks was implemented including using an external agency to support the recruitment of new Trustees and Advisers; and contacting Trustees prior to all meetings to confirm attendance and ensure quoracy.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues. Members of the Foundation's senior management team review briefings setting out any changes to regulator frameworks, including those from the Charity Commission and Fundraising Regulator.

Operational

Appetite for risk: medium

The ability to deliver our ambitious grant-making plans continued to feature as a key risk. In 2021, this continued to be exacerbated by the constraints to public life caused by the pandemic. In this context, the key risks that were monitored during the year included: the ability of projects to deliver to time and within budget; and the uptake of education grants by frontline staff who were overwhelmed by the pandemic. Other operational risks that were monitored during the year included the development of the new Benevolent Service, and the impact of the pandemic on staff health, wellbeing and morale. These risks were mitigated in a number of ways. An organised programme of regular contact with projects was undertaken in order to provide ongoing support during the pandemic. Additional marketing activities were undertaken to ensure the uptake of education grants, and a clear project plan was drawn up and implemented in relation to the Benevolent Service. Finally, all senior managers were tasked with supporting staff wellbeing throughout the year.

External

Appetite for risk: medium

As in 2020, the key external risk for the Foundation during 2021 remained the impact of the pandemic on the Foundation's finances and operations. This was kept under review by the board through the COVID-19 risk register. A key risk that was discussed during the year was the relatively low profile and visibility of the Foundation, and how this could be mitigated. The Foundation received pro bono support and services from a communications agency to begin work on profile and visibility. This work will continue into 2022.

Board of Trustees

External Advisers; Reference and Administrative Details; Structure, Governance and Management

Board of Trustees

The Trustees who are in office or have been during 2021 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Christine Scott-Perry, Vice-Chair and Chair of the Appointments Panel

Elizabeth Jane Cantrell (from 1 September 2021), Chair of the Scotland Committee

Catherine Deakin (from 1 September 2021)

Gregory Dix (from 1 September 2021), Chair of the Wales Committee

Professor Jacqueline Dunkley-Bent OBE

Gordon Hull

David Jones, Chair of the Income Generation and Investment Committee

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee

Professor Charlotte McArdle

Anthony Osijo (from 1 September 2021)

Atul Patel MBE (resigned 31 August 2021)

External Advisers

Nichola Ashby (Grants Committee) (resigned 9 September 2021)

Victoria Bennett (Income Generation and Investment Committee) (from 1 September 2021)

Professor Michael Brown (Scotland Committee)

Ann Gow (Grants Committee) (from 1 September 2021)

Joanne Griffin (Income Generation and Investment Committee)

Alison Hoad (Income Generation and Investment Committee) (from 1 September 2021)

Professor Angela Hopkins (Wales Committee) (resigned 8 June 2021)

Dawn Jackson (Grants Committee) (from 1 September 2021)

Mickella Lewis-Purvis (Grants Committee) (from 1 September 2021)

Yvette Lloyd (Income Generation and Investment Committee)

Professor Donna Mead OBE (Wales Committee)

Jane Miles (Grants Committee)

Dr Susan Morgan (Wales Committee) (retired 26 September 2021)

Tanya Strange MBE (Wales Committee)

Sian Thomas (Wales Committee)

Vivien Waterfield (Income Generation and Investment Committee) (from 1 September 2021)

Jayne Young (Appointments Panel) (resigned 24 May 2021)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN

Telephone 020 7409 3333

Website: rcnfoundation.rcn.org.uk

Bankers

National Westminster Bank PLC
250 Regent Street, London W1B 3BN

Independent auditors

Crowe U.K. LLP
55 Ludgate Hill, London EC4M 7JW

Lawyers

Bates Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Taylor Vinters LLP
Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ

Investment managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered Charity: 1134606

Scottish registered charity SC043663

Registered Company: 7026001

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the Royal College of Nursing in the United Kingdom (RCN UK) is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the Royal College of Nursing, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the Royal College of Nursing that sets out how the two organisations will work together to support nursing and midwifery, and improve care.

Objects

The objects of the RCN Foundation are to:

- promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing including those who are students
- promote the advancement of nursing as a profession in all or any of its branches
- promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

In referring to nursing within its objects, the Foundation also provides support to midwives and health care support workers.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The board has provision for no fewer than seven and no more than 12 trustees, four of whom are members of the Royal of College of Nursing and a member of RCN Council is included in the recruitment process. At least three of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual board awayday. The two substantive committees of the board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis.

The Grants Committee is accountable to the board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager.

The membership of these committees is largely drawn from the board and the committees are chaired by a trustee. We have also appointed additional independent members with particularly relevant experience and expertise to our committees.

The Appointments Panel oversees the recruitment and appointment of Trustees, Chair and Vice Chair elections, and committee appointments on behalf of the board. It also oversees Trustees' induction, development programmes and performance review.

The Foundation also has two country committees, one for Scotland and a second for Wales. The role of these committees is to raise the profile of the Foundation's work in their respective countries; bring knowledge of the key country-specific issues affecting nursing, midwifery and health care to the attention of the Foundation; and aim to raise funds for the Foundation's work. Country committees are chaired by a trustee from the relevant country.

Terms of reference for all committees have been agreed by the board.

Management

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a services agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation is also supported throughout the year by a number of RCN staff as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which will be made available on the website in 2022.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A financial strategy was developed in 2019.

Conflicts of interest

We have a register of interests which is updated regularly. We have guidance for managing conflicts which was reviewed and updated in 2021 and we ask Trustees and advisers to identify any conflicts at the beginning of each meeting.

SONG CLUB
Music Curated by
CHRIS DIFFORD

deliveroo

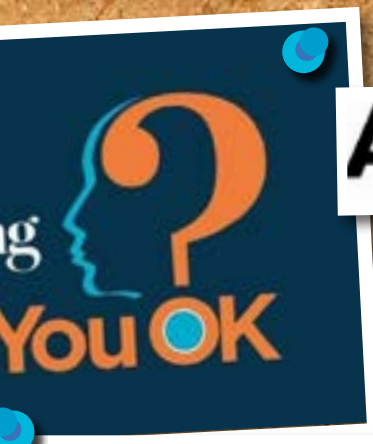
stelios
STELIOS PHILANTHROPIC FOUNDATION
STELIOS-UK.FOUNDATION

#DeclutterAndDonate
MONEY GIVING
ziffit.com

The SOCIAL CLUB

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during the year. With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. This year in particular has been like no other; and so we also want to thank the many new donors who have helped us to support frontline staff during the COVID-19 pandemic. Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care practitioners, and through them patients and families.
Thank you.



Statement of Trustees' responsibilities

The Trustees (who are also directors of RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 incoming resources and application of resources, including 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 the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- 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.

The Trustees' Annual Report on pages 4 to 18 was approved by the board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 26 April 2022

BACK TO CONTENTS

Independent auditor's report to the members and Trustees of the RCN Foundation

Opinion

We have audited the financial statements of RCN Foundation ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet the Statement of Cashflows and notes to the financial statements, including 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 December 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 contained within the annual report. 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.

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 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 our audit

- the information given in the Trustees' report, which includes the directors' report, prepared 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 directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of responsibilities set out on page 34, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, United Kingdom

Date: 12 May 2022

Financial statements

Statement of financial activities 31 December 2021 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 31 December 2021 £'000	RCNF Group 31 December 2021 £'000
Income from:									
Income and endowments									
Donations and legacies	2	96	124	524	524	–	–	620	648
Income earned from other activities									
Investment income	3	609	609	200	200	–	–	809	809
Income earned from other trading activities									
Sponsorship income		3	3	–	–	–	–	3	3
Licence income		–	–	5	5	–	–	5	5
Total income		**708**	**736**	**729**	**729**	**–**	–	**1,437**	**1,465**
Expenditure									
Cost of raising funds	4	433	433	–	–	–	–	433	433
Expenditure on charitable activities:									
Education and training		140	140	181	181	–	–	321	321
Benevolent fund		524	2,270	245	245	–	–	769	2,515
Clinical practice and promoting the profession		184	184	–	–	–	–	184	184
Research		209	209	215	215	–	–	424	424
Total expenditure	4	**1,490**	**3,236**	**641**	**641**	**–**	–	**2,131**	**3,877**
Net income/(expenditure) before investment gains/ (losses)		**(782)**	**(2,500)**	**88**	**88**	**–**	–	**(694)**	**(2,412)**
Net gains on investments	13	**2,611**	**2,611**	**841**	**841**	**82**	**82**	**3,534**	**3,534**
Net income for the year		**1,829**	**111**	**929**	**929**	**82**	**82**	**2,840**	**1,122**
Transfers between funds	13	**(68)**	**(68)**	**70**	**70**	**(2)**	**(2)**	**–**	**–**
Net movement in funds	13	**1,761**	**43**	**999**	**999**	**80**	**80**	**2,840**	**1,122**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**
Fund balances carried forward at the end of the period	12	**30,931**	**30,962**	**10,151**	**10,151**	**783**	**783**	**41,865**	**41,896**

Notes on pages 44 to 66 form part of these financial statements.

BACK TO CONTENTS

Statement of financial activities 31 December 2020 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 31 December 2020 £'000	RCNF Group 31 December 2020 £'000
Income from:									
Income and endowments									
Donations and legacies	2	113	4,260	1,649	1,649	–	–	1,762	5,909
Income earned from other activities									
Investment income	3	602	602	181	181	–	–	783	783
Income earned from other trading activities									
Sponsorship income		–	–	–	–	–	–	–	–
Licence income		30	30	–	–	–	–	30	30
Total income		**745**	**4,892**	**1,830**	**1,830**	**–**	**–**	**2,575**	**6,722**
Expenditure									
Cost of raising funds	4	364	364	–	–	–	–	364	364
Expenditure on charitable activities:									
Education and training		164	164	190	190	–	–	354	354
Benevolent fund		555	2,953	1,773	1,773	–	–	2,328	4,726
Clinical practice and promoting the profession		65	65	–	–	–	–	65	65
Research		33	33	176	176	–	–	209	209
Total expenditure	4	**1,181**	**3,579**	**2,139**	**2,139**	**–**	**–**	**3,320**	**5,718**
Net income/(expenditure) before investment gains/ (losses)		**(436)**	**1,313**	**(309)**	**(309)**	**–**	**–**	**(745)**	**1,004**
Net gains on investments	13	**1,839**	**1,839**	**593**	**593**	**54**	**54**	**2,486**	**2,486**
Net income for the year		**1,403**	**3,152**	**284**	**284**	**54**	**54**	**1,741**	**3,490**
Transfers between funds		**–**	**–**	**17**	**17**	**(17)**	**(17)**	**–**	**–**
Net movement in funds	13	**1,403**	**3,152**	**301**	**301**	**37**	**37**	**1,741**	**3,490**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**27,767**	**27,767**	**8,851**	**8,851**	**666**	**666**	**37,284**	**37,284**
Fund balances carried forward at the end of the period	12	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**

Balance sheet as at 31 December 2021

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2021	31 December 2020 as restated	31 December 2021	31 December 2020 as restated
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6	2	4	2	4
Long-term investments	8.1	41,134	37,596	41,134	37,596
Total fixed assets		**41,136**	**37,600**	**41,136**	**37,600**
Current assets					
Debtors	9	135	84	131	84
Short-term investments	8.2	500	1,000	500	1,000
Cash at bank and in hand		724	752	1,474	3,810
Total current assets		**1,359**	**1,836**	**2,105**	**4,894**
Liabilities					
Creditors: amounts falling due within one year	10	(592)	(411)	(1,308)	(1,720)
Net current assets		**767**	**1,425**	**797**	**3,174**
Total assets less current liabilities		**41,903**	**39,025**	**41,933**	**40,774**
Creditors: amounts falling due after one year	10	(38)	–	(38)	
Total net assets		**41,865**	**39,025**	**41,895**	**40,774**
The funds of the charity					
Restricted funds:					
Permanent endowment	13	765	685	765	685
Expendable endowment	13	18	18	18	18
Restricted income funds	13	10,151	9,152	10,151	9,152
Total restricted funds		**10,934**	**9,855**	**10,934**	**9,855**
Unrestricted funds:					
Revaluation reserve	12	8,991	7,901	8,991	7,901
General funds		21,474	20,689	21,505	22,438
Designated funds	13	466	580	466	580
Total unrestricted funds	**13**	**30,931**	**29,170**	**30,962**	**30,919**
Total charity funds		**41,865**	**39,025**	**41,896**	**40,774**

Approved and authorised for issue by the Board of Trustees on 26 April 2022 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

BACK TO CONTENTS

Statement of cash flows

	Note	RCN Foundation 31 December 2021 £'000	RCN Foundation 31 December 2020 as restated £'000	RCN Foundation Group 31 December 2021 £'000	RCN Foundation Group 31 December 2020 as restated £'000
Reconciliation of net movement in funds to net cash flow from operating activities:					
Net movement in funds		2,840	1,741	1,121	3,490
Dividends and interest from investments		(809)	(783)	(809)	(783)
(Gains) from investments		(3,534)	(2,486)	(3,534)	(2,486)
(Increase)/decrease in debtors	9	(51)	41	(47)	41
Increase/(decrease) in creditors	10	219	(198)	(374)	1,110
Net cash (used)/generated in operating activities		**(1,335)**	**(1,685)**	**(3,643)**	**1,372**
Cash flows from investing activities:					
Dividends and interest from investments	3	809	783	809	783
Proceeds from sale of investments	8.1	10,144	11,254	10,144	11,254
Purchase of investments	8.1	(10,118)	(12,238)	(10,118)	(12,238)
Net cash provided by/(used by) investing activities		**835**	**(201)**	**835**	**(201)**
Change in cash and cash equivalents in the reporting period		**(500)**	**(1,886)**	**(2,808)**	**1,171**
Opening cash at bank		752	1,627	3,810	1,627
Opening cash in investments		1,320	2,330	1,320	2,330
Cash and cash equivalents at the beginning of the reporting period		**2,072**	**3,957**	**5,130**	**3,957**
Change in cash and cash equivalents due to exchange rate movements		**8**	**1**	**8**	**1**
Cash and cash equivalents at the end of the reporting period		**1,586**	**2,072**	**2,336**	**5,130**
Represented by:					
Closing cash at bank		724	752	1,474	3,810
Closing cash held in investment portfolio		362	320	362	320
Closing cash in short-term investment		500	1,000	500	1,000

Please see note 16 for furher information regarding the restatement of 2020 comparatives.

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2021.

The RCN Foundation Group financial statements consolidate the accounts of the RCN Foundation and its subsidiary, COVID-19 Healthcare Support Appeal.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2021.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Measurability in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the Trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2021 %	31 December 2020 %
Cost of raising funds	20	9
Education and training	15	11
Benevolent fund	36	73
Clinical practice	9	4
Research	20	3

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions have been satisfied by the recipient. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

The grant payable to RCN UK for the LampLight Support Service is recognised on a yearly basis for the duration of the grant due to the terms of the agreement, which aligns the grant payable to the cost of providing the service in the year.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of Trustee meetings and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

The only asset held by the RCN Foundation is a customer relationship management database. The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the statement of financial activities as they arise. Realised and unrealised investment gains and losses are combined in the statement of financial activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate Trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the Trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a the fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2021 £100,635 (2020: £45,000) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation. The RCN Foundation is planning to spend the remaining funds in the next two years.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the service level agreement (SLA) they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience during the COVID-19 pandemic. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation's Income, Generation and Investment Committee has reviewed and approved the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged.

The board is of the opinion that the sustainability and viability of the business as a going concern are not threatened. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business. The RCN Foundation is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements.

2. Donations and legacies

RCN Foundation

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Regular giving	11	10	97	97	108	107
Major donors	24	3	21	1,208	45	1,211
Legacies	(34)	59	69	5	35	64
Corporate income and partnership	57	12	320	238	377	250
Other donations	37	21	7	99	44	120
Gift aid	1	8	10	2	11	10
Total	**96**	**113**	**524**	**1,649**	**620**	**1,762**

The negative amount in legacies for 2021 relates to a legacy incorrectly accounted for in 2020.

RCN Foundation Group

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Regular giving	11	10	97	97	108	107
Major donors	24	4,123	21	1,208	45	5,331
Legacies	(34)	59	69	5	35	64
Corporate income and partnership	57	12	320	238	377	250
Other donations	65	48	7	99	72	147
Gift aid	1	8	10	2	11	10
Total	**124**	**4,260**	**524**	**1,649**	**648**	**5,909**

3. Investment income

	31 December 2021 £'000	31 December 2020 £'000
UK equities	337	279
Overseas equities	310	301
UK fixed interest	162	174
Bank interest	–	5
Overseas fixed interest	–	24
Total	**809**	**783**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

4.1. RCN Foundation

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries:								
— to organisations	–	–	840	625	–	–	840	625
— to individuals	–	–	340	1,907	–	–	340	1,907
RCN UK service fee	179	179	264	206	183	159	626	544
Investment management fee	169	158	–	–	–	–	169	158
Fundraising costs	21	–	–	–	–	–	21	–
Trustee costs	–	–	–	–	47	1	47	1
Audit and tax advice	–	–	–	–	14	13	14	13
Publicity and events	–	–	–	–	32	21	32	21
Professional services	–	–	–	–	30	40	30	40
Travel and subsistence	–	–	–	–	–	2	–	2
IT costs	–	–	–	–	–	2	–	2
Miscellaneous cost	–	–	–	–	12	7	12	7
	369	**337**	**1,444**	**2,738**	**318**	**245**	**2,131**	**3,320**
Support costs	64	27	254	218	(318)	(245)	–	–
Total	**433**	**364**	**1,698**	**2,956**	–	**–**	**2,131**	**3,320**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £13,830 including VAT are included in these financial statements (31 December 2020: £12,600).

4.2. RCN Foundation Group

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2021 £'000	**2020** £'000	**2021** £'000	**2020** £'000	**2021** £'000	**2020** £'000	**31 December 2021** £'000	**31 December 2020** £'000
Grants/bursaries:								
— to organisations	–	–	2,521	2,963	–	–	2,521	2,963
— to individuals	–	–	340	1,907	–	–	340	1,907
RCN UK service fee	179	179	264	231	183	160	626	570
Investment management fee	169	158	–	–	–	–	169	158
Fundraising costs	21	–	–	–	–	–	21	–
Trustee costs	–	–	–	–	47	1	47	1
Audit and tax advice	–	–	–	–	23	22	23	22
Publicity and events	–	–	–	–	36	20	36	20
Professional services	–	–	–	–	82	65	82	65
Travel and subsistence	–	–	–	–	–	2	–	2
IT costs	–	–	–	–	–	2	–	2
Miscellaneous cost	–	–	–	–	12	8	12	8
	369	**337**	**3,125**	**5,101**	**383**	**280**	**3,877**	**5,718**
Support costs	64	27	319	253	(383)	(280)	–	–
Total	**433**	**364**	**3,444**	**5,354**	–	**–**	**3,877**	**5,718**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £22,830 including VAT are included in these financial statements (31 December 2020: £21,600). This includes £13,830 for the RCN Foundation (31 December 2020: £12,600) and £9,000 for CHSA (31 December 2020: £9,000).

4.3. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries (note 5):												
— to organisations	70	80	350	385	68	106	330	74	22	(29)	840	616
— to individuals	111	166	229	1,728	–	–	–	–	–	–	340	1,894
RCN UK service fee	92	75	75	54	66	55	31	22	–	–	264	206
RCNF funding projects	–	1	–	–	–	–	–	–	–	1	–	2
Care home summit	–	–	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	7	–	–	–	–	–	–	–	–	–	7
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	13	–	–	–	–	–	–	–	13
	273	**329**	**654**	**2,180**	**134**	**161**	**361**	**96**	**22**	**(28)**	**1,444**	**2,738**
Support costs	48	25	115	174	24	13	63	8	4	(2)	254	218
Total	**321**	**354**	**769**	**2,354**	**158**	**174**	**424**	**104**	**26**	**(30)**	**1,698**	**2,956**

In 2021, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs – RCN Foundation

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee). Under these arrangements there are ten employees who work for RCN Foundation (31 December 2020: seven employees), three of whom fall into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,002 (31 December 2020: £9,594).

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	463	348
Social security costs	51	39
Other pension costs	52	38
Total	**566**	**425**

4.4. Expenditure on charitable activities – RCN Foundation Group

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries (note 5):												
— to organisations	70	80	2,031	2,722	68	106	330	74	22	(29)	2,521	2,953
— to individuals	111	166	229	1,728	–	–	–	–	–	–	340	1,894
RCN UK service fee	92	75	75	80	66	55	31	22	–	–	264	232
RCNF funding projects	–	1	–	–	–	–	–	–	–	1	–	2
Care home summit	–	–	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	7	–	–	–	–	–	–	–	–	–	7
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	13	–	–	–	–	–	–	–	13
	273	**329**	**2,335**	**4,543**	**134**	**161**	**361**	**96**	**22**	**(28)**	**3,125**	**5,101**
Support costs	48	25	180	209	24	13	63	8	4	(2)	319	253
Total	**321**	**354**	**2,515**	**4,752**	**158**	**174**	**424**	**104**	**26**	**(30)**	**3,444**	**5,354**

Staff costs – RCN Foundation Group

The RCN Foundation Group does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee) and an arrangement is in place between RCN UK and CHSA for the provision of services to CHSA. Under these arrangements there are ten employees who work for RCN Foundation (31 December 2020: seven employees), three of whom fall into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,002 (31 December 2020: £9,594). There is one employee who worked for CHSA (2020: one) and they did not earn more than £50,000 in 2021.

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	490	363
Social security costs	54	41
Other pension costs	55	40
Total	**599**	**444**

5. Grants payable

Grants payable – RCN Foundation

	Unrestricted funds		Restricted funds		Total grants payable	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance brought forward at start of period	**19**	**92**	**186**	**272**	**205**	**364**
Awarded in the period:						
Grants and bursaries	539	421	678	2,170	1,217	2,591
Unused awards written back	–	(29)	(37)	(30)	(37)	(59)
Charge to SOFA	**539**	**392**	**641**	**2,140**	**1,180**	**2,532**
Paid in period	(558)	(465)	(661)	(2,226)	(1,219)	(2,691)
Balance carried forward at the end of the period	–	**19**	**166**	**186**	**166**	**205**
Falling due within one year	–	19	128	186	128	205
Falling due after one year	–	–	38	–	38	–

Grants payable – RCN Foundation Group

	Unrestricted funds		Restricted funds		Total grants payable	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance brought forward at start of period	**1,310**	**92**	**186**	**272**	**1,496**	**364**
Awarded in the period:						
Grants and bursaries	2,220	2,749	678	2,205	2,898	4,954
Unused awards written back	–	(29)	(37)	(30)	(37)	(59)
Charge to SOFA	**2,220**	**2,720**	**641**	**2,175**	**2,861**	**4,895**
Paid in period	(2,830)	(1,502)	(661)	(2,261)	(3,491)	(3,763)
Balance carried forward at the end of the period	**700**	**1,310**	**166**	**186**	**866**	**1,496**
Falling due within one year	700	1,310	128	186	828	1,496
Falling due after one year		–	38	–	38	–

Grants were awarded as follows:

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Aneurin Bevan University	10	–	10	–
British Association of Social Workers (BASW)	–	–	90	90
Body & Soul	–	–	98	98
Books Beyond Words	–	10	–	10
British Medical Association	–	–	–	84
Cardiff University	150	70	150	70
Care Workers Charity	–	–	150	615
Cavell Nurses' Trust	–	–		50
Central and North West London NHS Foundation Trust	–	–	30	–
Chartered Society of Physiotherapists	–	–	–	35
COVID-19 Healthcare Support Appeal (CHSA)	–	21	–	–
College of Paramedics	–	–	–	150
Doctors in Distress	–	–	80	–
Edinburgh Napier University	7	–	7	–
Frontline 19	–	–	175	–
Impact Foundation	13	6	13	6
Hospice UK	–	–	140	–
Hospital Consultants and Specialists Association (HCSA)	–	–	24	–
Institute of Health Visitors	16	33	66	33
Intensive Care Society	–	–	170	172
King's Fund	–	48	–	48
Lamplight Support Services (LSS)	350	279	350	279
Listen Up Storytelling	–	–	19	–
London School of Economics (LSE)	–	1	–	1
Northumbria University	20	4	20	4
Nurse Lifeline	–	–	50	50
Pharmacist Support	–	–	32	44
Prison Officers Association (POA) Welfare	–	–	–	47
Queen Mary University	19	–	19	–
Queen's Nursing Institute (QNI)	38	–	168	48
Queen's Nursing Institute Scotland (QNIS)	–	–	59	–
RCN	–	(29)	123	(29)
RCN – Prince of Wales Cadet Scheme	50	25	50	25
RCN – Sharing nurses' life stories	4	–	4	–
Royal College of General Practitioners	–	–	–	60
Royal College of Occupational Therapists	–	–	–	32
Royal Medical Benevolent Fund	–	–	–	25

Continued on page 56

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Continued from page 55				
Salt Thinking	22	–	22	–
Sheffield Hallum University	–	5	–	5
Society and College of Radiographers	–	–	11	–
Society of Occupational Medicine	–	5	–	5
South Tyneside and Sunderland Charity	–	–	120	–
TASC (The Ambulance Staff Charity)	–	–	130	128
There for you (UNISON Welfare)	–	–	–	630
University of Edinburgh	101	118	101	118
University of West London (UWL)	10	20	10	20
University of Huddersfield	10	–	10	–
University of Hertfordshire	20	–	20	–
Total grants to organisations	**840**	**616**	**2,521**	**2,953**

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries to individuals:				
Educational bursaries	149	169	–	169
Educational bursaries write backs	(37)	(3)	–	(3)
Benevolent grants	206	239	–	239
COVID-19 related benevolent grants	22	1,489	–	1,489
Total grants to individuals	**340**	**1,894**	–	**1,894**

In the year the RCN Foundation Group awarded educational bursaries to 95 individuals (2020: 70) and benevolent grants to 378 individuals (2020: 372). Additionally RCN Foundation Group awarded COVID-19 related grants to 33 individuals (2020: 3,318) and 20 organisations (2020: 19). For the full list of the grants awarded to organisations please refer to CHSA Annual Report.

In the year the RCN Foundation awarded educational bursaries to 95 individuals (2020: 70) and benevolent grants to 378 individuals (2020: 372). Additionally RCN Foundation awarded COVID-19 related grants to 33 individuals (2020: 3,318).

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2021		**14**	**–**	**14**
Disposals		**–**	**–**	**–**
Balance at 31 December 2021		**14**	**–**	**14**
Accumulated depreciation				
Balance at 1 January 2021		**10**	**–**	**10**
Charge for the year		2	**–**	**2**
Balance at 31 December 2021		**12**	**–**	**12**
Net book value at 31 December 2021		**2**	**–**	**2**
Net book value at 31 December 2020		**4**	**–**	**4**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2021 £'000	31 December 2020 as restated £'000
Market value at the start of the year	37,273	33,802
Additions at cost	10,118	12,238
Disposals at carrying value	(9,960)	(11,241)
Redemptions	(184)	(13)
Realised gain	2,435	622
Unrealised gain	1,090	1,866
Investments at market value at the end of the year	**40,772**	**37,273**
Cash held for reinvestment	362	322
Market value at the end of the year	**41,134**	**37,596**
Historic cost at the end of the year	**32,143**	**29,694**

Investments at market value (including short-term investments) comprise:

	31 December 2021 £'000	31 December 2020 £'000
Listed investments		
Fixed interest (Government securities and bonds)	5,384	6,258
UK equities	8,756	7,494
Global equities	21,901	19,977
Alternative assets	2,883	2,094
Property	1,710	1,334
Liquid assets in long-term fund	1,001	1,438
Total	**41,635**	**38,595**

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

Holdings over 5%
None of the investments represented holdings in excess of 5% of the investment portfolio at the start or the end of the period.

8.2. Short-term investments

	31 December 2021 £'000	31 December 2020 '000
Market value at the start of the year	1,000	1,001
Additions at cost	1,000	4,000
Redemptions	(2,000)	(4,000)
Investments at market value at year end	**–**	**1,001**
Cash held for reinvestment	500	–
Market value at the end of the year	**500**	**1,000**
Historic cost at end of the year	**500**	**1,000**

All investments are owned solely by the RCN Foundation.

9. Debtors

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Prepayments and accrued income	127	56	127	56
Trade debtors	3	–	3	–
Due from RCN UK	–	28	–	28
Due from CHSA	4	–	–	–
Sundry debtor	1	–	1	–
Total	**135**	**84**	**131**	**84**

10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Amounts falling due within one year				
Trade creditors	77	–	77	–
Grants payable (note 5)	127	205	828	1,496
Accruals	115	59	123	68
Due to RCN UK	273	146	280	155
Other creditors	–	1	–	1
Total	**592**	**411**	**1,308**	**1,720**
Amounts falling due after one year				
Grants payable (note 5)	38	–	38	–
Total	**630**	**–**	**1,346**	**–**

11. Analysis of net assets between funds

RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Fund balances at the end of the period are represented by:								
Software	2	4	–	–	–	–	2	4
Investments	30,136	28,068	10,215	8,820	783	698	41,134	37,586
Current assets	1,257	1,276	101	565	–	5	1,358	1,846
– Current liabilities and provisions	(464)	(178)	(127)	(233)	–	–	(591)	(411)
– Non current liabilities	–	–	(38)	–	–	–	(38)	–
Total net assets	**30,931**	**29,170**	**10,151**	**9,152**	**783**	**703**	**41,865**	**39,025**

RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Fund balances at the end of the period are represented by:								
Software	2	4	–	–	–	–	2	4
Investments	30,136	28,116	10,215	8,820	783	698	41,134	37,634
Current assets	2,009	4,334	101	565	–	5	2,110	4,904
– Current liabilities and provisions	(1,185)	(1,535)	(127)	(233)	–	–	(1,312)	(1,768)
– Non current liabilities	–	–	(38)	–	–	–	(38)	–
Total net assets	**30,962**	**30,919**	**10,151**	**9,152**	**783**	**703**	**41,896**	**40,774**

12. Revaluation reserve

	31 December 2020 as restated £'000	Investment unrealised gain £'000	31 December 2021 £'000
Revaluation Reserve	7,901	1,090	8,991
Total	**7,901**	**1,090**	**8,991**

In 2021, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Research fund — Daphne Heald R&D Fund	**597**	–	–	70	–	**667**
Expendable						
Educational funds	**2**	–	–	–	(2)	–
Benevolent funds	**–**	–	–	–	–	–
Other funds	**16**	–	–	2	–	**18**
Total endowment funds	**703**	–	–	**82**	**(2)**	**783**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,239**	68	(31)	313	–	**3,589**
Trevor Clay Scholarship Fund	**336**	7	(65)	44	(30)	**292**
John Colyer Fund	**172**	4	(15)	41	–	**202**
Cowdray Scholarship Fund	**–**	–	–		–	–
Other educational funds	**271**	424	(71)	16	20	**660**
Total educational funds	**4,018**	**503**	**(182)**	**414**	**(10)**	**4,743**
Benevolent funds						
RCNF benevolent funds	**3,904**	179	(206)	323	–	**4,200**
Other benevolent funds	**997**	29	(39)	78	–	**1,065**
Total benevolent funds	**4,901**	**208**	**(245)**	**401**	–	**5,265**
Research funds	**233**	**18**	**(214)**	**26**	**80**	**143**
Total restricted funds	**9,152**	**729**	**(641)**	**841**	**70**	**10,151**
Unrestricted funds						
General funds	**28,590**	**708**	**(1,390)**	**2,611**	**(54)**	**30,465**
Designated funds						
Omaze	**512**	–	(100)	–	54	**466**
Other designated funds	**68**	–	–	–	(68)	–
Total designated funds	**580**	–	**(100)**	–	**(14)**	**466**
Total unrestricted funds	**29,170**	**708**	**(1,490)**	**2,611**	**(68)**	**30,931**
Total funds	**39,025**	**1,437**	**(2,131)**	**3,534**	–	**41,865**

13.2. RCN Foundation year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	81	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	548	–	–	49	–	**597**
Expendable						
Educational funds	22	–	–	(3)	(17)	**2**
Benevolent funds	–	–	–	–	–	**–**
Other funds	15	–	–	1	–	**16**
Total endowment funds	**666**	**–**	**–**	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	2,976	60	(18)	221	–	**3,239**
Trevor Clay Scholarship Fund	348	6	(49)	31	–	**336**
John Colyer Fund	157	3	(17)	29	–	**172**
Cowdray Scholarship Fund	–	–	–	–	–	**–**
Other educational funds	232	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF benevolent Funds	3,966	198	(239)	228	(249)	**3,904**
Other benevolent funds	798	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	**–**	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	**–**	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**745**	**(1,068)**	**1,839**	**–**	**28,590**
Designated funds						
Omaze	557	–	(45)	–	–	**512**
Other designated funds	136	–	(68)	–	–	**68**
Total designated funds	**693**	**–**	**(113)**	**–**	**–**	**580**
Total unrestricted funds	**27,767**	**745**	**(1,181)**	**1,839**	**–**	**29,170**
Total funds	**37,284**	**2,575**	**(3,320)**	**2,486**	**–**	**39,025**

13.3. RCN Foundation Group year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Research fund — Daphne Heald R&D Fund	**597**	–	–	70	–	**667**
Expendable			–			
Educational funds	**2**	–	–	–	(2)	–
Benevolent funds	**–**	–	–	–	–	–
Other funds	**16**	–	–	2	–	**18**
Total endowment funds	**703**	–	–	**82**	**(2)**	**783**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,239**	68	(31)	313	–	**3,589**
Trevor Clay Scholarship Fund	**336**	7	(65)	44	(30)	**292**
John Colyer Fund	**172**	4	(15)	41	–	**202**
Cowdray Scholarship Fund	**–**	–	–	–	–	–
Other educational funds	**271**	424	(71)	16	20	**660**
Total educational funds	**4,018**	**503**	**(182)**	**414**	**(10)**	**4,743**
Benevolent funds						
RCNF benevolent funds	**3,904**	179	(206)	323	–	**4,200**
Other benevolent funds	**997**	29	(39)	78	–	**1,065**
Total benevolent funds	**4,901**	**208**	**(245)**	**401**	–	**5,265**
Research funds	**233**	**18**	**(214)**	**26**	**80**	**143**
Total restricted funds	**9,152**	**729**	**(641)**	**841**	**70**	**10,151**
Unrestricted funds						
General funds	**30,339**	**736**	**(3,136)**	**2,611**	**(54)**	**30,496**
Designated funds						
Omaze	**512**	–	(100)	–	54	**466**
Other designated funds	**68**	–	–	–	(68)	–
Total designated funds	**580**	–	(100)	–	**(14)**	**466**
Total unrestricted funds	**30,919**	**736**	**(3,236)**	**2,611**	**(68)**	**30,962**
Total funds	**40,774**	**1,465**	**(3,877)**	**3,534**	–	**41,896**

13.4. RCN Foundation Group year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	**81**	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	**548**	–	–	49	–	**597**
Expendable			–			
Educational funds	**22**	–	–	(3)	(17)	**2**
Benevolent funds	**–**	–	–	–	–	–
Other funds	**15**	–	–	1	–	**16**
Total endowment funds	**666**	–	–	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**2,976**	60	(18)	221	–	**3,239**
Trevor Clay Scholarship Fund	**348**	6	(49)	31	–	**336**
John Colyer Fund	**157**	3	(17)	29	–	**172**
Cowdray Scholarship Fund	**–**	–	–	–	–	–
Other educational funds	**232**	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF benevolent funds	**3,966**	198	(239)	228	(249)	**3,904**
Other benevolent funds	**798**	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	–	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	–	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**4,892**	**(3,466)**	**1,839**	–	**30,339**
Designated funds						
Omaze	**557**	–	(45)	–	–	**512**
Other designated funds	**136**	–	(68)	–	–	68
Total designated funds	**693**	–	(113)	–	–	**580**
Total unrestricted funds	**27,767**	**4,892**	**(3,579)**	**1,839**	–	**30,919**
Total funds	**37,284**	**6,722**	**(5,718)**	**2,486**	–	**40,774**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

Transfers between funds - RCN Foundation

The transfer of £2,000 out of expendable endowments was processed after the Trustees decided to use the expendable endowment to support RCN Foundation educational activities.

The net £70,000 transfer in restricted funds relates to the transfer from expendable endowments to restricted funds for £2,000 and a transfer from unrestricted funds to restricted for £68,000. This last transfer was processed to cover for costs that should have been funded by designated funds instead of restricted funds.

14. Related party transactions

During the year a service charge of £625,982 was incurred by the RCN Foundation Group to RCN based upon the agreed service level agreement to provide staff (31 December 2020: £570,549). As at 31 December 2021, £321,152 is outstanding from RCN Foundation Group to RCN for this service level agreement and arrangement to provide staff.

In 2021, a total of £349,639 (31 December 2020: £279,219) has been paid to the RCN for the LampLight Support Service (LSS). The amount includes redundancy costs for one LSS member of staff. As at 31 December 2021, £54,018 is outstanding from the RCN Foundation Group to RCN 31 December 2020: £10,524 due from RCN).

Moreover, in the year the RCN Foundation awarded RCN two grants to run the Prince of Wales Cadet Scheme (£50,000) and the project “Sharing nurses’ life stories through their archives” (£4,000). No balance is outstanding at the end of the year relating to these transactions.

15. Remuneration

None of the Trustees received remuneration. Costs incurred by the RCN Foundation Trustees while carrying out trustee duties amounted to £1,101 in the year (31 December 2020: £1,197). These expenses related to £58 in accommodation and meals and £1,042 in travel. These costs relate to 10 trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

16. Prior period adjustments

Balance sheet

The Balance sheet for 2020 has been restated to correct the value of the revaluation reserves at the end of December 2020. The calculation of 2020 movement in the revaluation reserves did not take into account the full value of the net unrealised gains, £579,000 instead of the restated figure of £1.866m. As a result of the adjustment, the value of general funds available to the charity has decreased to £21.474m. Anyway, the overall value of the unrestricted funds held by the charity has not changed. To correctly reflect the above adjustment, note 8.1 Long-term investments, has been restated.

Statement of cashflow

The Statement of Cashflow for 2020 has been restated to reflect the correct allocation of cash between cash at bank and cash held in the investment portfolio. The closing balance of cash held in investments in 2020 did not include the cash held by the investment manager Sarasin, £322,091 (see note 8.1), while it was included in the opening balance of 2020. This resulted in a difference in cash which was incorrectly attributed to change in cash due to exchange rate movements.

17. Ultimate controlling party

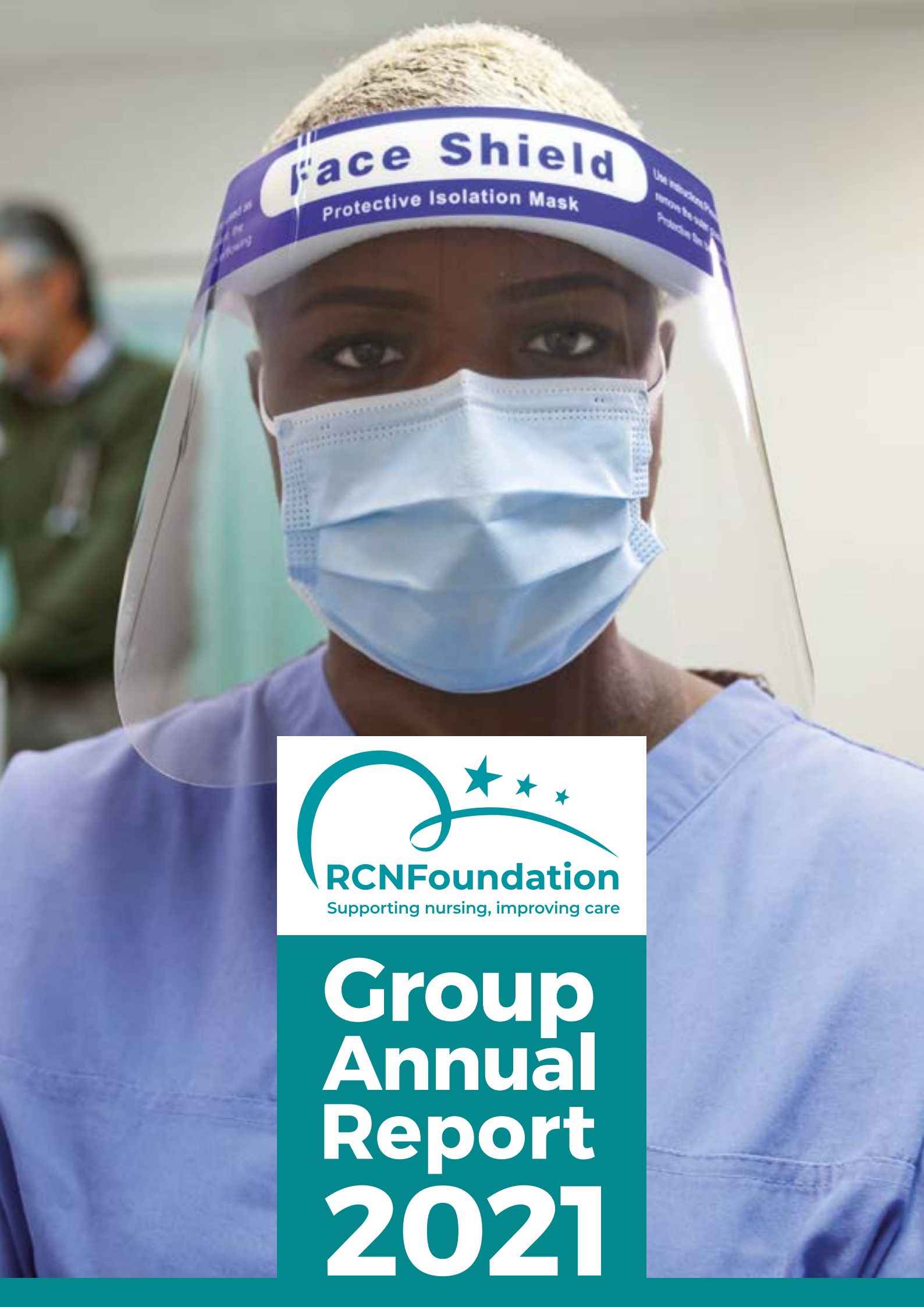
The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN which are available from the above address.

20 Cavendish Square, London W1G 0RN
Tel: 020 7409 3333

rcnfoundation.rcn.org.uk

May 2022 | 010 094

Published by the Royal College of Nursing The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992



RCNFoundation
Supporting nursing, improving care

Group Annual Report 2021

The RCN Foundation Group Annual Report and Financial Statements 1 January to 31 December 2021

Contents

Introduction from the Chair and Director	3
Report of the Trustees	4
Financial review	20
Principal risks and uncertainties	24
Board of Trustees	26
Reference and administrative details	27
Structure, governance and management	29
Thank you to all our supporters	32
Statement of Trustees' responsibilities	34
Independent auditor's report	35
Financial statements	39

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious.**

Registered Charity: 1134606 | Scottish Registered Charity: SC043663 | Registered Company: 7026001

This document has been designed in collaboration with RCN members to ensure it meets most accessibility standards. However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction from the RCN Foundation Chair and Director

The RCN Foundation Group Annual Report shares highlights from our work in 2021 and sets out our plans for 2022. It also contains our financial statements for 2021.

As the pandemic continued across the UK and beyond, our work to support and strengthen the health and social care nursing and midwifery teams remained our top priority. Having quickly reorientated our work in 2020 so that we could provide emergency assistance to those in the professions hardest hit by the pandemic, we hoped that 2021 would become a year of trying to rebalance our work. It quickly became clear that this was not to be the case.

Alongside our ambition to deliver on our long-term priorities, we realised that we would need to 'flex and pivot' in order to address the ongoing challenges posed by the pandemic, not only for nursing and midwifery, but also for our own organisation. We faced a number of challenges brought on by the pandemic that had an impact on our programmes, operations and finances at a time when nursing and midwifery staff most needed us. These included fewer community fundraising events leading to less income in this area and slower delivery of some of our projects due to staff shortages.

However, our firm commitment to nursing and midwifery, to the health and care sectors, and to patients, those who needed support and their families, did not falter. We continued to provide a safety net through our benevolent grants, increased clinical skills and expertise through our education grants, and funded projects that will not only advance our knowledge of the impact of the pandemic on nursing practice, but also improve the care of some of society's most vulnerable individuals. Our annual report sets out what we have achieved in 2021 as well as the challenges that we faced.

During 2021, the work of our subsidiary charity, the COVID-19 Healthcare Support Appeal, continued to deliver tangible benefit and impact for wider health and care staff affected by the pandemic. The charity, set up following a £5m donation from TikTok, allocated the majority of its funding in grants to organisations working in health and social care. In 2021, the charity made grants totalling nearly £1.7m to 20 organisations. Since the start of the pandemic, over 9,000 individuals have been supported. Having fulfilled the purpose for which it was established, the charity intends to close at the end of 2022.

There is no doubt that it has been a tough 12 months for everyone involved in health and care and that it will continue to be so for the foreseeable future. We will continue to support collective efforts to build the longer-term recovery and resilience of the health and care sectors which is so vitally needed through the work that we do. It has never been more important to work together, and we can only look to the future with hope by doing so.

To all those who supported us this year, and made our work possible, we say a huge thank you. Your commitment and faith in us have once again enabled us to deliver real benefit for nursing and midwifery across the UK. Finally, we would also like to thank all those we were able to support in some way over the last year – thank you for allowing us to be part of your journey.

Professor Jane Cummings CBE RN
Chair

Deepa Korea
Director

Report of the Trustees
for the year ending 31 December 2021
(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation Group (comprising the RCN Foundation and the COVID-19 Healthcare Support Appeal) presents its annual report and financial statements for the year ended 31 December 2021 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances in 2021. It can be downloaded from the Foundation's website (**rcnfoundation.rcn.org.uk**), where there are further details about the Foundation's work and that of its subsidiary, the COVID-19 Healthcare Support Appeal.

Objectives

Throughout 2021, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. Despite the challenges presented by the pandemic, we carried out a robust programme of activity with a focus on achieving positive outcomes for nursing and midwifery staff, and the public. Our objectives for 2021, as listed in the 2020 Annual Report and Accounts, and the progress made against these objectives, are set out below.

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the profession.

During the year, we continued to support members of the nursing and midwifery team who were facing hardship by funding the Lamplight Support Service (LSS) which was administered by the Royal College of Nursing. LSS provided advice and grants to nurses, midwives and nursing support workers who were facing financial hardship because of a wide range of issues including physical and mental ill health, debt, relationship breakdowns, caring responsibilities, and domestic abuse. The majority of grants were for cost-of-living expenses. Support to nurses, midwives and nursing support workers affected by COVID-19 reduced significantly in 2021, although this was continually monitored throughout the year.

In 2021, the Foundation made grants to the value of £206,000 through LSS (2020: £225,000), with 76% of grant recipients reporting that they were more financially independent as a result of the grant they received. 961 individuals benefited from telephone assessments (2020: 1,088) and were, on average £6,000 (2020: £5,800) better off as a result of the advice they received.

During 2020 and early 2021, the Foundation engaged in discussions with the RCN about the future delivery of the benevolent service, given that the agreement to provide hardship support through the LSS was due to end on 31 December 2021. A proposal setting out the Foundation's expectations about the future service was formally submitted to the RCN at the beginning of 2021. The RCN decided not to take the proposal forward and the board therefore agreed that the Foundation would instead deliver the benevolent service from January 2022 onward.

From April 2021, the Foundation began planning for the development and implementation of the new service. The service would encompass grant-making and signposting, with technology playing a greater role in its delivery. Staff and processes were put in place for the service to be launched on 4 January 2022. Alongside the delivery of this new service in 2022, the Foundation also plans to undertake a comprehensive review of the current landscape in relation to modern benevolent support for the professions.

Hardship case study

"I will be forever grateful for the help I was given." Hannah*, Nursing Support Worker

Hannah had been a nursing support worker for a number of years before she became pregnant at the height of the pandemic. As she was on the frontline, she soon had to stop working to keep both her and her baby safe. She was terrified about how she would be able to pay the bills and provide for her child, without putting themselves at risk.

After contacting our hardship service, Hannah had a phone interview and was awarded a Hardship Grant of £1,000 to pay for items required for her baby. She says "The support was unbelievable; it means the whole world. I was given help when I needed it the most."

*Different name used for anonymity

We continued to support those seeking to improve their clinical skills and expertise through education and training. In 2021, the Foundation awarded £149,000 in education grants (2020: £150,000) to 97 individuals (2020: 70). These grants were for a broad range of activities encompassing postgraduate studies and courses aimed at contributing to continuing professional development. Once again, the courses being undertaken were in a variety of topics including respiratory care, diabetes, and mental health. In addition, we also awarded grants to those with a first non-nursing degree wishing to take up a degree in nursing.

The Monica Baly award for the history of nursing was awarded to a team of researchers from Edinburgh Napier University for a project entitled *Witches' stories – accused and persecuted for helping others: documentary analysis of early midwives and nurses/healers as reported within the Scottish Witchcraft Survey database (1536-1746)*. The research team investigated the stories of these individual nurses and midwives, documented who they were, and reflected on their practices from today's health care perspective.

Following a review of the funding landscape for undergraduate nursing and midwifery students entering university, our partnership grants programme with the Leathersellers' Company Charitable Fund to fund these students came to an end. Keen to continue the successful partnership, Leathersellers made a further financial commitment to the Foundation towards an education programme aimed at non-specialist nurses to train in early interventions to support children and young people's mental health and emotional wellbeing. The Foundation will provide match funding towards this grant. Our successful joint grant-making partnership with the Worshipful Company of Needlemakers, for nurses and midwives using needles in their work, continued for another year.

After analysis of the reach of the Foundation's Professional Bursary Scheme, the board agreed to reduce the maximum grant available under the Scheme to £1,600 which took effect from the autumn round of applications. This will enable the Foundation to increase the number of grants it is able to award, without compromising applicants' ability to access continuing professional development opportunities.

The Foundation funded The University of Edinburgh to develop and deliver a Postgraduate Certificate in Neurological Rehabilitation and Care. This programme was undertaken in partnership with the brain injury charity SameYou and was delivered using funds raised through the Omaze fundraising initiative in 2018. Thirty two students commenced the programme in May 2021. Three students withdrew due to changes in their clinical practice and a further two withdrew due to personal circumstances. 27 nurses remain enrolled on the programme. An important outcome of this course has been the positive impact on students' personal and professional development, clinical knowledge, and patient experience demonstrated through their reflective assignments.

A number of initiatives were undertaken during the year to boost the quality and quantity of applications for education grants. A pilot webinar was developed which set out the elements of a good grant application. The event was live and recorded. Feedback was positive and the webinar will be held again in 2022. Anecdotal feedback from grant reviewers suggested that they had seen an increase in the quality of grant applications. Conversion rates for applications to grants also increased.

The Foundation also piloted a new Helping Hands scheme, whereby Foundation alumni (previous successful education grant recipients) supported applicants through the grant application process. Evaluation of the scheme demonstrated that one in two of those who received this support were successful in their application for a grant. Importantly, the scheme also demonstrated a positive impact in terms of increasing successful applications from ethnic minority applicants. This initiative will be rolled out fully in 2022.

Education case study

"The bursary has enhanced my practice as a midwife and provided a crucial step in my progression towards becoming an independent researcher."
Layla, Research Midwife

Layla was granted £1,975 towards the completion of "The Practice of Evidence-Based Health Care" – a Master's level module undertaken through the University of Oxford's Continuing Education Department. This course enabled Layla to learn how to evaluate the quality of different types of research studies in a systematic way and apply this knowledge to clinical scenarios and decision-making.

Since completing the module Layla has presented at several study days run by the charity Action on Pre-eclampsia. The knowledge she gained from the evidence-based practice module was crucial in helping her to develop these presentations.

Layla was able to secure funding to undertake a full Master's degree. The award gave her the confidence to apply for a pre-doctoral fellowship. She has been encouraged to apply for a doctoral fellowship with the National Institute for Health Research (NIHR). The course motivated Layla to pursue further academic study and to take on greater responsibility as a researcher.

"The RCN Foundation grant enabled me to obtain a Master's degree and proved a catalyst for further opportunities. I would strongly encourage anyone thinking of applying to go for it."

Layla went on to win the Trevor Clay Professional Bursary Scheme Award which was presented at the RCN Foundation Virtual Impact Awards 2020 by Professor Jacqueline Dunkley-Bent OBE, Chief Midwifery Officer for NHS England and a trustee of the RCN Foundation.

Education case study

"It will give me a sense of accomplishment and pride to forever have my name associated with the RCN Foundation."
James, Nurse

James was awarded a grant of £7,500 over three years to undertake an MA in Adult Nursing at the University of Salford. Having previously worked in the music industry, James decided to pursue a career in nursing after a life-changing experience volunteering at a government hospital in Sierra Leone.

During the clinical placements on his course, he was exposed to a wide variety of nursing specialities and developed a greater understanding of the nursing process. James received a Distinction upon completion of his course and now works in the Acute Medical Unit at St George's Hospital, London.

James hopes eventually to become a nurse consultant in emergency medicine. In the future, he would like to undertake a Master's degree in Advanced Clinical Practice, having already worked as a charge nurse.

"The bursary has greatly alleviated some of the financial pressure of returning to education. Once you're a nurse, you're a nurse all day, every day. I can't imagine not being that."

Dr Ruth May, Chief Nursing Officer for England presented James with the Margaret Parkinson Award at the RCN Foundation Virtual Impact Awards 2020 for outstanding achievement in student nursing.

A number of nursing-led projects were supported during the year. A proportion of these projects, which had been funded over multiple years, were completed during the year. All of our funded projects continued to be affected to varying degrees by the pandemic. Our approach during this period was therefore to offer support and flexibility to enable funded projects to continue.

Four projects were completed during 2021:

- Aneurin Bevan University Health Board – this project aimed to tackle loneliness and isolation in care homes in Wales.
- University of West London – this was scoping research to understand the contribution of nurses to improving the health and wellbeing of children, adults and older people with learning disabilities now and for the future.

- Institute of Health Visitors – this project was supported in direct response to the pandemic. Funding was for the provision of emotional wellbeing at work support to health visiting teams during the pandemic.
- RCN – the England pilot of the RCN Prince of Wales Nursing Cadet Scheme.

In 2021, the Foundation funded five new projects. In response to the pandemic, the Foundation undertook its own review to identify the gaps in COVID-19 related research taking place. The aim of the review was to ascertain where the Foundation might best direct any funding relating to nursing-led COVID-19 research. This review led to two projects being funded through open calls.

The first of these was the EMPATH study carried out by Northumbria University and the University of the Highlands and Islands, which sought to identify the current evidence on the effectiveness, acceptability and feasibility of Psychological First Aid (PFA) for nursing teams working in care home settings. The research looked at where in the UK PFA was being used and how it was being implemented. Through a UK-wide web-based, cross-sectional survey, the project compared levels of safety, calmness, self and community efficacy, connectedness and hope, stress, resilience and coping in care home staff working in settings that had or had not implemented PFA. Qualitative data relating to the lived experience of PFA in a care home setting was obtained through a further questionnaire. The project will be completed in 2022.

The second project was the COVID-19 leadership study, carried out by Queen Margaret University in Scotland. The aim of the project was to explore nurses' and midwives' perspectives and experiences of effective leadership strategies during the pandemic; make recommendations for how healthy practices could be incorporated into future leadership strategies within nursing and midwifery beyond the pandemic; and identify any convergence, divergence and silence in nurses and midwives' experiences of effective leadership strategies across the four nations during the pandemic. The project will be completed in 2022.

An urgent priority identified by the Foundation during the pandemic was the disproportionately high numbers of people with learning disabilities (also referred to as people with intellectual disabilities) who were dying from COVID-19. To address this, the Foundation funded the CAREVIS study, a partnership project between the University of Hertfordshire and the charity Beyond Words. The aim of the project was to develop a picture story book to provide information in pictures about having the COVID-19 vaccine.

As the book was being developed, people with learning disabilities and people who care for them were asked for their input. The picture book is being widely distributed to people with learning disabilities and those who care for them, including family and friends, paid carers, nurses, social workers, and other professionals who support them. The book has been published and is freely available on the Beyond Words website. The project team will also evaluate the impact that the picture book has had. The project will be completed in 2022.

In 2021, the Foundation developed a three-year grants programme focused on its key priority of nursing-led interventions to support children and young people's mental health and emotional wellbeing. The first call under this programme was launched during the year. The University of Huddersfield was awarded a grant to develop a limited data set of assessment tools for children and young people's mental health and emotional wellbeing. The project aims to understand which assessment tools enhance and complement the therapeutic relationship between the young person and the nurse. It will develop a web-based app holding a dataset of evidence-based assessment tools for non-specialist nurses to use in a variety of educational, health and social care settings. The project will be completed in 2022.

Finally, the Foundation awarded funding to the RCN for a project entitled the *Mary Abbott Archive – Sharing nurses' life stories through their archives*. This project will highlight how the personal collections of the late Mary Abbott are an exemplar of how historical papers, images, biography and oral history interview recordings can be linked together to improve online accessibility and promote knowledge about the achievements of individual nurses. This will be done in two phases, working with Mary Abbott's own collection and then selecting other individuals from the RCN's own collections who have had a similar impact and creating the same ease of access to their stories. The project will be completed in 2023.

A number of other projects remained ongoing throughout the year. These were: *Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales* led by the University of Cardiff; an exploration and evaluation of Band 5 nurses' leadership development and practice led by the University of Northumbria; QNI's Care Home Nurses' Network; and the IMPACT Foundation project to support nursing students in Bangladesh.

As part of our objective to raise the profile and public understanding of the professions, the Foundation continued its partnership with the Chief Nursing Officers (CNOs) of England, Northern Ireland, Republic of Ireland, Scotland and Wales on a joint project to raise the status and profile of nursing and midwifery.

Work on the project began in earnest during the year to create a digital media campaign to demonstrate the breadth of the nursing and midwifery professions. The campaign will be aimed at the general public, practitioners and policy makers. A creative agency, Salt Thinking, worked on the development of the campaign and collating the material for it. Seven case studies will be featured, with individuals from different parts of the professions and from across the five countries.

In November, the Foundation held its annual lecture, entitled *Folk Healers and Midwives Accused of Witchcraft in Scotland 1563-1736*. Dr Nicola Ring, Nessa McHugh and Rachel Davidson-Welch from Edinburgh Napier University discussed their investigation of the stories of individual nurses and midwives who had been accused of witchcraft and reflected on their practices from today's health care perspective. The lecture attracted over 400 attendees and was the RCN Foundation's most popular annual lecture to date.

The Foundation's charitable expenditure during the year was 80% of its total expenditure incurred in the year.

Project case study

Witches' Stories – righting a historical wrong

To celebrate the International Year of the Nurse and Midwife, the RCN Foundation awarded a Monica Baly fund grant to an Edinburgh Napier University research team exploring the links between witchcraft, folk healing and modern nursing and midwifery. Using archival documents, the team found that among 3,200 people accused of witchcraft in Scotland between 1563 and 1736, a portion practiced folk healing to tend to the sick and to support women during childbirth.

The team collated its research to write biographies of these individuals, deepening understanding of specific midwifery and healing practices of the time. Thanks to this research, and the grant that funded it, the names of some early nurses and midwives accused of witchcraft are now known.

Project case study

Institute of Health Visiting: Emotional Wellbeing at Work Programme project

When the pandemic began, upheavals to how health visitors work rapidly affected their psychological wellbeing. The Institute of Health Visiting (iHV) proposed that better mental health support could sustain health visitors as they redeployed into unfamiliar roles or took on challenging caseloads. The iHV proposed the creation of an Emotional Wellbeing at Work Programme (EWW) for health visitors across England, Northern Ireland, Scotland and Wales.

The Foundation awarded £48,300 to fund the project. A total of 58 health visitors participated in online sessions where facilitators focused on sharing restorative supervision practices. All participants reported that their coping skills around chronic stress improved. They also valued having a safe space to talk over challenges and get support from peers. The Journal of Health Visiting published a report on the programme, and outcomes have been presented at both the iHV evidence-based conference in September 2021 and the iHV leadership conference in December 2020. As a result of the programme's success, iHV has secured further funding to train programme champions to use the model and roll it out in their workplace.

2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.

In 2021, the Foundation took an increasingly proactive and targeted approach to increase the reach, visibility and media coverage around the impact and outcome of funded projects. A number of projects received media publicity during the year.

This included the launch communications for the Monica Baly History of Nursing research project awarded to Edinburgh Napier University. The story was featured by a number of news and broadcast outlets, including *STV*, *the Scottish Metro*, *Mail* and *Sun*, *Nursing Standard* and *Nursing Times*.

There was also coverage of another Foundation funded project led by the University of Hertfordshire in conjunction with the charity Beyond Words, which aimed to create and evaluate a visual resource to help people with intellectual disabilities give their consent to receiving the COVID-19 vaccine. Coverage included a news piece in *Nursing Standard*.

Finally, we received online coverage of a research project, led by Northumbria University, and the University of Highlands and Islands in Scotland, which investigated the importance of psychological first aid training as a tool to support the mental health and emotional wellbeing of nurses working in care homes during the pandemic. The story was featured on the Healthcare Newsdesk and Psychreg shared sites.

At the end of the year, the Foundation's Grants Committee reviewed a proposed new impact framework model for the Foundation. This will be reviewed by the board in 2022.

3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various communication platforms and a review of branding.

In 2021, the Foundation worked alongside creative marketing agency, Salt Thinking, who gave up their time on a pro bono basis to undertake a brand review for the charity. Work on the brand review has received input from the board and remains ongoing.

As part of a series of measures designed to deliver a more cohesive donor engagement experience for the Foundation's supporters the *2020 Impact Report* was, for the first time, sent via post to more than 5,000 donors. This approach also included the implementation of a quarterly supporter e-newsletter, with news and updates on the Foundation's work and impact. This resulted in more that 250 supporters increasing their engagement with the Foundation by updating their details, expressing further interest in fundraising and legacy initiaitves, or volunteering to share their story with the Foundation.

The Foundation's 2021 Impact Awards took place virtually in October. More than 170 people registered to attend the event, which shone a spotlight on the awardees and their achievements. It was also an opportunity to highlight the 2020 Impact Award recipients, following the cancellation of the 2020 awards due to COVID-19. Guest presenters of the awards included the Chief Nursing Officers of England and Northern Ireland, and England's Chief Midwifery Officer. The virtual nature of the event meant that the Foundation was able to connect with people across the UK who would have been unable to join an in-person event. LV= sponsored the event with a contribution of £4,000 for which we are very grateful.

Throughout 2021, the Foundation increased its visibility across social media platforms including Facebook, Twitter and Instagram. Community giving initiatives such as the Song Club series of concerts and The Sizzle Show delivered via Instagram Live introduced the Foundation to new audiences.

As the Foundation's social media presence grew, there were strong levels of engagement across different channels for initiatives such as the Virtual Impact Awards, Annual Lecture, educational grants rounds and Nurses' Day.

4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Develop a clear and measurable fundraising strategy for the Foundation.

Against the backdrop of the ongoing pandemic, income from investments and fundraising performed relatively well during the year, in line with budgets and forecasts. In 2021, the value of the combined portfolio was £41.1m (2020: £38.6m).

In July, the Board of Trustees approved a new Fundraising Strategy. The strategy identified opportunities to maximise engagement and philanthropic support for the Foundation and to develop a long-term and sustainable fundraising programme, which aimed to develop diversified income streams.

During the year, the Foundation continued with its telephone fundraising upgrade campaign achieving a 23% participation rate against a target of 20%. A first reactivation and conversion campaign was also implemented which resulted in a 34% participation rate against a target of 20%.

The Foundation received a number of notable donations during the year. The UK-based online food delivery business, Deliveroo, made a £300,000 donation to support educational grants for nursing and midwifery staff across the UK working within the NHS. This donation was made up of donations from customers and suppliers in response to COVID-19 towards Deliveroo's *Supporting the NHS* campaign.

A donation of £22,500 was also received from the Apax Foundation which consisted of an individual donation matched by the Apax Foundation.

A donation of £20,000 was also received from the family of a deceased nurse who wished to establish an education grant in her name, to be called the Olufunke Adeyeye RCN Foundation Education Grant. This scheme will provide education grants for nurses, midwives and health care support workers from ethnic minority backgrounds.

For the third consecutive year, the Foundation received a donation from the Privy Purse Charitable Trust. In 2021, the donation was made at an increased level to that made in previous years in recognition of the ongoing challenges facing charities and the nursing and midwifery professions during the pandemic.

The Foundation was the beneficiary of a number of community fundraising initiatives during the year. A key initiative was led by singer/songwriter and Squeeze co-founder Chris Difford who, following his support of the Foundation through The Song Club album in 2020, curated a series of Zoom concerts in the first half of 2021, including in celebration of Nurses' Day.

Eleven runners took part in the Virtual London Marathon and Royal Parks Half Marathon events, collectively raising more than £5,500. Runners included RCN staff members, friends and family of Foundation staff members, members of the public and nursing staff.

Finally, RCN staff member and artist, Carl Bevan ran an art raffle to raise funds for the RCN Foundation and homeless charity, Llamau. This initiative raised £1,275 for the Foundation.

Work took place during the year on the Foundation's approach to ethical investments. As part of the first phase of this approach, the Board of Trustees agreed to exclude a number of areas from the Foundation's investment portfolio including cluster bombs and landmines, adult entertainment, alcohol, armaments, civilian firearms, gambling, tobacco, extraction of thermal coal, and production of oil tar sands. In 2022, the Foundation will further review its portfolio to identify any other potential areas for exclusions.

5. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

The Foundation continued to be involved with RCN Group initiatives during the year. In 2021, RCN Congress activities included an online education programme, as part of which the Foundation organised a panel event entitled *The Courage of Compassion: giving nurses a voice to lead*. This event highlighted the King's Fund report *The Courage of Compassion* and its impact on leadership within nursing and midwifery. The event was viewed by 191 people at its peak which compared to an average audience of 93 for other events within the programme.

The Foundation also continued to work closely with the RCN's Corporate Relations Team to explore joint opportunities to work together.

6. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

During the year, the Foundation appointed four new trustees to the board and six new advisers to its Committees. Trustees and advisers came from a broad range of backgrounds including finance, fundraising, marketing and communications, nursing and midwifery, grant-making and benevolence. As a result of these appointments, the Foundation's governance was significantly strengthened.

The development of the Foundation's Benevolent Service throughout the year was a key activity under this objective. Opening in 2022, the new service will, for the first time, be delivered using a digital platform to enable applicants to experience a smoother application process. Plans have also been put in place to support those without access to digital platforms. Two new roles within the Foundation were created to deliver this service and both roles were successfully filled before the end of the year.

The pandemic continued to bring increased focus on the work of the Foundation. As a result, the Foundation increased its communication capacity with the addition of a digital marketing and communications role to the team.

Work was undertaken on the Foundation's approach to equality, diversity and inclusion. The board underlined its firm commitment to ensuring that principles of equality, diversity and inclusion underpinned all aspects of it's work by agreeing an Equality, Diversity and Inclusion Statement. Alongside the Statement, the board also agreed a set of guiding principles and goals designed to support the delivery of its approach.

Equality, Diversity and Inclusion at the RCN Foundation – Our Ambition

The RCN Foundation will be a champion of equality, diversity, inclusion and human rights, and recognises the value of being a diverse, fair and inclusive employer.

As a charity and grant-giver, the RCN Foundation aspires to work towards creating an inclusive culture within which our beneficiaries and the wider public can participate, contribute and thrive without fear of discrimination, barriers and exclusion.

We recognise that there is a profound relationship between inequality and health. Through our work and the way in which we operate, we aim to respond to, and positively address, the impact of health inequalities and their adverse effect on individuals and communities.

7. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and our ability to continue to support the nursing and midwifery professions. This includes supporting the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

The final grants from the Foundation's COVID-19 Support Fund were made at the beginning of 2021 to support nursing and midwifery staff affected by the pandemic, following which the fund was closed. Despite this, the Foundation continued to closely monitor any potential impact of the pandemic on nursing and midwifery staff facing hardship throughout the year to ascertain whether the fund would need to reopen.

A number of COVID-19 projects were funded during the year which have been highlighted in earlier sections of this report. There were also various COVID-19-related fundraising initiatives during the early part of the year which again have been highlighted above.

The Foundation continued to operate and monitor a COVID-19 risk register to flag any potential risks caused by the ongoing pandemic on its governance, finances and operations. As new variants of the disease continue to emerge, the board has agreed that the COVID-19 risk register will remain in place in 2022.

The Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA), continued to make grants to health and care organisations whose beneficiaries had been affected by the pandemic. Grant-making fell into three priority areas – emergency aid and hardship; psychological support; and recovery and resilience.

In 2021, the CHSA Board of Trustees agreed grants to 20 organisations totalling £1,681,275. Further details about CHSA and its work is set out in its **annual report and accounts**.

Policies

During 2021, the board approved the following policies: Donations Acceptance Policy, Conflicts of Interest Policy, Trustee and External Adviser Recruitment Policy, and the RCN Group Risk Policy.

Our position on modern slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2022

1. **Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the professions.**
2. **Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.**
3. **Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various digital and other communication platforms.**
4. **Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Implement key aspects of the fundraising strategy agreed in 2021.**
5. **Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.**
6. **Support and deliver the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal. Evaluate the impact of the subsidiary charity's grant-making. Close the subsidiary charity at the end of 2022, ensuring that all funds have been effectively expended in line with charitable objectives.**
7. **Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.**

Treatment Room 1

Financial review

Investments, policy and performance

The RCN Foundation Group is subject to the Trustee Act 2000. The Group's investment objective is to seek to protect real income and capital growth over time. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The board oversees the management of the group's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the board as appropriate

The Trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short-term fund consisting of cash, short-term deposits and short-dated bonds. During 2021, £500,000 was withdrawn from the short-term fund for cashflow purposes. At 31 December 2021, £500,000 was held in the short-term fund as Money Market Investments and is shown as a current asset on the balance sheet (31 December 2020: £1m).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the group's ethical requirements.

The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the Trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies. Specific restrictions include the avoidance of any investment in companies that manufacture tobacco products and alcohol, and in companies that are involved in gambling, adult entertainment, armaments, cluster bombs and landmines and civilian firearms. Moreover, the portfolio excludes investments in companies dealing with the extractions of thermal coal and the production of oil tar sands. Environmental, social and governance (ESG) factors are also embedded in the investment process for stock selection.

The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility, and have taken a low to medium level of risk approach.

2021 showed an improvement compared to 2020 for the Group's investments both in terms of income generated and increase in the value of the portfolio. The gross investment income in the year ended 31 December 2021 was £809,000 (associated investment management fees of £169,000) which was 3.3% higher compared to the gross income received in 2020 (£783,000). The movement in the investments resulted in a significant increase in the market value of the combined portfolio from £38.6m at the start of the year to £41.6m at the end of the year.

This increase in value can mainly be attributed to a higher return on equities, properties and alternative investments. The market value of investments is subject to the fluctuation of the open market and are thus exposed to a degree of uncertainty and speculation.

We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities as we expect 2022 to also be an unusual year, given the ongoing COVID-19 pandemic.

Review of financial position

The financial statements are presented in the format required under the 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2021 and the balance sheet as at 31 December 2021 are set out on pages 40 and 42. The statement of financial activities shows that the RCN Foundation Group had a net surplus of £2.8m in the year ended 31 December 2021 (31 December 2020: net surplus of £1.7m).

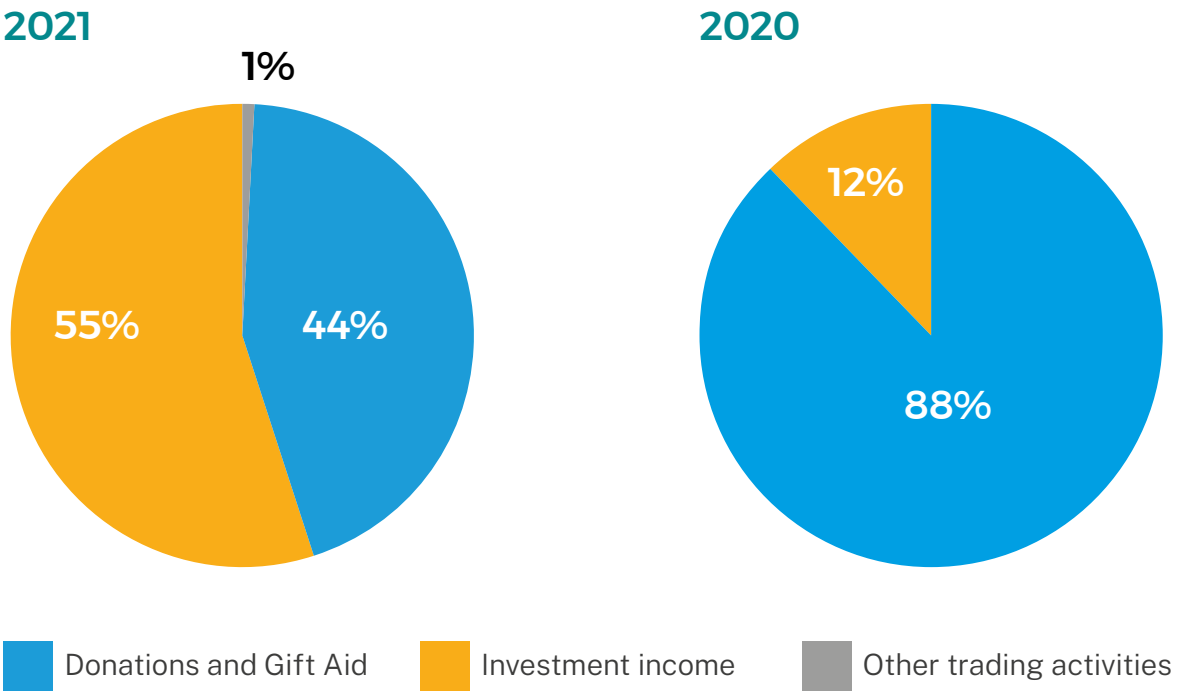
Income

The RCN Foundation income is made up of income from donations and legacies, income from trading activities and investment income.

Total income in the year was £1.465m which is 359% lower than the previous year (31 December 2020: £6.722m). The negative variance is attributable to the exceptional one-off donation received from TikTok in 2020 which resulted in the creation of the subsidiary charity – the COVID-19 Healthcare Support Appeal (CHSA). The income received in 2021 is broadly in line with the income received in 2019 (£1.598m).

Legacies, donations and gift aid amounted to £648,000 (31 December 2020: £5.909m). Income earned from other trading activities includes licence income of £5,000 (31 December 2020: £30,000) and sponsorship income of £3,000 (31 December 2020: £nil).

Investment income for the year was £809,000 (31 December 2020: £783,000) of which £609,000 was unrestricted (31 December 2020: £602,000). The RCN Foundation Group investments reported net gains of £3.534m (31 December 2020: £2.486m gains) mainly due to unrealised gains on the investment portfolio.



Expenditure

Total expenditure in the year amounted to £3.877m (31 December 2020: £5.718m) of which £3.237m (31 December 2020: £3.579m) was from unrestricted funds.

In 2021 expenditure decreased by 32% compared to 2020. The variance is due to the high amount of benevolent grants awarded in response to the COVID-19 pandemic in 2020 (as shown in the table below). In 2021 the support to the pandemic continued and has focused on awarding grants to organisations through the CHSA subsidiary.

2021 vs 2020 expenditure

	Education and training £'000	Benevolent £'000	Clinical practice £'000	Research £'000
2020	£354	£4,752	£144	£104
2021	£321	£2,541	£186	£425

In 2021, £2.861m in grants were paid (31 December 2020: £4.894m). Of these, £340,000 was paid to individuals - £206,000 relates to benevolent grants awarded through the Lamplight Support Service (31 December 2020: £239,000), £149,000 to educational bursaries (31 December 2020: £169,000). The Foundation Group paid £22,000 to individuals for COVID-19 grants (31 December 2020: £1,489).

£2.521m was paid by the RCN Foundation Group to 33 organisations – of which £1.750m was paid to 21 organisations for COVID-19 specific grants. £350,000 was paid to RCN UK as part of the agreement to run the Lamplight Support Services (which administered benevolent grants to individuals) (31 December 2020: £279,000) – this expenditure has been charged against unrestricted funds.

A fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing, and other services and is included within unrestricted expenditure. This was £626,000 in the year ended 31 December 2021 (31 December 2020: £571,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation Group plus 12% overheads for RCN Foundation staff and 20% VAT for CHSA staff. The increase in fee is due to the recruitment of two new roles, Digital Marketing and Communications Officer and the Benevolent Grants Manager.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £433,000, this figure includes investment management fees, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2020: £364,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2021: £169,000; 31 December 2020: £158,000).

In the year Trustee expenses of £1,101 were incurred (31 December 2020: £1,197). The negative variance is due to Trustees not incurring travel or subsistence costs due to the COVID-19 pandemic restrictions. These costs are treated as unrestricted expenditure.

Reserves

The RCN Foundation Group has adopted a reserves position which it considers appropriate to ensure it can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The level of free reserves at 31 December 2021 was £30.496m (31 December 2020: £30.337m). This excludes those unrestricted funds that have been earmarked for particular purposes by the Trustees and are shown as designated funds on the balance sheet, and excludes tangible fixed assets. The increase in reserves is due to the net gains on the investment portfolio.

The investment and reserves policies reflect the Trustees' acknowledgment that the RCN Foundation Group is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The Trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy.

RCN Foundation Group accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a strategic report for that purpose.

Principle risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the level of risk that the Foundation is willing to take in order to meet its strategic objectives. There are a range of appetites for different risks and these are set out below.

Financial

Appetite for risk: low

There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. A new fundraising strategy was agreed by the board in 2021 which will be deployed from 2022 onwards. The strategy will focus on particular areas of voluntary income which have greater potential for a positive return for the Foundation. The COVID-19 pandemic continued to impact on both voluntary and investment income, with steps put in place to mitigate the risk to income returns.

Governance

Appetite for risk: low

There were a number of governance risks that were kept under review during the year. These included: the ability to recruit new Trustees and Advisers with the skills and experience required to fill existing vacancies; the potential for board and committee meetings to be inquorate due to the demands of the pandemic on Trustees who worked clinically; and the need to conduct a governance review. A programme of work to mitigate these risks was implemented including using an external agency to support the recruitment of new Trustees and Advisers; and contacting Trustees prior to all meetings to confirm attendance and ensure quoracy.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues. Members of the Foundation's senior management team review briefings setting out any changes to regulator frameworks, including those from the Charity Commission and Fundraising Regulator.

Operational

Appetite for risk: medium

The ability to deliver our ambitious grant-making plans continued to feature as a key risk. In 2021, this continued to be exacerbated by the constraints to public life caused by the pandemic. In this context, the key risks that were monitored during the year included: the ability of projects to deliver to time and within budget; and the uptake of education grants by frontline staff who were overwhelmed by the pandemic. Other operational risks that were monitored during the year included the development of the new Benevolent Service, and the impact of the pandemic on staff health, wellbeing and morale. These risks were mitigated in a number of ways. An organised programme of regular contact with projects was undertaken in order to provide ongoing support during the pandemic. Additional marketing activities were undertaken to ensure the uptake of education grants, and a clear project plan was drawn up and implemented in relation to the Benevolent Service. Finally, all senior managers were tasked with supporting staff wellbeing throughout the year.

External

Appetite for risk: medium

As in 2020, the key external risk for the Foundation during 2021 remained the impact of the pandemic on the Foundation's finances and operations. This was kept under review by the board through the COVID-19 risk register. A key risk that was discussed during the year was the relatively low profile and visibility of the Foundation, and how this could be mitigated. The Foundation received pro bono support and services from a communications agency to begin work on profile and visibility. This work will continue into 2022.

Board of Trustees

External Advisers; Reference and Administrative Details; Structure, Governance and Management

Board of Trustees

The Trustees who are in office or have been during 2021 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Christine Scott-Perry, Vice-Chair and Chair of the Appointments Panel

Elizabeth Jane Cantrell (from 1 September 2021), Chair of the Scotland Committee

Catherine Deakin (from 1 September 2021)

Gregory Dix (from 1 September 2021), Chair of the Wales Committee

Professor Jacqueline Dunkley-Bent OBE

Gordon Hull

David Jones, Chair of the Income Generation and Investment Committee

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee

Professor Charlotte McArdle

Anthony Osijo (from 1 September 2021)

Atul Patel MBE (resigned 31 August 2021)

External Advisers

Nichola Ashby (Grants Committee) (resigned 9 September 2021)

Victoria Bennett (Income Generation and Investment Committee) (from 1 September 2021)

Professor Michael Brown (Scotland Committee)

Ann Gow (Grants Committee) (from 1 September 2021)

Joanne Griffin (Income Generation and Investment Committee)

Alison Hoad (Income Generation and Investment Committee) (from 1 September 2021)

Professor Angela Hopkins (Wales Committee) (resigned 8 June 2021)

Dawn Jackson (Grants Committee) (from 1 September 2021)

Mickella Lewis-Purvis (Grants Committee) (from 1 September 2021)

Yvette Lloyd (Income Generation and Investment Committee)

Professor Donna Mead OBE (Wales Committee)

Jane Miles (Grants Committee)

Dr Susan Morgan (Wales Committee) (retired 26 September 2021)

Tanya Strange MBE (Wales Committee)

Sian Thomas (Wales Committee)

Vivien Waterfield (Income Generation and Investment Committee) (from 1 September 2021)

Jayne Young (Appointments Panel) (resigned 24 May 2021)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN

Telephone 020 7409 3333

Website: rcnfoundation.rcn.org.uk

Bankers

National Westminster Bank PLC
250 Regent Street, London W1B 3BN

Independent auditors

Crowe U.K. LLP
55 Ludgate Hill, London EC4M 7JW

Lawyers

Bates Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Taylor Vinters LLP
Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ

Investment managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered Charity: 1134606

Scottish registered charity SC043663

Registered Company: 7026001

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the Royal College of Nursing in the United Kingdom (RCN UK) is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the Royal College of Nursing, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the Royal College of Nursing that sets out how the two organisations will work together to support nursing and midwifery, and improve care.

Objects

The objects of the RCN Foundation are to:

- promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing including those who are students
- promote the advancement of nursing as a profession in all or any of its branches
- promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

In referring to nursing within its objects, the Foundation also provides support to midwives and health care support workers.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The board has provision for no fewer than seven and no more than 12 trustees, four of whom are members of the Royal of College of Nursing and a member of RCN Council is included in the recruitment process. At least three of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual board awayday. The two substantive committees of the board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis.

The Grants Committee is accountable to the board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager.

The membership of these committees is largely drawn from the board and the committees are chaired by a trustee. We have also appointed additional independent members with particularly relevant experience and expertise to our committees.

The Appointments Panel oversees the recruitment and appointment of Trustees, Chair and Vice Chair elections, and committee appointments on behalf of the board. It also oversees Trustees' induction, development programmes and performance review.

The Foundation also has two country committees, one for Scotland and a second for Wales. The role of these committees is to raise the profile of the Foundation's work in their respective countries; bring knowledge of the key country-specific issues affecting nursing, midwifery and health care to the attention of the Foundation; and aim to raise funds for the Foundation's work. Country committees are chaired by a trustee from the relevant country.

Terms of reference for all committees have been agreed by the board.

Management

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a services agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation is also supported throughout the year by a number of RCN staff as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which will be made available on the website in 2022.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A financial strategy was developed in 2019.

Conflicts of interest

We have a register of interests which is updated regularly. We have guidance for managing conflicts which was reviewed and updated in 2021 and we ask Trustees and advisers to identify any conflicts at the beginning of each meeting.

SONG CLUB
Music Curated by
CHRIS DIFFORD

deliveroo

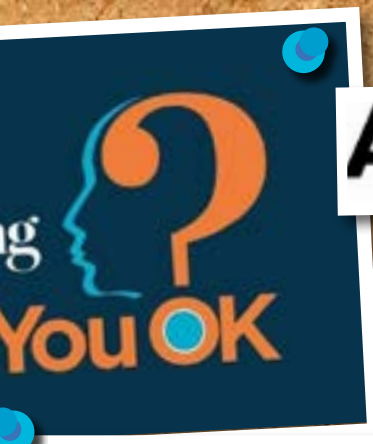
stelios
STELIOS PHILANTHROPIC FOUNDATION
STELIOS-UK.FOUNDATION

#DeclutterAndDonate
MONEY GIVING
ziffit.com

The SOCIAL CLUB

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during the year. With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. This year in particular has been like no other; and so we also want to thank the many new donors who have helped us to support frontline staff during the COVID-19 pandemic. Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care practitioners, and through them patients and families.
Thank you.



Statement of Trustees' responsibilities

The Trustees (who are also directors of RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 incoming resources and application of resources, including 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 the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- 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.

The Trustees' Annual Report on pages 4 to 18 was approved by the board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 26 April 2022

BACK TO CONTENTS

Independent auditor's report to the members and Trustees of the RCN Foundation

Opinion

We have audited the financial statements of RCN Foundation ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet the Statement of Cashflows and notes to the financial statements, including 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 December 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 contained within the annual report. 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.

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 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 our audit

- the information given in the Trustees' report, which includes the directors' report, prepared 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 directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of responsibilities set out on page 34, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, United Kingdom

Date: 12 May 2022

Financial statements

Statement of financial activities 31 December 2021 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 31 December 2021 £'000	RCNF Group 31 December 2021 £'000
Income from:									
Income and endowments									
Donations and legacies	2	96	124	524	524	–	–	620	648
Income earned from other activities									
Investment income	3	609	609	200	200	–	–	809	809
Income earned from other trading activities									
Sponsorship income		3	3	–	–	–	–	3	3
Licence income		–	–	5	5	–	–	5	5
Total income		**708**	**736**	**729**	**729**	**–**	–	**1,437**	**1,465**
Expenditure									
Cost of raising funds	4	433	433	–	–	–	–	433	433
Expenditure on charitable activities:									
Education and training		140	140	181	181	–	–	321	321
Benevolent fund		524	2,270	245	245	–	–	769	2,515
Clinical practice and promoting the profession		184	184	–	–	–	–	184	184
Research		209	209	215	215	–	–	424	424
Total expenditure	4	**1,490**	**3,236**	**641**	**641**	**–**	–	**2,131**	**3,877**
Net income/(expenditure) before investment gains/ (losses)		**(782)**	**(2,500)**	**88**	**88**	**–**	–	**(694)**	**(2,412)**
Net gains on investments	13	**2,611**	**2,611**	**841**	**841**	**82**	**82**	**3,534**	**3,534**
Net income for the year		**1,829**	**111**	**929**	**929**	**82**	**82**	**2,840**	**1,122**
Transfers between funds	13	**(68)**	**(68)**	**70**	**70**	**(2)**	**(2)**	**–**	**–**
Net movement in funds	13	**1,761**	**43**	**999**	**999**	**80**	**80**	**2,840**	**1,122**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**
Fund balances carried forward at the end of the period	12	**30,931**	**30,962**	**10,151**	**10,151**	**783**	**783**	**41,865**	**41,896**

Notes on pages 44 to 66 form part of these financial statements.

BACK TO CONTENTS

Statement of financial activities 31 December 2020 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 31 December 2020 £'000	RCNF Group 31 December 2020 £'000
Income from:									
Income and endowments									
Donations and legacies	2	113	4,260	1,649	1,649	–	–	1,762	5,909
Income earned from other activities									
Investment income	3	602	602	181	181	–	–	783	783
Income earned from other trading activities									
Sponsorship income		–	–	–	–	–	–	–	–
Licence income		30	30	–	–	–	–	30	30
Total income		**745**	**4,892**	**1,830**	**1,830**	**–**	**–**	**2,575**	**6,722**
Expenditure									
Cost of raising funds	4	364	364	–	–	–	–	364	364
Expenditure on charitable activities:									
Education and training		164	164	190	190	–	–	354	354
Benevolent fund		555	2,953	1,773	1,773	–	–	2,328	4,726
Clinical practice and promoting the profession		65	65	–	–	–	–	65	65
Research		33	33	176	176	–	–	209	209
Total expenditure	4	**1,181**	**3,579**	**2,139**	**2,139**	**–**	**–**	**3,320**	**5,718**
Net income/(expenditure) before investment gains/ (losses)		**(436)**	**1,313**	**(309)**	**(309)**	**–**	**–**	**(745)**	**1,004**
Net gains on investments	13	**1,839**	**1,839**	**593**	**593**	**54**	**54**	**2,486**	**2,486**
Net income for the year		**1,403**	**3,152**	**284**	**284**	**54**	**54**	**1,741**	**3,490**
Transfers between funds		**–**	**–**	**17**	**17**	**(17)**	**(17)**	**–**	**–**
Net movement in funds	13	**1,403**	**3,152**	**301**	**301**	**37**	**37**	**1,741**	**3,490**
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	**27,767**	**27,767**	**8,851**	**8,851**	**666**	**666**	**37,284**	**37,284**
Fund balances carried forward at the end of the period	12	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**

Balance sheet as at 31 December 2021

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2021	31 December 2020 as restated	31 December 2021	31 December 2020 as restated
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6	2	4	2	4
Long-term investments	8.1	41,134	37,596	41,134	37,596
Total fixed assets		**41,136**	**37,600**	**41,136**	**37,600**
Current assets					
Debtors	9	135	84	131	84
Short-term investments	8.2	500	1,000	500	1,000
Cash at bank and in hand		724	752	1,474	3,810
Total current assets		**1,359**	**1,836**	**2,105**	**4,894**
Liabilities					
Creditors: amounts falling due within one year	10	(592)	(411)	(1,308)	(1,720)
Net current assets		**767**	**1,425**	**797**	**3,174**
Total assets less current liabilities		**41,903**	**39,025**	**41,933**	**40,774**
Creditors: amounts falling due after one year	10	(38)	–	(38)	
Total net assets		**41,865**	**39,025**	**41,895**	**40,774**
The funds of the charity					
Restricted funds:					
Permanent endowment	13	765	685	765	685
Expendable endowment	13	18	18	18	18
Restricted income funds	13	10,151	9,152	10,151	9,152
Total restricted funds		**10,934**	**9,855**	**10,934**	**9,855**
Unrestricted funds:					
Revaluation reserve	12	8,991	7,901	8,991	7,901
General funds		21,474	20,689	21,505	22,438
Designated funds	13	466	580	466	580
Total unrestricted funds	**13**	**30,931**	**29,170**	**30,962**	**30,919**
Total charity funds		**41,865**	**39,025**	**41,896**	**40,774**

Approved and authorised for issue by the Board of Trustees on 26 April 2022 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

BACK TO CONTENTS

Statement of cash flows

	Note	RCN Foundation 31 December 2021 £'000	RCN Foundation 31 December 2020 as restated £'000	RCN Foundation Group 31 December 2021 £'000	RCN Foundation Group 31 December 2020 as restated £'000
Reconciliation of net movement in funds to net cash flow from operating activities:					
Net movement in funds		2,840	1,741	1,121	3,490
Dividends and interest from investments		(809)	(783)	(809)	(783)
(Gains) from investments		(3,534)	(2,486)	(3,534)	(2,486)
(Increase)/decrease in debtors	9	(51)	41	(47)	41
Increase/(decrease) in creditors	10	219	(198)	(374)	1,110
Net cash (used)/generated in operating activities		**(1,335)**	**(1,685)**	**(3,643)**	**1,372**
Cash flows from investing activities:					
Dividends and interest from investments	3	809	783	809	783
Proceeds from sale of investments	8.1	10,144	11,254	10,144	11,254
Purchase of investments	8.1	(10,118)	(12,238)	(10,118)	(12,238)
Net cash provided by/(used by) investing activities		**835**	**(201)**	**835**	**(201)**
Change in cash and cash equivalents in the reporting period		**(500)**	**(1,886)**	**(2,808)**	**1,171**
Opening cash at bank		752	1,627	3,810	1,627
Opening cash in investments		1,320	2,330	1,320	2,330
Cash and cash equivalents at the beginning of the reporting period		**2,072**	**3,957**	**5,130**	**3,957**
Change in cash and cash equivalents due to exchange rate movements		**8**	**1**	**8**	**1**
Cash and cash equivalents at the end of the reporting period		**1,586**	**2,072**	**2,336**	**5,130**
Represented by:					
Closing cash at bank		724	752	1,474	3,810
Closing cash held in investment portfolio		362	320	362	320
Closing cash in short-term investment		500	1,000	500	1,000

Please see note 16 for furher information regarding the restatement of 2020 comparatives.

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2021.

The RCN Foundation Group financial statements consolidate the accounts of the RCN Foundation and its subsidiary, COVID-19 Healthcare Support Appeal.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2021.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Measurability in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the Trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2021 %	31 December 2020 %
Cost of raising funds	20	9
Education and training	15	11
Benevolent fund	36	73
Clinical practice	9	4
Research	20	3

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions have been satisfied by the recipient. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

The grant payable to RCN UK for the LampLight Support Service is recognised on a yearly basis for the duration of the grant due to the terms of the agreement, which aligns the grant payable to the cost of providing the service in the year.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of Trustee meetings and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

The only asset held by the RCN Foundation is a customer relationship management database. The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the statement of financial activities as they arise. Realised and unrealised investment gains and losses are combined in the statement of financial activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate Trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the Trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a the fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2021 £100,635 (2020: £45,000) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation. The RCN Foundation is planning to spend the remaining funds in the next two years.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the service level agreement (SLA) they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience during the COVID-19 pandemic. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation's Income, Generation and Investment Committee has reviewed and approved the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged.

The board is of the opinion that the sustainability and viability of the business as a going concern are not threatened. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business. The RCN Foundation is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements.

2. Donations and legacies

RCN Foundation

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Regular giving	11	10	97	97	108	107
Major donors	24	3	21	1,208	45	1,211
Legacies	(34)	59	69	5	35	64
Corporate income and partnership	57	12	320	238	377	250
Other donations	37	21	7	99	44	120
Gift aid	1	8	10	2	11	10
Total	**96**	**113**	**524**	**1,649**	**620**	**1,762**

The negative amount in legacies for 2021 relates to a legacy incorrectly accounted for in 2020.

RCN Foundation Group

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Regular giving	11	10	97	97	108	107
Major donors	24	4,123	21	1,208	45	5,331
Legacies	(34)	59	69	5	35	64
Corporate income and partnership	57	12	320	238	377	250
Other donations	65	48	7	99	72	147
Gift aid	1	8	10	2	11	10
Total	**124**	**4,260**	**524**	**1,649**	**648**	**5,909**

3. Investment income

	31 December 2021 £'000	31 December 2020 £'000
UK equities	337	279
Overseas equities	310	301
UK fixed interest	162	174
Bank interest	–	5
Overseas fixed interest	–	24
Total	**809**	**783**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

4.1. RCN Foundation

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries:								
— to organisations	–	–	840	625	–	–	840	625
— to individuals	–	–	340	1,907	–	–	340	1,907
RCN UK service fee	179	179	264	206	183	159	626	544
Investment management fee	169	158	–	–	–	–	169	158
Fundraising costs	21	–	–	–	–	–	21	–
Trustee costs	–	–	–	–	47	1	47	1
Audit and tax advice	–	–	–	–	14	13	14	13
Publicity and events	–	–	–	–	32	21	32	21
Professional services	–	–	–	–	30	40	30	40
Travel and subsistence	–	–	–	–	–	2	–	2
IT costs	–	–	–	–	–	2	–	2
Miscellaneous cost	–	–	–	–	12	7	12	7
	369	**337**	**1,444**	**2,738**	**318**	**245**	**2,131**	**3,320**
Support costs	64	27	254	218	(318)	(245)	–	–
Total	**433**	**364**	**1,698**	**2,956**	–	**–**	**2,131**	**3,320**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £13,830 including VAT are included in these financial statements (31 December 2020: £12,600).

4.2. RCN Foundation Group

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2021 £'000	**2020** £'000	**2021** £'000	**2020** £'000	**2021** £'000	**2020** £'000	**31 December 2021** £'000	**31 December 2020** £'000
Grants/bursaries:								
— to organisations	–	–	2,521	2,963	–	–	2,521	2,963
— to individuals	–	–	340	1,907	–	–	340	1,907
RCN UK service fee	179	179	264	231	183	160	626	570
Investment management fee	169	158	–	–	–	–	169	158
Fundraising costs	21	–	–	–	–	–	21	–
Trustee costs	–	–	–	–	47	1	47	1
Audit and tax advice	–	–	–	–	23	22	23	22
Publicity and events	–	–	–	–	36	20	36	20
Professional services	–	–	–	–	82	65	82	65
Travel and subsistence	–	–	–	–	–	2	–	2
IT costs	–	–	–	–	–	2	–	2
Miscellaneous cost	–	–	–	–	12	8	12	8
	369	**337**	**3,125**	**5,101**	**383**	**280**	**3,877**	**5,718**
Support costs	64	27	319	253	(383)	(280)	–	–
Total	**433**	**364**	**3,444**	**5,354**	–	**–**	**3,877**	**5,718**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £22,830 including VAT are included in these financial statements (31 December 2020: £21,600). This includes £13,830 for the RCN Foundation (31 December 2020: £12,600) and £9,000 for CHSA (31 December 2020: £9,000).

4.3. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries (note 5):												
— to organisations	70	80	350	385	68	106	330	74	22	(29)	840	616
— to individuals	111	166	229	1,728	–	–	–	–	–	–	340	1,894
RCN UK service fee	92	75	75	54	66	55	31	22	–	–	264	206
RCNF funding projects	–	1	–	–	–	–	–	–	–	1	–	2
Care home summit	–	–	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	7	–	–	–	–	–	–	–	–	–	7
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	13	–	–	–	–	–	–	–	13
	273	**329**	**654**	**2,180**	**134**	**161**	**361**	**96**	**22**	**(28)**	**1,444**	**2,738**
Support costs	48	25	115	174	24	13	63	8	4	(2)	254	218
Total	**321**	**354**	**769**	**2,354**	**158**	**174**	**424**	**104**	**26**	**(30)**	**1,698**	**2,956**

In 2021, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs – RCN Foundation

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee). Under these arrangements there are ten employees who work for RCN Foundation (31 December 2020: seven employees), three of whom fall into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,002 (31 December 2020: £9,594).

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	463	348
Social security costs	51	39
Other pension costs	52	38
Total	**566**	**425**

4.4. Expenditure on charitable activities – RCN Foundation Group

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries (note 5):												
— to organisations	70	80	2,031	2,722	68	106	330	74	22	(29)	2,521	2,953
— to individuals	111	166	229	1,728	–	–	–	–	–	–	340	1,894
RCN UK service fee	92	75	75	80	66	55	31	22	–	–	264	232
RCNF funding projects	–	1	–	–	–	–	–	–	–	1	–	2
Care home summit	–	–	–	–	–	–	–	–	–	–	–	–
Specialist nursing programme consultancy fees	–	7	–	–	–	–	–	–	–	–	–	7
LSS evaluation costs	–	–	–	–	–	–	–	–	–	–	–	–
Fees (agency and Just Giving)	–	–	–	13	–	–	–	–	–	–	–	13
	273	**329**	**2,335**	**4,543**	**134**	**161**	**361**	**96**	**22**	**(28)**	**3,125**	**5,101**
Support costs	48	25	180	209	24	13	63	8	4	(2)	319	253
Total	**321**	**354**	**2,515**	**4,752**	**158**	**174**	**424**	**104**	**26**	**(30)**	**3,444**	**5,354**

Staff costs – RCN Foundation Group

The RCN Foundation Group does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee) and an arrangement is in place between RCN UK and CHSA for the provision of services to CHSA. Under these arrangements there are ten employees who work for RCN Foundation (31 December 2020: seven employees), three of whom fall into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,002 (31 December 2020: £9,594). There is one employee who worked for CHSA (2020: one) and they did not earn more than £50,000 in 2021.

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	490	363
Social security costs	54	41
Other pension costs	55	40
Total	**599**	**444**

5. Grants payable

Grants payable – RCN Foundation

	Unrestricted funds		Restricted funds		Total grants payable	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance brought forward at start of period	**19**	**92**	**186**	**272**	**205**	**364**
Awarded in the period:						
Grants and bursaries	539	421	678	2,170	1,217	2,591
Unused awards written back	–	(29)	(37)	(30)	(37)	(59)
Charge to SOFA	**539**	**392**	**641**	**2,140**	**1,180**	**2,532**
Paid in period	(558)	(465)	(661)	(2,226)	(1,219)	(2,691)
Balance carried forward at the end of the period	–	**19**	**166**	**186**	**166**	**205**
Falling due within one year	–	19	128	186	128	205
Falling due after one year	–	–	38	–	38	–

Grants payable – RCN Foundation Group

	Unrestricted funds		Restricted funds		Total grants payable	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance brought forward at start of period	**1,310**	**92**	**186**	**272**	**1,496**	**364**
Awarded in the period:						
Grants and bursaries	2,220	2,749	678	2,205	2,898	4,954
Unused awards written back	–	(29)	(37)	(30)	(37)	(59)
Charge to SOFA	**2,220**	**2,720**	**641**	**2,175**	**2,861**	**4,895**
Paid in period	(2,830)	(1,502)	(661)	(2,261)	(3,491)	(3,763)
Balance carried forward at the end of the period	**700**	**1,310**	**166**	**186**	**866**	**1,496**
Falling due within one year	700	1,310	128	186	828	1,496
Falling due after one year		–	38	–	38	–

Grants were awarded as follows:

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Aneurin Bevan University	10	–	10	–
British Association of Social Workers (BASW)	–	–	90	90
Body & Soul	–	–	98	98
Books Beyond Words	–	10	–	10
British Medical Association	–	–	–	84
Cardiff University	150	70	150	70
Care Workers Charity	–	–	150	615
Cavell Nurses' Trust	–	–		50
Central and North West London NHS Foundation Trust	–	–	30	–
Chartered Society of Physiotherapists	–	–	–	35
COVID-19 Healthcare Support Appeal (CHSA)	–	21	–	–
College of Paramedics	–	–	–	150
Doctors in Distress	–	–	80	–
Edinburgh Napier University	7	–	7	–
Frontline 19	–	–	175	–
Impact Foundation	13	6	13	6
Hospice UK	–	–	140	–
Hospital Consultants and Specialists Association (HCSA)	–	–	24	–
Institute of Health Visitors	16	33	66	33
Intensive Care Society	–	–	170	172
King's Fund	–	48	–	48
Lamplight Support Services (LSS)	350	279	350	279
Listen Up Storytelling	–	–	19	–
London School of Economics (LSE)	–	1	–	1
Northumbria University	20	4	20	4
Nurse Lifeline	–	–	50	50
Pharmacist Support	–	–	32	44
Prison Officers Association (POA) Welfare	–	–	–	47
Queen Mary University	19	–	19	–
Queen's Nursing Institute (QNI)	38	–	168	48
Queen's Nursing Institute Scotland (QNIS)	–	–	59	–
RCN	–	(29)	123	(29)
RCN – Prince of Wales Cadet Scheme	50	25	50	25
RCN – Sharing nurses' life stories	4	–	4	–
Royal College of General Practitioners	–	–	–	60
Royal College of Occupational Therapists	–	–	–	32
Royal Medical Benevolent Fund	–	–	–	25

Continued on page 56

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Continued from page 55				
Salt Thinking	22	–	22	–
Sheffield Hallum University	–	5	–	5
Society and College of Radiographers	–	–	11	–
Society of Occupational Medicine	–	5	–	5
South Tyneside and Sunderland Charity	–	–	120	–
TASC (The Ambulance Staff Charity)	–	–	130	128
There for you (UNISON Welfare)	–	–	–	630
University of Edinburgh	101	118	101	118
University of West London (UWL)	10	20	10	20
University of Huddersfield	10	–	10	–
University of Hertfordshire	20	–	20	–
Total grants to organisations	**840**	**616**	**2,521**	**2,953**

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries to individuals:				
Educational bursaries	149	169	–	169
Educational bursaries write backs	(37)	(3)	–	(3)
Benevolent grants	206	239	–	239
COVID-19 related benevolent grants	22	1,489	–	1,489
Total grants to individuals	**340**	**1,894**	–	**1,894**

In the year the RCN Foundation Group awarded educational bursaries to 95 individuals (2020: 70) and benevolent grants to 378 individuals (2020: 372). Additionally RCN Foundation Group awarded COVID-19 related grants to 33 individuals (2020: 3,318) and 20 organisations (2020: 19). For the full list of the grants awarded to organisations please refer to CHSA Annual Report.

In the year the RCN Foundation awarded educational bursaries to 95 individuals (2020: 70) and benevolent grants to 378 individuals (2020: 372). Additionally RCN Foundation awarded COVID-19 related grants to 33 individuals (2020: 3,318).

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2021		**14**	**–**	**14**
Disposals		**–**	**–**	**–**
Balance at 31 December 2021		**14**	**–**	**14**
Accumulated depreciation				
Balance at 1 January 2021		**10**	**–**	**10**
Charge for the year		2	**–**	**2**
Balance at 31 December 2021		**12**	**–**	**12**
Net book value at 31 December 2021		**2**	**–**	**2**
Net book value at 31 December 2020		**4**	**–**	**4**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2021 £'000	31 December 2020 as restated £'000
Market value at the start of the year	37,273	33,802
Additions at cost	10,118	12,238
Disposals at carrying value	(9,960)	(11,241)
Redemptions	(184)	(13)
Realised gain	2,435	622
Unrealised gain	1,090	1,866
Investments at market value at the end of the year	**40,772**	**37,273**
Cash held for reinvestment	362	322
Market value at the end of the year	**41,134**	**37,596**
Historic cost at the end of the year	**32,143**	**29,694**

Investments at market value (including short-term investments) comprise:

	31 December 2021 £'000	31 December 2020 £'000
Listed investments		
Fixed interest (Government securities and bonds)	5,384	6,258
UK equities	8,756	7,494
Global equities	21,901	19,977
Alternative assets	2,883	2,094
Property	1,710	1,334
Liquid assets in long-term fund	1,001	1,438
Total	**41,635**	**38,595**

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

Holdings over 5%
None of the investments represented holdings in excess of 5% of the investment portfolio at the start or the end of the period.

8.2. Short-term investments

	31 December 2021 £'000	31 December 2020 '000
Market value at the start of the year	1,000	1,001
Additions at cost	1,000	4,000
Redemptions	(2,000)	(4,000)
Investments at market value at year end	**–**	**1,001**
Cash held for reinvestment	500	–
Market value at the end of the year	**500**	**1,000**
Historic cost at end of the year	**500**	**1,000**

All investments are owned solely by the RCN Foundation.

9. Debtors

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Prepayments and accrued income	127	56	127	56
Trade debtors	3	–	3	–
Due from RCN UK	–	28	–	28
Due from CHSA	4	–	–	–
Sundry debtor	1	–	1	–
Total	**135**	**84**	**131**	**84**

10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Amounts falling due within one year				
Trade creditors	77	–	77	–
Grants payable (note 5)	127	205	828	1,496
Accruals	115	59	123	68
Due to RCN UK	273	146	280	155
Other creditors	–	1	–	1
Total	**592**	**411**	**1,308**	**1,720**
Amounts falling due after one year				
Grants payable (note 5)	38	–	38	–
Total	**630**	**–**	**1,346**	**–**

11. Analysis of net assets between funds

RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Fund balances at the end of the period are represented by:								
Software	2	4	–	–	–	–	2	4
Investments	30,136	28,068	10,215	8,820	783	698	41,134	37,586
Current assets	1,257	1,276	101	565	–	5	1,358	1,846
– Current liabilities and provisions	(464)	(178)	(127)	(233)	–	–	(591)	(411)
– Non current liabilities	–	–	(38)	–	–	–	(38)	–
Total net assets	**30,931**	**29,170**	**10,151**	**9,152**	**783**	**703**	**41,865**	**39,025**

RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Fund balances at the end of the period are represented by:								
Software	2	4	–	–	–	–	2	4
Investments	30,136	28,116	10,215	8,820	783	698	41,134	37,634
Current assets	2,009	4,334	101	565	–	5	2,110	4,904
– Current liabilities and provisions	(1,185)	(1,535)	(127)	(233)	–	–	(1,312)	(1,768)
– Non current liabilities	–	–	(38)	–	–	–	(38)	–
Total net assets	**30,962**	**30,919**	**10,151**	**9,152**	**783**	**703**	**41,896**	**40,774**

12. Revaluation reserve

	31 December 2020 as restated £'000	Investment unrealised gain £'000	31 December 2021 £'000
Revaluation Reserve	7,901	1,090	8,991
Total	**7,901**	**1,090**	**8,991**

In 2021, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Research fund — Daphne Heald R&D Fund	**597**	–	–	70	–	**667**
Expendable						
Educational funds	**2**	–	–	–	(2)	–
Benevolent funds	**–**	–	–	–	–	–
Other funds	**16**	–	–	2	–	**18**
Total endowment funds	**703**	–	–	**82**	**(2)**	**783**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,239**	68	(31)	313	–	**3,589**
Trevor Clay Scholarship Fund	**336**	7	(65)	44	(30)	**292**
John Colyer Fund	**172**	4	(15)	41	–	**202**
Cowdray Scholarship Fund	**–**	–	–		–	–
Other educational funds	**271**	424	(71)	16	20	**660**
Total educational funds	**4,018**	**503**	**(182)**	**414**	**(10)**	**4,743**
Benevolent funds						
RCNF benevolent funds	**3,904**	179	(206)	323	–	**4,200**
Other benevolent funds	**997**	29	(39)	78	–	**1,065**
Total benevolent funds	**4,901**	**208**	**(245)**	**401**	–	**5,265**
Research funds	**233**	**18**	**(214)**	**26**	**80**	**143**
Total restricted funds	**9,152**	**729**	**(641)**	**841**	**70**	**10,151**
Unrestricted funds						
General funds	**28,590**	**708**	**(1,390)**	**2,611**	**(54)**	**30,465**
Designated funds						
Omaze	**512**	–	(100)	–	54	**466**
Other designated funds	**68**	–	–	–	(68)	–
Total designated funds	**580**	–	**(100)**	–	**(14)**	**466**
Total unrestricted funds	**29,170**	**708**	**(1,490)**	**2,611**	**(68)**	**30,931**
Total funds	**39,025**	**1,437**	**(2,131)**	**3,534**	–	**41,865**

13.2. RCN Foundation year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	81	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	548	–	–	49	–	**597**
Expendable						
Educational funds	22	–	–	(3)	(17)	**2**
Benevolent funds	–	–	–	–	–	**–**
Other funds	15	–	–	1	–	**16**
Total endowment funds	**666**	**–**	**–**	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	2,976	60	(18)	221	–	**3,239**
Trevor Clay Scholarship Fund	348	6	(49)	31	–	**336**
John Colyer Fund	157	3	(17)	29	–	**172**
Cowdray Scholarship Fund	–	–	–	–	–	**–**
Other educational funds	232	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF benevolent Funds	3,966	198	(239)	228	(249)	**3,904**
Other benevolent funds	798	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	**–**	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	**–**	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**745**	**(1,068)**	**1,839**	**–**	**28,590**
Designated funds						
Omaze	557	–	(45)	–	–	**512**
Other designated funds	136	–	(68)	–	–	**68**
Total designated funds	**693**	**–**	**(113)**	**–**	**–**	**580**
Total unrestricted funds	**27,767**	**745**	**(1,181)**	**1,839**	**–**	**29,170**
Total funds	**37,284**	**2,575**	**(3,320)**	**2,486**	**–**	**39,025**

13.3. RCN Foundation Group year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	**88**	–	–	10	–	**98**
Research fund — Daphne Heald R&D Fund	**597**	–	–	70	–	**667**
Expendable			–			
Educational funds	**2**	–	–	–	(2)	–
Benevolent funds	**–**	–	–	–	–	–
Other funds	**16**	–	–	2	–	**18**
Total endowment funds	**703**	–	–	**82**	**(2)**	**783**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**3,239**	68	(31)	313	–	**3,589**
Trevor Clay Scholarship Fund	**336**	7	(65)	44	(30)	**292**
John Colyer Fund	**172**	4	(15)	41	–	**202**
Cowdray Scholarship Fund	**–**	–	–	–	–	–
Other educational funds	**271**	424	(71)	16	20	**660**
Total educational funds	**4,018**	**503**	**(182)**	**414**	**(10)**	**4,743**
Benevolent funds						
RCNF benevolent funds	**3,904**	179	(206)	323	–	**4,200**
Other benevolent funds	**997**	29	(39)	78	–	**1,065**
Total benevolent funds	**4,901**	**208**	**(245)**	**401**	–	**5,265**
Research funds	**233**	**18**	**(214)**	**26**	**80**	**143**
Total restricted funds	**9,152**	**729**	**(641)**	**841**	**70**	**10,151**
Unrestricted funds						
General funds	**30,339**	**736**	**(3,136)**	**2,611**	**(54)**	**30,496**
Designated funds						
Omaze	**512**	–	(100)	–	54	**466**
Other designated funds	**68**	–	–	–	(68)	–
Total designated funds	**580**	–	(100)	–	**(14)**	**466**
Total unrestricted funds	**30,919**	**736**	**(3,236)**	**2,611**	**(68)**	**30,962**
Total funds	**40,774**	**1,465**	**(3,877)**	**3,534**	–	**41,896**

13.4. RCN Foundation Group year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	**81**	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	**548**	–	–	49	–	**597**
Expendable			–			
Educational funds	**22**	–	–	(3)	(17)	**2**
Benevolent funds	**–**	–	–	–	–	–
Other funds	**15**	–	–	1	–	**16**
Total endowment funds	**666**	–	–	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	**2,976**	60	(18)	221	–	**3,239**
Trevor Clay Scholarship Fund	**348**	6	(49)	31	–	**336**
John Colyer Fund	**157**	3	(17)	29	–	**172**
Cowdray Scholarship Fund	**–**	–	–	–	–	–
Other educational funds	**232**	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF benevolent funds	**3,966**	198	(239)	228	(249)	**3,904**
Other benevolent funds	**798**	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	–	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	–	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**4,892**	**(3,466)**	**1,839**	–	**30,339**
Designated funds						
Omaze	**557**	–	(45)	–	–	**512**
Other designated funds	**136**	–	(68)	–	–	68
Total designated funds	**693**	–	(113)	–	–	**580**
Total unrestricted funds	**27,767**	**4,892**	**(3,579)**	**1,839**	–	**30,919**
Total funds	**37,284**	**6,722**	**(5,718)**	**2,486**	–	**40,774**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

Transfers between funds - RCN Foundation

The transfer of £2,000 out of expendable endowments was processed after the Trustees decided to use the expendable endowment to support RCN Foundation educational activities.

The net £70,000 transfer in restricted funds relates to the transfer from expendable endowments to restricted funds for £2,000 and a transfer from unrestricted funds to restricted for £68,000. This last transfer was processed to cover for costs that should have been funded by designated funds instead of restricted funds.

14. Related party transactions

During the year a service charge of £625,982 was incurred by the RCN Foundation Group to RCN based upon the agreed service level agreement to provide staff (31 December 2020: £570,549). As at 31 December 2021, £321,152 is outstanding from RCN Foundation Group to RCN for this service level agreement and arrangement to provide staff.

In 2021, a total of £349,639 (31 December 2020: £279,219) has been paid to the RCN for the LampLight Support Service (LSS). The amount includes redundancy costs for one LSS member of staff. As at 31 December 2021, £54,018 is outstanding from the RCN Foundation Group to RCN 31 December 2020: £10,524 due from RCN).

Moreover, in the year the RCN Foundation awarded RCN two grants to run the Prince of Wales Cadet Scheme (£50,000) and the project “Sharing nurses’ life stories through their archives” (£4,000). No balance is outstanding at the end of the year relating to these transactions.

15. Remuneration

None of the Trustees received remuneration. Costs incurred by the RCN Foundation Trustees while carrying out trustee duties amounted to £1,101 in the year (31 December 2020: £1,197). These expenses related to £58 in accommodation and meals and £1,042 in travel. These costs relate to 10 trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

16. Prior period adjustments

Balance sheet

The Balance sheet for 2020 has been restated to correct the value of the revaluation reserves at the end of December 2020. The calculation of 2020 movement in the revaluation reserves did not take into account the full value of the net unrealised gains, £579,000 instead of the restated figure of £1.866m. As a result of the adjustment, the value of general funds available to the charity has decreased to £21.474m. Anyway, the overall value of the unrestricted funds held by the charity has not changed. To correctly reflect the above adjustment, note 8.1 Long-term investments, has been restated.

Statement of cashflow

The Statement of Cashflow for 2020 has been restated to reflect the correct allocation of cash between cash at bank and cash held in the investment portfolio. The closing balance of cash held in investments in 2020 did not include the cash held by the investment manager Sarasin, £322,091 (see note 8.1), while it was included in the opening balance of 2020. This resulted in a difference in cash which was incorrectly attributed to change in cash due to exchange rate movements.

17. Ultimate controlling party

The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN which are available from the above address.

20 Cavendish Square, London W1G 0RN
Tel: 020 7409 3333

rcnfoundation.rcn.org.uk

May 2022 | 010 094

Published by the Royal College of Nursing The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992

Crowe

Smart decisions. Lasting Value

Royal College of Nursing (RCN Group)

Report to the Audit and Risk Committee

Year ended 31 December 2021

Presented to the Audit and Risk Committee on 11 April 2022

Audit / Tax / Advisory / Risk

Strictly Private and Confidential

The Audit Committee
RCN Group
20 Cavendish Square
London
W1G 0RN

Dear Members of the Audit Committee

I have pleasure in submitting our audit findings report for the year end 31 December 2021. The primary purpose of this report is to communicate to the Committee and those charged with governance the significant findings arising from our audit that we believe are relevant to those charged with governance.

I look forward to discussing our report with you, as well as any further matters you may wish to raise with us, and I shall be attending the Audit Committee meeting with James Hay.

I would like to take this opportunity to express our appreciation for the assistance provided to us by the finance team and the other staff at the RCN Group during this year's audit.

Yours sincerely

Tina Allison
Partner

© 2022 Crowe U.K. LLP

Contents

1. Executive summary 3
2. Significant audit risks 5
3. Other audit findings 10
4. Fraud and irregularities and our audit reporting 13
Appendix 1 - Reporting audit adjustments 15
Appendix 2 - Systems and controls 17
Appendix 3 - Materiality 18
Appendix 4 - Draft Representation Letter 19
Appendix 5 - Going concern 21
Appendix 6 - Responsibilities and ethical standards 24
Appendix 7 - Fraud risks 26
Appendix 8 - External developments 28

© 2022 Crowe U.K. LLP

1. Executive summary

Our report to you

We are pleased to present our Audit Findings Report to the Audit Committee and we welcome the opportunity to discuss our findings with you at your meeting on 11 April 2022

The primary purpose of this report is to communicate to the Committee and those charged with Governance for the group the significant findings arising from our audit that we believe are relevant to those charged with governance.

For the purposes of this report we have referred to those charged with governance (TCWG) to mean the Council Members for RCN UK, the Trustees for RCN Foundation and the Directors for RCNi and RCN Holdco.

In accordance with International Standards on Auditing (UK) the matters in this report include

- the results of our work on areas of significant audit risk
- our views about significant qualitative aspects of the group's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
- significant difficulties, if any, encountered during the audit
- any significant matters arising during the audit and written representations we are requesting
- unadjusted misstatements identified during the audit
- circumstances that affect the form and content of our auditor's report, if any
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process

We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention. We have reported a number of matters relating to the group's systems and controls in Appendix 2

Conclusions in relation to the areas of significant audit risk

In line with our audit plan we focussed our work on the significant audit risks related to:

- Going concern
- Income recognition
- Management override of controls

Further details on each of these risks is included in Section 2 of this report.

Other audit findings

Section 3 sets out various comments on other important matters which we have identified from our audit.

Fraud and irregularities

Section 4 sets out TCWG and our responsibilities in respect of fraud and irregularities.

Audit materiality

The audit materiality for the financial statements set as part of our audit planning took account of the level of activity of the RCN Group and was set at 1% of income. We have reviewed this level of materiality based on the draft financial statements for the year ended 31 December 2021 and are satisfied that it continues to be appropriate with 1% of income being £945,000.

We set separate audit materiality levels for each of the group's subsidiary entities. Details of these separate materiality levels are set out in Appendix 3.

© 2022 Crowe U.K. LLP

Unadjusted misstatements

We report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be 5% of our audit materiality.

We have listed in Appendix 1 the misstatements we have identified for each entity which have not been adjusted by management together with the effect of uncorrected misstatements relating to the prior period for Foundation and Holdco. The unadjusted errors would result in a £24k movement in the net income for the Group recorded in the Statement of Comprehensive Income and management have concluded that this is not material. We will be requesting confirmation from TCWG for each entity in our audit representation letter that you do not wish to adjust for these misstatements.

Audit completion and our Audit Reports

We have substantially completed our audits in accordance with our Audit Planning Report which was sent to you and the senior management team on 15 December 2021, subject to the matters below.

- Receipt of NatWest bank confirmation
- Receipt of information from the Pension Scheme Actuary and resolution of the FRS102 adjustment query
- Finalisation of the Holdco Tax position
- Resolution of a small number of outstanding audit requests
- Completion of the going concern and post-Balance Sheet events reviews
- Review of the final financial statements
- Receipt of the signed letter of representations (Appendix 4).

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise from progressing these outstanding matters.

On the satisfactory completion of these matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the 2021 financial statements.

Responsibilities and ethical standards

We have prepared this report taking account of the responsibilities of TCWG and ourselves set out in Appendix 6 of this report.

The matters included in this report have been discussed with management during our audit and at our closing meeting on 24th February 2022. John Yates, Vanessa Woods and Lois Wells have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant.

© 2022 Crowe U.K. LLP

2. Significant audit risks

We reported in our Audit Planning Report a number of areas we identified as having specific audit risk including the potential risk from management override of controls. Significant risk is considered in the context of how, and the degree to which, inherent risk factors affect the likelihood and magnitude of a misstatement occurring. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors. We have commented below on the results of our work in these areas as well as on any additional significant risks, judgements or other matters in relation to the financial statements of the RCN Group identified during our audit.

To assist in the understanding of these risks we have identified one or more of six potential reasons, as defined by ISA 315, for the increased audit risk. In addition, we also consider other factors which may give rise to significant risks, such as a history of previous issues or the matter involves significant judgement.

1. Fraud risk
2. Recent significant economic, accounting or other developments
3. Complexity of the transactions
4. Financial information involves a wide range of measurement uncertainty
5. Involves significant transactions with related parties
6. Significant transactions that are unusual / outside the normal course of business for the entity
7. Other specific factors

Significant risk identified	Risks	Key related judgements	Crowe response	Our conclusions / other comments
Going concern	**1,2,3,4,6**	We explained in our Audit Planning Report that in preparing the financial statements to comply with Financial Reporting Standard 102 TCWG and management are required to assess the entity's ability to continue as a going concern. Auditing Standards require us as auditors to obtain sufficient appropriate audit evidence regarding, and conclude on: • whether a material uncertainty related to the entity continuing to be a going concern exists, and • the appropriateness of management's use of the going concern basis of accounting in the	TCWG may consider and take account of realistic mitigating responses open to them, considering the likely success of any response. We have discussed this with management and explained that our work on going concern includes the following; • reviewing the period used by TCWG to assess the ability of each entity to continue as a going concern; • examining budgets and forecasts prepared by management covering the period of the going concern assessment which adequately take account of the potential impacts of Covid-19 on the	As at 31 December 2021 the RCN Group is reporting total reserves of £202m (2020: £177m). The group operating surplus for the year is £9.2m (2020: £11.2m). The cash balance at year end is £7.1m (2020: £9.5m) and investments amounted to £156.5m (2020: £138.4m). Management have prepared a detailed paper for consideration by the committee. We are currently reviewing the paper and the supporting calculations and will provide an oral update at the committee.

© 2022 Crowe U.K. LLP

Significant risk identified	Risks	Key related judgements	Crowe response	Our conclusions / other comments
		preparation of the financial statements. In assessing whether the going concern assumption is appropriate, TCWG and management are required to consider all available information about the future of the Entity in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue. The going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern. We have included as Appendix 5 some further guidance on going concern which may be of help to the trustees.	group to ensure that these appropriately support TCWG conclusions; • reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year; and • reviewing any other information or documentation which TCWG have used in their going concern assessment. The Financial Reporting Council thinks it is likely that more entities will disclose "material uncertainties" to going concern in the current circumstances. For these reasons we have identified this area as a specific area of audit risk with respect to the RCN.	We will be seeking representations that TCWG have considered the forecasts and are satisfied that the going concern basis is appropriate.
Revenue recognition – Membership and journal income	**3**	The RCN Group receives a substantial amount of its income from membership income in RCN UK and journal income in RCNi. In 2021 such income totalled £80.3m and £9.6m respectively (2020: £78.0m and £9.2m). This income forms the core part of the RCN business and is derived from approximately 480k members (as at 31 December 2021). Membership is for a set fee, charged according to the membership type and the member's status. The primary risk therefore lies around completeness and accuracy.	Our audit work included; • Performing a reconciliation of the membership database to the income in the accounts; • Performing substantive analytical procedures by developing our own expectations of membership income from member data; • Selecting a sample of members and agreed their details to supporting documentation and receipt of income to the bank statements;	Our testing did not highlight any material issues in relation to the recognition of this income.

© 2022 Crowe U.K. LLP

Significant risk identified	Risks	Key related judgements	Crowe response	Our conclusions / other comments
			• Reviewing the processes for new members and leaving members including a sample of both to ensure they have been appropriately added/removed from the membership system; • Obtaining the monthly breakdown of journals income per the membership system and agreeing this to the invoices raised to the RCN UK; • Selecting a sample of members and agreed their journals subscription information to supporting documentation and receipt of income to the bank statements; and • Sampling the other journals income balances (such as advertising fees and institute subscriptions) and agreeing to supporting documentation.	
Revenue recognition – other income	**3**	Other income for the group totalled, £3.1m. This is from multiple different activities, including CPD income, sponsorship income and grants. The revenue recognition points of these will vary according to source, and may require deferral into the next financial year depending on any conditions attached or the period it relates to.	Our audit work included; • Reviewing and understanding the various recognition criteria for each income source; • Tracing, on a sample basis, individual transactions to supporting documentation; and • Reviewing transactions either side of year end to ensure revenue has been appropriately recognised.	Our testing did not highlight any material issues in relation to the recognition of this income. We have no other issues to report in regards to this testing.

© 2022 Crowe U.K. LLP

Significant risk identified	Risks	Key related judgements	Crowe response	Our conclusions / other comments
Estimates and judgements – indemnity provision	**1,3,4**	The provision at year end totalled £8.4m in comparison to £8.8m in the prior year. The assumptions and judgements involved in calculating the indemnity provision liability performed by the RCN Group can make a significant difference to the result disclosed in the financial statements. Estimates and judgements that are not considered to be significant risks are set out in Section 3.	Our audit testing included; • Reviewing and understanding the methodology for the calculation of the provision and the underlying assumptions. • Verifying a sample of new provisions and adjustments in the year to supporting documentation • Verifying a sample of payments in the year and subsequent release of the provision to supporting documentation and bank .	We have no issues to report in this area.
Management override of controls, including through journal adjustments	**1**	Although the level of risk of management override of controls varies from entity to entity, Auditing Standards recognise that this risk is nevertheless present in all entities because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, including to mask fraud, the override of controls is a significant risk for all audits. TCWG must satisfy themselves that the control environment present within the entity together with oversight controls and controls over the posting of journals are adequate to deter any inappropriate override of controls from management.	We assessed the design of the controls in place around key accounting cycles and areas of judgement and reviewed and carried out sample testing on the group's controls around the processing of journal adjustments in the preparation of the financial statements (how journals are initiated, authorised and processed). We also considered the risk of potential manipulation by journal entry to mask fraud. We reviewed accounting estimates for bias that could result in material misstatement due to fraud including whether any differences between estimates best supported by evidence and those in the financial statements, even if individually reasonable, indicated a possible bias on the part of management. We also performed a retrospective review of management's judgements and	No issues have been identified from our substantive audit procedures on the relevant areas of judgement together with our assessment of the controls over journals operated by the RCN Group that would suggest an inappropriate override of controls by management.

© 2022 Crowe U.K. LLP

Significant risk identified	Risks	Key related judgements	Crowe response	Our conclusions / other comments
			assumptions related to significant estimates reflected in last year's financial statements.	

© 2022 Crowe U.K. LLP

3. Other audit findings

In addition to matters relating to the significant audit risks as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

3.1 Report and Financial Statements

As noted in the respective Statements of Responsibilities within each entity's financial statements, TCWG are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

We have reviewed the financial statements for each entity and provided management with a small number of suggested amendments which we understand will be made in the final version of the Financial Statements

3.2 Systems and controls and opening balances

As this is our first year as auditors, additional time was spent on gaining an understanding of your systems and identifying and testing the key financial controls particularly in relation to the main transaction cycles - income, expenditure, payroll, development, capital expenditure, journals and cash management. We have noted in Appendix 1 any control recommendations highlighted from this work.

As we did not audit the prior year figures, we arranged to review the prior year audit findings and audit work papers on key risk areas to obtain sufficient, appropriate evidence regarding the opening balances. We also undertook additional audit tests on the opening balance sheet position, performing analytical review for any unusual fluctuations around the year end and test of detail on a sample of post year end movements to gain assurance over the balances.

3.3 Payroll

Payroll represents the largest single expenditure item for the RCN Group, totalling £58.9m in 2021 (2020: £55.5m).

As part of our work we:

- Reviewed the year end reconciliation (agreeing back to payroll records) to gain comfort over the payroll costs disclosed in the financial statements and obtained support for a sample of reconciling items;
- Performed analytical procedures that consider the reasonableness of gross pay, national insurance and pension costs for 2021 in comparison to 2020 and expectations from budget;
- Selected a sample of employees from the payroll (across all 12 months of the year) and agreed their salary costs to supporting documentation (contracts of employment, overtime forms etc.), as well as reviewed personnel files to obtain evidence of existence; and
- Looked at a sample of joiners and leavers during the year to check whether they have been correctly added/removed from the payroll and appropriately authorised.

We are awaiting some final supporting documentation to complete our work in relation to payroll, however, at the time of writing we have no specific issues to report in this area.

© 2022 Crowe U.K. LLP

3.4 Investments

Investments are a significant item on the RCN Group's balance sheet, long term financial assets having a value of £156.5m and short-term financial assets/deposits of £37m at 31 December 2021.

Our audit work on investments included:

- Obtaining investment valuation reports directly from the investment managers as at the year end and agreed to the accounts;
- Verifying a sample of investments held to externally available information to ensure the prices quoted are accurate;
- Obtaining and reviewing the independent AAF01/06 or SAS70 reports, particularly in respect of custody of investments, performing alternative procedures for any period not covered by this report; and
- Testing a sample of additions, disposals and resulting gains/losses to ensure they have been correctly reflected in the Financial statements.

No issues were noted during our testing in this area.

3.5 Pensions

The RCN Group operates a defined benefit pension scheme, this was closed to new members with effect from 1 November 2013. As at 31 December 2021, the pension deficit was £nil in the statutory financial statements as the scheme was in an asset position.

The assumptions surrounding the FRS102 calculation performed by actuaries can make a significant difference to the amount reported on the balance sheet of the group.

As part of our audit work we;

- Obtained the latest triennial valuation report, confirming disclosures made in the notes to the financial statements;
- Benchmarked the assumptions used by management against those used by other actuaries for the same period; and
- Obtained a copy of the pension scheme financial statements for the year ending 31 December 2021, and agree the asset value between these and the actuary report.

We are currently awaiting information from the actuary to verify the asset information in the scheme. We are also currently investigating with management and the actuary the accounting treatment of the FRS102 adjustment in both 2020 and 2021. We hope to provide an update on this at the committee meeting.

3.6 Cost Allocation

In addition to the cost allocation within RCN there is also the process of cost allocation to the subsidiaries. Consequently we;

- Obtained details of the basis of cost allocation applied by and between RCN and its subsidiaries;
- Performed a specific review of the basis and the details of the allocation; and
- Verified that the basis is consistent with prior years and is appropriate given the underlying activities of each entity.

No issues were noted during our testing in this area.

3.7 Funds (Foundation and CHSA)

The Foundation and CHSA operate a number of different funds subject to various restrictions and designations. TCWG must ensure that all movements on funds are correctly identified and accounted for. This requires careful consideration of the various terms and conditions which may be applied to income.

As part of our testing we;

- Traced restricted contributions, legacies and grants found in our income testing to the relevant fund account;
- Reviewed a sample of expenses allocated to restricted funds to ensure that the expenditure was spent in accordance with the objects of the fund;
- Reviewed the analysis of net assets to ensure that it has been correctly allocated across the funds; and
- Reviewed the processes in place to ensure that restricted transactions are completely and accurately captured and reported

© 2022 Crowe U.K. LLP

within the organisation and review year end balances to ensure that they appropriately reflect the restrictions that should be in force.

3.8 Prior period misstatements

During the audit, RCN Group management have identified three instances where the prior period accounting treatment was incorrect, or potentially incorrect;

- For RCN UK we are currently investigating with management, Crowe Technical specialists and the pension actuary to understand the accounting treatment for the FRS102 pension adjustment. Currently the Financial Statements include a pension adjustment debtor of £5.4m. Under FRS102 a pension asset may only be recognised if the RCN is entitled to a refund or a reduction in future contributions. We are awaiting confirmation from the Actuary and will update the committee verbally.
- For RCN Holdco we discussed with management the tax position presented within the financial statements and from a review of the 2019 and 2020 tax returns identified the amounts have been incorrectly presented within the financial statements. We have included an adjustment for this in Appendix 1.
- For RCN Foundation it was identified that in 2020 £18k of grants had been paid however had not been released to expenditure and incorrectly held within Grants Payable. We have noted this adjustment in Appendix 1 however understand it has been corrected in the current year financial statement as it is immaterial.

© 2022 Crowe U.K. LLP

4. Fraud and irregularities and our audit reporting

Audit reporting on detecting irregularities, including fraud

In line with ISA (UK) 700 our audit report includes an additional comment to explain to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities are acts of omission or commission which are contrary to the prevailing laws or regulations. Fraud includes both fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Our responsibility is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The additional reporting requirements this year placed increased emphasis on our understanding of the risks to the RCN Group from fraud and irregularities. Our audit included discussions with management to obtain their assessment of the risk that fraud may cause a significant account balance to be materially misstated as well as other procedures to obtain sufficient appropriate audit evidence.

We obtained an understanding of the legal and regulatory frameworks within which the entity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context have been listed in Appendix 6. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), employment legislation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of TCWG.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

We have also included in Appendix 7 some fraud risks that TCWG and management should be aware of.

TCWG responsibilities

The primary responsibility for safeguarding the entity's assets and for the prevention and detection of both irregularities and fraud rests with TCWG and management of the organisation. It is important that management, with oversight of TCWG, place a strong emphasis on fraud prevention and fraud deterrence. This involves a commitment to creating a culture of honest and ethical behaviours which can be reinforced by an active oversight by those charged with governance.

As in past years, the following statements will be included in the letters of representation which we require from the TCWG when the financial statements are approved.

- TCWG acknowledge their responsibility for the design and implementation of internal control to prevent and detect fraud and errors.

© 2022 Crowe U.K. LLP

- TCWG have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- TCWG are not aware of any fraud or suspected fraud affecting the group involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.
- TCWG are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the group's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made. We have not been made aware of any actual or potential frauds which could affect the 2021 financial statements, or in the period since the previous year end.

© 2022 Crowe U.K. LLP

Appendix 1 - Reporting audit adjustments

Unadjusted misstatements

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

The following misstatements were identified during our audit work and up to the date of this report have not been adjusted in the draft financial statements. We have summarised below the potential overall impact of these items on the financial statements.

Adjustment description	Debit/(credit) net income £k	Debit/(credit) net assets £k	Debit/(credit) opening reserves £k
RCN UK			
Reallocation of the November 2021 social security creditor balance from trade creditors to social security creditors Dr: Trade Creditors Cr: Social security and other taxes creditor		£75 (£75)	
Reallocation of accrual balance for Bottomline technologies from accruals to trade creditors to match corresponding credit note Dr: Accruals Cr: Trade Creditors		£97 (£97)	
RCN Foundation			
To correct Sarasin & Partners LLP invoice that was over accrued Dr: Accruals Cr: Expenditure	(£4)	£4	
To correct an error in the prior year financial statements where grants have been paid in the year but not recognised and held within grants payable Dr: Grants Payable Cr: Expenditure	(£18)	£18	

© 2022 Crowe U.K. LLP

Adjusted misstatements

The following misstatements, which have been corrected by management, were also identified during our audit work and up to the date of this report. No further adjustments to the financial statements are required for these items and this information is provided to assist you in understanding the financial statements completion process and to fulfil your governance responsibilities.

Adjustment description	Debit/credit net income £k	Debit/(credit) net assets £k	Debit/(credit) opening reserves £k
RCN Foundation			
To move the RCN balance within Trade Debtors to Intercompany Dr: Intercompany debtors Cr: Trade Debtors		£27 (£27)	
To adjust the split between Bursaries payable Dr: Creditors due within one year Cr: Creditors due after one year		£5 (£5)	
RCNi			
To correct the pension payment incorrectly posted to interbank transfer rather than as an invoice payment Dr: Creditors Cr: Cash		£26 (£26)	
RCN Holdco			
To correct the tax recognised in the 2019/2020 financial statements a prior period adjustment is required; Dr: Reserves Cr: Tax credit/liability		£41 (£41)	

© 2022 Crowe U.K. LLP

Appendix 2 - Systems and controls

We have set out below certain potential improvements to the group's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

In order to provide you with a clearer picture of the significance of issues raised, we have graded the issues raised by significance/priority before any corrective actions are taken:

High	These findings are significant and require urgent action.	(nil comments in this category)
Medium	These findings are of a less urgent nature, but still require reasonably prompt action.	(1 comment in this category)
Low	These findings merit attention within an agreed timescale.	(1 comment in this category)

Audit finding and recommendation	Priority	Management response
1. Bank Reconciliations During our review of the bank reconciliations for RCNi and Foundation we noted that while the bank reconciliations are reviewed, we were unable to evidence this review and noted no overall monthly process for oversight as is complete for RCN UK. As a result of this we identified an amount for RCNi that had been included as a reconciling item since May due to an incorrect coding. We recommend that the bank reconciliation process be updated for all entities to reflect the process currently in place for RCN UK.		A tracker system, inline with the process already in place for RCN will be implemented for RCNi and RCNF in April 2022. This will provide additional evidence of review and any necessary action / escalation for all RCNi and RCNF balance sheet items.
2. Fixed Asset Registers As part of our review of Fixed Assets we noted that management have a strong process for identifying assets that have been disposed of as part of a year end review, we did however note that there are a large number of assets on the register have reached a nil net book value while remaining in use. We therefore recommend that management consider the effective useful lives being applied to assets to ensure these remain accurate.		Management commit to review a categorised list of assets on the register with nil NBV to determine whether the useful effective life of the asset categories should be amended. Recommendation for any action required will be reported to Audit Committee at its July meeting.

© 2022 Crowe U.K. LLP

Appendix 3 - Materiality

Materiality and identified misstatements

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of “materiality” to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

The following is a summary of the overall materiality levels we applied to the separate entities within the group.

Entity	Materiality calculation	Materiality £’000	Reporting threshold £’000
RCN UK - Group	1% income	945	47
RCN UK – Parent	1% income	845	42
RCN Foundation	2% income	30	1.5
RCNi	2% income	225	11
RCN Holdco	2% income	10	1

© 2022 Crowe U.K. LLP

Appendix 4 - Draft Representation Letter

This letter must be typed on your official letterhead. It should be considered by the Council at the same time as the as both the Consolidated and Parent's Annual Report and Financial Statements; and the Minutes should record the approval of the letter.

The letter should be dated at the date of the approval of the financial statements.

Crowe U.K. LLP

55 Ludgate Hill

London

EC4M 7JW

Dear Sirs

We provide this letter in connection with your audit of the financial statements of the Royal College of Nursing for the year ended 31 December 2021 for the purpose of expressing an opinion as to whether the consolidated and parent's financial statements give a true and fair view of the financial position of the group and parent as at 31 December 2021 and of the results of its operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made in respect of the parent and all subsidiaries on the basis of sufficient enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation and that, to the best of our knowledge and belief, we can properly make each of these representations to you. If completion of the audit is delayed we authorise Vanessa Woods, Head of Finance, to provide an update to all representations sought.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.

2. We acknowledge as trustees our responsibility for making accurate representations to you.

3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud and errors.

4. We have provided you with all accounting records and relevant information, and granted you unrestricted access to persons within the entity, for the purposes of your audit.

5. All the transactions undertaken by the group and parent have been properly reflected and recorded in the accounting records or other information provided to you.

6. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting standards.

7. We do not wish to adjust the financial statements for the actual errors set out in Appendix 1 as we believe that the errors are immaterial, both individually and in aggregate, to the financial statements as a whole.

8. We have disclosed to you any known actual or possible litigation or claims against the company whose effects should be considered when preparing the financial statements and these have been reflected in the financial statements in accordance with applicable accounting standards.

9. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you.

© 2022 Crowe U.K. LLP

There have been no breaches of terms or conditions in the application of such incoming resources.

10. There have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly. We specifically authorise Vanessa Woods, Head of Finance, to provide an update for you to cover the time period between the signing of this letter and the date of your audit report.

11. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.

12. We are not aware of any fraud or suspected fraud affecting the group involving those charged with governance, management or other employees who have a significant role in internal control or who could have a material effect on the financial statements.

13. We are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, which would have an impact on the entity's financial statements.

14. We are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the group and parent conducts its business.

15. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties other than matters that we consider have been appropriately and adequately disclosed.

16. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with applicable accounting standard and with the recommendations of the applicable accounting standards.

17. In the event that we publish the trustees' report, independent auditor's report and financial statements electronically, we acknowledge our responsibility for ensuring that controls over the maintenance and integrity of the entity's web site are adequate for this purpose.

18. We have no plans or intentions that might materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

19. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the group and parent are a going concern. We are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on their ability to continue as a going concern.

Yours faithfully

……..……

Council Member

Signed on behalf of the Council

Date …….

© 2022 Crowe U.K. LLP

Appendix 5 - Going concern

Whilst we appreciate only two of the entities within the group are charities we believe this guidance has some useful points which may be applied across all entities. The Charity Commission guidance "Managing financial difficulties & insolvency in charities" (CC12) stresses the importance for "a trustee body to have a good knowledge and understanding of the charity and its finances so that, as far as possible, the continued viability of the charity and its charitable activities can be assured.".

The Charity Commission guidance highlights a number of factors TCWG need to consider which are generally relevant to all entities.

- TCWG should review what are their short, medium and longer-term priorities, including whether or not certain projects, spends or activities can be stopped or delayed.
- The guidance recognises that reserves can be used to help cope with unexpected events like those unfolding at present.
- If TCWG have previously decided to earmark certain funds for a particular purpose they may be able to re-prioritise these.
- Restricted funds which cannot be spent at the trustees' discretion may only be used for a particular and defined purpose. In some instances, there may be ways to amend these restrictions, but accessing or releasing restricted funds should only be considered if other options such as reserves are not possible.
- All decisions on such financial matters should normally be taken collectively, and significant decisions and action points noted in writing.

a) Liquidity and resilience

The Charity Commission guidance goes on to explain that "*The overall responsibility for effective governance and the implementation of proper financial management rests with the trustees, but may well involve all staff members whether paid or volunteers*."

As well as the level of available reserves TCWG will also need to understand and consider the entity's liquidity.

- Proper consideration needs to be given to cash flow forecasts and debt and project management based on realistic assumptions set. There should be a budget including cash projections and business plans produced at least annually and monthly monitoring against the plans.
- There is a need to extend cash flow forecasts to evaluate issues that may arise after the end of the period covered by existing cash flow forecasts.
- There should be processes in place to ensure that appropriate procedures and controls have been applied to models used to generate cash flow and valuation information, including the choice and consistent use of key assumptions.
- Appropriate sensitivity analysis needs to be applied to address the potential impact of reasonably possible events. Sources of income and expenditure should be analysed with consideration of uncertainties around grant funding, voluntary or earned income.
- The sensitivity analysis should properly flex assumptions to identify how robust the model outputs are in practice and that the assumptions are free from bias.

In April 2016 the FRC issued its guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks for companies that do not apply the UK Corporate Governance Code. Whilst this guidance refers to "directors" and "companies", the report makes it clear that it is designed to relate to all other entities preparing accounts under the going concern basis.

The guidance defines Solvency Risk as "*the risk that a company will be unable to meet its liabilities in full" and Liquidity Risk as "the risk that a company will be unable to meet its liabilities as they fall due*".

The guidance sets out some of the factors which directors should consider as part of their assessment process but also explains that it is the directors that need to determine the relevance of these factors considering the size, complexity and the particular circumstances of the organisation, its industry and the general economic conditions.

© 2022 Crowe U.K. LLP

In their updated guidance 'Company Guidance Update March 2020 (COVID-19), the Financial Reporting Council, explain "*Given the systemic uncertainties that currently exist, many boards will be less confident in stating that they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over a period of assessment ("the viability statement" as required for compliance with the UK Corporate Governance Code)*".

However, the FRC stresses the following points:

- "*Boards are required to have a "reasonable expectation" of the company's viability over the period of assessment – during the current emergency and unprecedented pace of change, any reasonable level of expectation would naturally carry a much lower level of confidence;*
- *Being clear on the company's specific circumstances and the degree of uncertainty about the future is important information; and*
- *When presenting a company's viability statement, its board should draw attention to any qualifications or assumptions as necessary.*

In describing any qualifications to the statement, a board should describe the limits of the predictions, the level of confidence with which they have been made and the uncertain future events that could prove critical to viability.

Similarly, the key assumptions made and the future scenarios considered should be explained. Many companies already use scenario and stress testing in developing their statements and this should continue as far as practicable. The use of reverse stress testing, to identify future scenarios that could lead to corporate failures, is also good practice.

At this time, the need for fuller disclosure is paramount."

In addition, there may be charity specific issues to consider including ensuring that there are no breaches of trust with respect to any restricted income or endowed funds and that the charity is able to meet its obligations in relation to these funds. Trustees may be held liable for a breach of trust if they apply restricted funds for purposes outside of the relevant restriction.

CC25: "Charity finances: trustee essentials" – issued in March 2017 emphasises the need for charities to be resilient. This is a key theme for much of the Commission's guidance is also discussed in the updated CC19 guidance entitled "Charity reserves: building resilience".

In the section on 'managing financial difficulties and insolvency, CC25 explains that if charities face financial difficulties then the trustees must:

- "*have the appropriate skills and time to ensure the proper running of the charity and lead or manage it through difficulties,*
- *ensure that they regularly receive and consider robust and up-to-date financial management information to enable them to recognise at an early stage when the charity is facing financial difficulties,*
- *find out which charity funds are restricted in their use by their donors and which can be used for any of its aims - this is crucial to the proper understanding of the charity's overall financial position,*
- *take prompt action when they think insolvency is a possibility – professional advice in writing should be taken at an early stage because any corrective action needs to be carefully planned,*
- *consider changing, cutting or restricting the charity's activities, reviewing funding sources and commitments or refinancing,*
- *think about merging or collaborating with another charity,*
- *have an understanding of (and if necessary take advice about) insolvency law and how it applies to charitable companies, and what voluntary options there are for other types of charity,*
- *recognise that once the charity has reached the stage of liquidation or winding up their primary duty is to pay the charity's debts, and*
- *tell the Commission if the charity closes or is no longer active so that it can be removed from the register of charities (legal requirement).*"

b) Insolvency

There are normally two tests of insolvency – the balance sheet test (positive net assets) and the cashflow test. The key issue is, can the organisation pay its debts as they fall due? The cash flow test is of particular importance and a entity can be insolvent even if it has positive net assets. Careful consideration is required of many factors, such as what values can be realised in time to meet debts and what assets can be used to meet liabilities.

Directors and shadow directors can be guilty of wrongful trading if they continue to trade and incur liabilities they knew or ought to have known that there was no reasonable prospect of avoiding insolvent liquidation.

© 2022 Crowe U.K. LLP

Fraudulent trading is also a risk. Section 213 of the Insolvency Act provides that on the application of the liquidator of a company the Court may order that any persons who were knowingly party to carrying on the business of the company with intent to defraud creditors must make a contribution to the company's assets. For a fraudulent trading action, intent to defraud creditors must be proved and the onus of proof is on the liquidator. There must be evidence of actual dishonesty. For an insolvent company entities, senior management, and not just TCWG, could also be made liable for fraudulent trading. The entity should avoid entering into preferential transactions which put another party in a better position to the detriment of other creditors. The court will recognise mitigating circumstances. For example, if the directors took proper steps to minimise the potential loss to the company's creditors.

c) Finalising the financial statements

Given the potential for rapid spreading of the virus, required disclosures will likely change over time as more information about the epidemic emerges. As a result, the trustees will need to monitor developments and ensure that they are providing up-to-date and meaningful disclosure before finalising their year-end report.

The Financial Reporting Council in their 'Company Guidance Update March 2020 (COVID-19)' thinks it is likely that more companies will disclose 'material uncertainties' to going concern in current circumstances. The impact of the coronavirus outbreak will require all entities to reassess their financial position and their ability to continue to operate as a going concern. This may require considering a number of factors but probably key will be to update budgets and forecasts and also to consider whether the entity might fail to comply with any external covenants.

Put simply, where boards identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed. Boards may take account of potential responses open to them to mitigate such events or scenarios although would need to consider the likely success of any response.

© 2022 Crowe U.K. LLP

Appendix 6 - Responsibilities and ethical standards

Audit purpose and approach

Our audit work has been undertaken for the purposes of forming our audit opinions on the financial statements of the RCN Group and its subsidiary entities prepared by management with the oversight of the TCWG and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

Financial statements

TCWG of the RCN Group are responsible for the preparation of the consolidated financial statements on a going concern basis (unless this basis is inappropriate). TCWG are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

Legal and regulatory disclosure requirements

In undertaking our audit work we considered compliance with the following legal and regulatory disclosure requirements, where relevant.

- Charities Act 2011 (Foundation and CHSA)
- Companies Act 2006 (Foundation, RCNi and Holdco)
- Trade Union and Labour Relations Act (Consolidated) 1992
- The Charities (Accounts and Reports) Regulations 2008
- The Charities and Trustee Investment (Scotland) Act 2005 and related Regulations
- The Charities SORP (FRS102) (Foundation and CHSA)
- Financial Reporting Standard 102

Directors' responsibilities (Foundation (including CHSA), RCNi and Holdco)

Under the provisions of the Companies Act, the Directors' Report is required to include a statement confirming for each director who was a director at the time of the approval of the financial statements that:

- they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information; and
- so far as they are aware there is no relevant audit information of which the company's auditor is unaware.

Ethical Standard

We are required by the Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

As explained in our audit planning report, in our professional judgement there are no relationships between Crowe U.K. LLP and the RCN or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Independence

International Standards on Auditing (UK) require that we keep you informed of our assessment of our independence.

We confirm that we have carried non-audit services as detailed below. We have not identified any other issues with regards to integrity, objectivity and independence and, accordingly, we remain independent for audit purposes.

© 2022 Crowe U.K. LLP

In communicating with TCWG of the parent and group we consider TCWG of the subsidiary entities to be informed about matters relevant to them.

The matters in this report are as understood by us as at April 2022. We will advise you of any changes in our understanding, if any, during our meeting prior to the financial statements being approved.

Non-audit services

We have considered the non-audit services we have provided in the period and have concluded that there are no facts or matters that bear upon the integrity, objectivity and independence of our firm or of the audit partner and audit staff related to the provision of such services which we should bring to your attention. Our fees for non-audit services in the year have been as follows.

Employment Tax advice £3,000

Use of this report

This report has been provided to the Audit Committee to consider and ratify on behalf of TCWG, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

© 2022 Crowe U.K. LLP

Appendix 7 - Fraud risks

As part of our audit procedures we make enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. However, we emphasise that the responsibility to make and consider your own assessment rests with yourselves and that TCWG, Audit Committee and management should ensure that these matters are considered and reviewed on a regular basis.

Usually fraud in the not for profit sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, not for profits represented by its management and TCWG do not actively try to falsify financial statements as there are not the same incentives to do so. In the not for profit world fraud is usually carried out through misappropriation or theft.

Again, whilst we appreciate only two of the entities in the group are charities, The Charity Commission provides guidance which is relevant to all entities (updated in October 2019) on how to protect your entity fraud including information about fraud, how to spot it and what you can do to protect against it -

The Charity Commission's first guiding principle recognises that fraud will always happen. It is therefore important that, as part of setting their overall risk appetite, TCWG consider fraud within their tolerance for the risks associated with the management of the organisation's (and group's) funds. The development and continued assurance of a robust counter fraud control framework should then contribute to the organisation matching the risk appetite and tolerance agreed by TCWG.

We have shared with management our guidance and a framework on conducting fraud risk assessments. A fraud risk assessment is an objective review of the fraud risks facing an organisation to ensure they are fully identified and understood. This includes ensuring:

- fit for purpose counter fraud controls are in place to prevent and deter fraud and minimise opportunity, and
- action plans are in place to deliver an effective and proportionate response when suspected fraud occurs including the recovery of losses and lessons learnt.

Good practice suggests that to be most effective the risk assessment should be undertaken at a number of levels within the organisation:

- Organisational – to assess the key policy, awareness raising and behavioural (including leadership commitment) requirements that need to be in place to build organisational resilience to counter fraud.
- Operational – a detailed analysis of the fraud risk and counter fraud control framework at the operational level – by function (activity) or individual business unit (including programmes and projects).

Any fraud risk assessment should not be seen as a standalone exercise but rather an ongoing process that is refreshed on a regular basis. Carrying out the fraud risk assessment may reveal instances of actual or suspected fraud. Should this happen next steps will be determined on circumstances, the existing control framework (including any response plan(s)), and in consultation with the key members of the organisation's management team.

Considering risks of fraud

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and over sight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that entities such as the RCN Group should consider.

a) Frauds of extraction

This is where funds or assets in possession of the RCN group are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.

© 2022 Crowe U.K. LLP

Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The close monitoring of management accounts, ledger entries and strict budgetary controls are also generally seen as an effective way of detecting and deterring frauds in this area.

Staff should be made aware of the increasing use of mandate fraud. This is where when the fraudster gets the organisation to change a direct debit, standing order or bank transfer mandate by purporting to be a supplier or organisation to which the RCN Group makes regular payments.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance.

Some entities have also been victims of what is being termed CEO fraud, although it does not involve the CEO. In this case cyber criminals spoof company email accounts and impersonate executives to try and fool an employee in accounting or HR into executing unauthorised wire transfers or sending out confidential information.

This type of phishing scam is a sophisticated scam targeting businesses working with foreign suppliers and/or businesses that regularly perform wire transfer payments. The scam is carried out by compromising legitimate business e-mail accounts through social engineering or computer intrusion techniques to conduct unauthorised transfers of funds. Action Fraud, the UK's national fraud and cyber-crime reporting centre has reported an increase in fraud and scams relating to COVID-19, including a rise in phishing emails where the fraudster attempts to trick people into opening malicious attachments which could lead to fraudsters stealing people's personal information, email logins and passwords, and banking details.

Entities should therefore ensure that they reiterate their procedures to employees and raise awareness of fraud preventions across their organisations. All employees should exercise real scepticism and not make any payments which are not properly supported and outside the normal payment mechanisms. To paraphrase Action Fraud's recommendations, which are particularly significant as staff are working remotely and some working different hours in order to manage the challenges of working from home:

- Ensure all staff, not just finance teams, know about current frauds and scams.
- Have a system in place which allows staff to properly verify contact from their CEO or senior members of staff; for example, having two points of contact so that the staff can check that the instruction which they have received from their CEO is legitimate.
- Always review financial transactions to check for inconsistencies/errors, such as a misspelt company name.
- Consider what information is publicly available about the business and whether it needs to be public.
- Ensure computer systems are secure and that antivirus software is up to date.

All employees should exercise real scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

b) Backhanders and inducements

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

c) Frauds of diversion

This is where income or other assets due to the RCN Group are diverted before they are entered into the accounting records or control data. Essentially, it is easy to check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to a entity becomes difficult.

It is important to consider the different income streams and when and how they are received. So income received directly into the entities bank account will be a lower risk than income being received by home based fundraisers.

© 2022 Crowe U.K. LLP

Appendix 8 - External developments

We have summarised below some of the developments and changes in the not for profit sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold seminars and courses. Unfortunately, due to the current Covid-19 restrictions, we have necessarily had to suspend our face to face courses and seminars. Although we hope to be able to return to our seminars and courses in the not too distant future, we are currently working to replace some of these as webinars. We have a number of webinars currently in development and will make these available as soon as we can.

As a result the webinar sessions are likely to be put out with relatively short notice and we therefore encourage you to visit our website (https://www.crowe.com/uk/croweuk/industries/webinars).or register to our mailing list (nonprofits@crowe.co.uk) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

Financial and other reporting

COVID-19-related rent concessions beyond 30 June 2021

In June 2021, the Financial Reporting Council updated the amendment to FRS 102 in respect of Covid-19 related rent concessions, extending the period to which the amendments apply to 30 June 2022.

Under the amendments, any reduction in lease payments are recognised over the period that the change in lease payments is intended to compensate. For example, if a lessee is offered a rent holiday such that the rent due for July 2021 to December 2022 is waived, no lease expense would be recognized in that period.

The lessee will also need to disclose the change in lease payments recognised in profit or loss in accordance with the amendments, unless the entity is a small entity applying Section 1A of FRS 102, in which case such a disclosure is recommended.

The effective date for these amendments is accounting periods beginning on or after 1 January 2021, with early application permitted.

A copy of the updated amendment to FRS 102 can be obtained here.

Compliance

Government procurement: carbon reduction plans

The Government has introduced new measures which will require businesses to commit to net zero by 2050 and publish clear and credible reductions plans before they can bid for major government contracts.

Under the new measures, for procurements advertised on or after 30 September 2021, suppliers bidding for contracts above £5million a year will need to have committed to the government's target of net zero by 2050 and have published a carbon reduction plan.

Carbon Reduction Plans ('CRP') must meet the required standard, and includes (but is not limited to):

- Confirming the bidding supplier's commitment to achieving Net Zero by 2050 for their UK operations.
- Providing the supplier's current emissions for the sources included in Scope 1 and 2 of the GHG Protocol, and a defined subset of Scope 3 emissions.
- Providing emissions reporting in CO2e (Carbon Dioxide Equivalent) for the six greenhouse gases covered by the Kyoto Protocol4
- Setting out the environmental management measures in effect, including certification schemes or specific carbon reduction measures

© 2022 Crowe U.K. LLP

you have adopted, and that you will be able to apply when performing the contract and that support achieving Net Zero by 2050.

- Publication of the CRP on the supplier's website

Further details can be found here along with the Procurement Policy Note issued by the Cabinet Office here**.**

Governance

The Charities Bill: 5 key changes to charity law

The Charities Act 2022 (the Act) received Royal Assent on 24 February 2022 and brings into force a number of key changes to the Charities Act 2011, aimed at simplifying a number of processes.

While the Act comes into force on the date on which it was passed, a number of the provisions of the Act will only come into force when secondary legislation has been passed. It is expected that this will take place on a staggered basis over the next 12 – 18 months. In addition, the Charity Commission will be updating their guidance and online tools for each change to the Act.

We have set out below some of the key changes.

Governing document amendments
Amendments have been made to the Act to more closely align the rules for charities amending their constitution irrespective of the legal structure. Whilst the Commission will still need to approve any regulated amendments (e.g. changes to the charity's objects), they will now apply the same consistent criteria to approve these.

Permanent endowments
A number of changes have been made in respect of permanent endowments.

Firstly, the definition of permanent endowments has been updated with a simplified definition where property is considered to be a permanent endowment if it is '*subject to a restriction on being expended which distinguishes between income and capital'*.

The Charities Act has also been updated to increase the maximum value of a permanent endowment that Trustees can resolve to release restrictions on spending capital from £10,000 to £25,000. This power has also been extended to incorporated entities.

In addition, a new provision in the Act will allow Trustees to borrow up to 25% of the value of a charity's permanent endowment subject to the amount being repaid within 20 years of being borrowed.

These new and amended powers will grant Trustees of permanently endowed charities increased flexibility in times of economic uncertainty.

Failed appeals
The Act introduces new rules granting the power for trustees to apply cy-près, allowing charities more flexibility in response to a charity appeal that has failed, allowing donations to be applied for another charitable purposes rather than having to be returned to donors under certain conditions:

i) The donation is a single gift of £120 or less; and the Trustees reasonably believe that during the financial year the total amount received from the donor for the specific charitable purpose is £120 or less (unless the donor states in writing that the gift must be returned if the charitable purposes fail); or
ii) The donor, after all agreed actions have been taken, cannot be identified or found; or
iii) The donor cannot be identified (for example cash collections)

In order to avail themselves of the new rules, Trustees will need to pass a resolution having regard to (a) the desirability of securing that the purposes are, so far as reasonably practicable, similar to the specific charitable purposes for which the money or other property was given; and

© 2022 Crowe U.K. LLP

(b) the need for the purposes to be suitable and effective in the light of current social and economic circumstances.

Where the proceeds are in excess of £1,000 a copy of the resolution, along with a statement of their reasons for passing it must be provided to the Commission. Such a resolution does not take affect until consent is provided by the Commission in writing.

Payments to Trustees
Under the Charities Act 2011, Trustees (or a person connected to the trustee) may receive payment for the provision of services to a charity under certain conditions. The Act extends this provision to allow payment for the provision of goods to a charity.

Ex Gratia Payments
Amendments to the act allow for ex gratia payments to be made without the Commission's consent, up to a maximum of £20,000 depending on the charity's income. In addition, the amendments allow this decision to be delegated to staff.

Mergers
A key amendment to the Act allows for legacies to be transferred to a merged charity. This change will remove the need for 'shell charities' to be maintained and therefore reduce administration costs.

Full details of all the changes can be found **here** and **here**.

Responsible investments guidance

The Charity Commission ran a public consultation in April 2021 in respect of updated guidance for responsible investments.

The results of the consultation were published on 18 August 2021, and can be viewed here.

During the consultation two charities were granted permission to bring a case relating to responsible investment to the High Court. They are seeking clarification of the law, and there will be a court hearing in 2022. As a result, the updated guidance is not expected to be published until the court has given its judgement as this may affect the final guidance.

Guidance on hybrid working launch by ACAS

ACAS recently published guidance for employers on hybrid working, following the extended period of remote working as a result of the coronavirus pandemic.

The guidance is broken down into the following five sections:

- Considering hybrid working for your organisation
- Consulting and preparing to introduce hybrid working
- Creating a hybrid working policy
- Treating staff fairly in hybrid working; and
- Supporting and managing staff in hybrid working

The guidance also considers other legal matters that employers should consider, including data and privacy issues, health and safety issues and working time requirements.

The guidance can be found **here**.

Charity Commission: 'Take action on fraud'

As part of Charity Fraud Awareness Week, the Charity Commission issued a press release in October 2021 warning charity trustees and management to 'take action on fraud' as new figures show £8million reported lost to crime last year.

The latest data from Action Fraud also shows 1,059 separate incidents of fraud were reported by charities in just one year from April 2020 to March 2021.

Together with the Fraud Advisory Panel, the regulator is urging all trustees to sign up to a new Stop Fraud Pledge, which commits charities to taking six practical actions to reduce the chances of falling victim to fraud.

The pledge includes the following measures:

- Appoint a suitable person (staff member, volunteer or trustee) to champion counter fraud work throughout the organisation
- Ensure that all trustees are aware of their legal duty to protect the charity's assets.

© 2022 Crowe U.K. LLP

- Consult with staff, volunteers and trustees to identify the types of fraud that threaten the organization and the ways they can be prevented.
- Create a written fraud policy and share it regularly – with staff, volunteers and trustees – so that everyone understands what fraud is and how they can help prevent it.
- Perform checks on the individuals and organisations with whom we have a financial relationship.
- Assess annually how well the fraud controls are working, taking into account new risks and making improvements as needed.

Taxation

Advertising vs Marketing: An update for charities

Charities are allowed to acquire advertising services from suppliers with the zero-rate of VAT but one condition for the relief to apply is that the advertising is made to the general public.

After consultation with the charity and advertising sector, HMRC released its Revenue and Customs Brief 13 in September 2020. The brief indicated that some supplies that are made by suppliers like Facebook could be treated as zero-rated, e.g. audience targeting and location targeting. However, the notice goes on to state that the standard rate of VAT applies to social media accounts because "when individuals log in to their personal pages, sites use tools to apply advertisements to them when they are signed in. The content will be related to the individual's known likes, dislikes, interests or location, as a signed in member of the website."

We have a number of charity clients that are affected by this as they use suppliers like Facebook for a number of fundraising campaigns. As Facebook is based outside the UK it is up to the UK based charity to account for any VAT due and this is often to a large extent irrecoverable. Therefore, we have written to HMRC to seek clarification of its position.

HMRC has been provided with numerous examples of services and the terms and conditions applicable.

HMRC's response states that all supplies of Facebook advertising fall outside of zero-rated advertising. Consequently, 20% VAT must be accounted for by charities on such supplies received from suppliers based outside the UK.

HMRC's position is now clear and unless it is successfully challenged reverse charge VAT should be applied to services received from suppliers such as Facebook.

If VAT has not been applied to these services, HMRC should be notified of the amount of tax due in order that any penalties applicable can be mitigated.

Grant Funding: Business or non-business

Our Insight in January 2021 informed you of the decision of the Upper Tier Tribunal in Colchester Institute and the potential adverse effects it could have upon institutions other than those in the Further Education (FE) sector.

Subsequently there has been a further unsuccessful attempt by a FE College to exploit the decision made by the upper Tier Tribunal (read the transcript) and HMRC has also responded with its guidance in its business brief 08/21.

The decision has a direct application to those in the Further Education sector that receive grant income. However, in theory the conclusion arrived at by the UTT could be applied to any entity that has received grant income that has treated this as 'non-business'.

The decision in Colchester Institute reversed the common opinion that grant income is used to support non-business activities as the court opined that funding from The Skill Funding Agency (SFA) and the Education Funding Agency (EFA) was in fact consideration for supplies of educational services. In theory this could have wide reaching application in relation to the zero-rating of buildings used for charitable purposes, the application of reduce rate VAT to Fuel and Power and recovery of VAT on costs using both the standard method and special methods of partial exemption.

Many VAT commentators have seen the decision by the Tribunal as a threat to common well-founded VAT treatments applied by charities.

HMRC's brief 08/21 does give comfort to the charities' sector as well as the education sector since it essentially confirms that it disagrees with the Tribunal's decision and states that whilst it will not appeal, its policy on grant funded education will not change. Therefore, it appears that HMRC has no motivation to use the decision to serve a wider purpose and disturb well established VAT treatments for the charities' sector. Furthermore, it is willing

© 2022 Crowe U.K. LLP

to retain the status quo in relation to SFA and EFA funding (i.e. treat the income as non-business).

Three common trading activity VAT issues for charities in 2022

Donated Goods Retail Gift Aid Scheme and VAT

The Retail Gift Aid scheme is used by many charities in order to treat what would have been the sale of donated goods as donations of cash by acting as agent for the owners in selling their goods. This enables the charity to be able to claim Gift Aid.

It is important to note, that from a VAT perspective, this changes the nature of the transaction entirely. If donated goods are sold the shop is making a zero-rated taxable business activity which enables VAT recovery on associated costs. Whereas, if a charity is selling goods on behalf of someone in return for a donation, this is a 'non-business activity' and so while there is no VAT due on the donation, VAT cannot be recovered on the associated costs.

This can result in the shop being required to apply an apportionment to arrive at the correct amount of VAT recoverable in relation to the shop costs so VAT administration increases and VAT recovery is reduced.

Solution: To properly operate the scheme, the charity should charge a VAT bearing commission to the donor of the goods. This does mean a small amount of VAT being paid to HMRC but VAT on associated costs incurred on the shops can be recovered in full.

Lottery ticket sales from shops

Most charities that operate a lottery sell tickets by entering into monthly agreements with customers who buy directly from a head-office. In addition, some tickets may also be sold in charity shops.

Lottery tickets are exempt from VAT, and therefore, no VAT is due on the sales but VAT cannot be recovered on associated costs. This again results in less VAT being recovered by the charity within the shops. It also adds an extra layer of administration as overhead costs of the shop would need to be apportioned.

Solution: In reality, the VAT bearing costs used by the shop to make the lottery/raffle ticket sales is minimal and so application should be made to HMRC to apply a fairer apportionment on shop costs where these sales exist.

Effect of COVID-19 on VAT recovery rates

The COVID-19 pandemic has resulted in many charity shops, cafes and social enterprise activities to close temporarily. This could have an impact on the amount of VAT recoverable on overhead costs, particularly where the charity uses an income-based apportionment as the proxy for recovery (e.g. the standard method of partial exemption). This is because taxable income has been reduced while exempt income may have remained constant. For example, care services in general will have continued during lockdown, while shops/cafes and conference venues have remained closed.

Solution: Apply to HMRC to agree an alternative recovery method for the year. HMRC has released an information sheet which states it will look at these requests sympathetically and has set up a purpose-built inbox to review these applications. We would suggest that charities review their recovery rates to see if there has been, or will be (using a forecast), a heavy reduction input tax recovery so this can be addressed. HMRC's release can be accessed here.

12.5% VAT rate applied to hospitality

From 1 October 2021 the VAT rate applied to hospitality changed from 5% to 12.5%. From 15 July 2020 VAT had been chargeable at 5% on:

- on-premises catering and non-alcoholic drinks sold with catering
- hot takeaway food and drinks
- admissions to attractions including theatres and amusement parks
- hotel and holiday accommodation.

This was always intended to be a temporary measure to boost the hospitality sector at this difficult time. Rather than return to 20% VAT in one go, the VAT rate applicable to these goods and services changed to 12.5% where these are supplied between 1 October 2021 and 31 March 2022.

It should be noted that none of the above affects situations where no VAT is chargeable, such as cold takeaway food.

We have produced guidance on actions both suppliers and customers should take here https://www.crowe.com/uk/insights/preparing-for-the-new-vat-rate.

© 2022 Crowe U.K. LLP

VAT and Covid-19 Testing

HMRC has recently released its policy, Revenue and Customs Brief 11, in relation to the VAT treatment of COVID-19 tests, and is relevant to any organisation who is involved in the provision of tests for COVID-19 or receives these services from suppliers.

HMRC's recent brief has confirmed its policy on the VAT treatment of COVID-19 testing and the requirements for VAT exemption to apply. These should be followed to avoid HMRC issuing VAT assessments and penalties.

HMRC has stated that the medical care exemption will apply in instances where:

- the service incorporates the administration of the test to the patient; and
- the provision of the results,
- by a medical professional or somebody supervised by a medical professional such as a qualified registered nurse, doctor or a state regulated institution.

Exemption can still apply where the service is supplied by a non-registered person but the services are 'wholly performed' by a medical professional.

Exemption does not apply where:

- the service is provided by UK Accredited Service or the Care Quality Commission as HMRC does not consider these as being state regulation
- the service is administered by the patient themselves. Therefore, lateral flow tests are standard rated
- tests are supplied by manufacturers to hospitals. pharmacies.

HMRC's policy may be challenged as the application to some scenarios could be complicated and provide results that will appear inequitable.

However, if your organisation's treatment is not in line with the policy corrective action should be taken both retrospectively and going forward.

Furthermore, if a supplier has been applying standard rate VAT where exemption applies, the over-charged VAT can be recovered by seeking a credit from the supplier.

Tax on Covid-19 Grants for charities

Over the last couple of years many charities and/or their trading subsidiaries have claimed payments under the coronavirus job retention scheme (CJRS). The CJRS scheme ended on 30 September 2021 and was replaced by the Job Support Scheme (JSS).

Charities may also have claimed the following Covid grants, or 'coronavirus support payments' (CSP), which include:

- the self-employment income support scheme (SEISS),
- the small business grant fund,
- the retail, hospitality and leisure grant fund, the local authority discretionary grants fund,
- the coronavirus statutory sick pay (SSP) rebate scheme,
- the equivalent grant funds in Scotland, Wales and Northern Ireland
- amounts paid under the test and trace support payment scheme and its equivalent in Scotland and Wales, called self-isolation support payments
- Eat Out to Help Out (EOTHO)

CJRS and other CSP payments are generally stated to be taxable for income or corporation tax – is that the case for charities?

If the payments are to support a charitable (ie a non-taxable) activity of a charity, they are not taxable. If they are to support a non-charitable trade, then they will be included in the profits from that trade, as the expenditure covered will be tax-deductible. If the turnover from the trade is below the de minimis limit for income or corporation tax (currently £80,000 in a tax year, or less if the charity's total income is below £320,000) then the grant payments will not be counted when calculating whether the turnover goes over that limit. However, once the turnover is over that limit, then the CJRS/CSP receipts become taxable income.

If the CJRS or CSP grant relates to two different activities, one charitable and the other non-charitable, then it needs to be apportioned between the two on a reasonable basis.

© 2022 Crowe U.K. LLP

EOTHO was implemented separately from other CSPs. HMRC guidance for EOTHO states that “You must include the payments you receive as income when you calculate your taxable profits for Income Tax and Corporation Tax purposes”.

Reporting CJRS payments

However, when it comes to reporting grant payments to HMRC, there are additional tax return reporting requirements for CJRS, JSS, JRB and EOTHO. The JRB, or Job Retention Bonus, is not yet in operation. The Eat Out To Help Out scheme (EOTHO) applied in August 2020.

Whether or not the amounts received are taxable, they need to be reported on the charity’s tax return (if it needs to complete one). On the Corporation tax return there are three boxes for CJRS receipts, boxes 471-473. Box 471 records CJRS payments actually received in the period, Box 472 records entitlement over the same period. If the total in Box 471 is larger than the total in Box 472, then clearly there is an overpayment that must be returned, less any overpayments that have already been reported to HRMC or already assessed (Box 473).

Box 474 relates only to JRB and EOTHO overpayments. EOTHO claims need to be reported in Box 647.

The amount owed to HMRC for CJRS is recorded in Box 526. However, this amount is not added to the total of any corporation tax due. It is treated as income tax, and a separate assessment will be issued to collect it.

For trust and estate returns the reporting requirements are contained in Boxes 21.6A and 21.6B. Amounts entered in box 21.6B will be added to the income tax liability of the Trust or Estate, so it is important that if any overclaimed amounts have already been assessed, they are not included in the amount in this box. The individual amounts claimed need to be reported on the relevant boxes of the supplementary pages.

CJRS claims made by trading subsidiaries

If a subsidiary has made its own CJRS (or other CSP grant) claim then clearly this needs to be recorded on its tax return. However, many charities have claimed CJRS for their employees, and then recharged a portion relating to the employees’ work for the trading subsidiary. It is important that the company that has actually claimed the CJRS reports the full amount on its tax return, before any recharges, otherwise confusion will result

© 2022 Crowe U.K. LLP

Follow us on:

@crowe

www.crowe.co.uk

Crowe U.K. LLP is a limited liability partnership registered in England and Wales with registered number OC307043. The registered office is at 2nd Floor, 55 Ludgate Hill, London EC4M 7JW. A list of the LLP's members is available at the registered office. Crowe U.K. LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales and is authorised and regulated by the Financial Conduct Authority. All insolvency practitioners in the firm are licensed in the UK by the Insolvency Practitioners Association. Crowe U.K. LLP is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe U.K. LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global.

This material is for informational purposes only and should not be construed as financial or legal advice. Please seek guidance specific to your organisation from qualified advisors in your jurisdiction.

© 2022 Crowe U.K. LLP

THE RCN FOUNDATION

England & Wales - Charity number 1134606

Accounts

RCNFoundation

Supporting nursing, improving care

Group Annual Report 2020

The RCN Foundation Group Annual Report and Financial Statements 1 January to 31 December 2020

Contents

Introduction from the Chair and Director	2
Report of the Trustees	4
Financial review	18
Principal risks and uncertainties	22
Board of Trustees	24
Reference and administrative details	25
Structure, governance and management	26
Thank you to all our supporters	30
Statement of Trustees' responsibilities	32
Independent auditor's report	33
Financial statements	37

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious.**

Registered Charity: 1134606
Scottish Registered Charity: SC043663
Registered Company: 7026001

This document has been designed in collaboration with our members to ensure it meets most accessibility standards.
However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction from the Chair and Director

These are the first RCN Foundation Group report and accounts, encompassing the activities of the RCN Foundation and its new subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA). 2020 was designated by the World Health Organization as the International Year of the Nurse and Midwife. It also marked the 10th anniversary of the RCN Foundation. However, 2020 is likely to be remembered for another reason entirely – not only for the Foundation but for the profession, for the health and care sectors, and for the world.

Throughout 2020, the COVID-19 pandemic has touched on people's lives in all sectors, and in every part of the UK and beyond. Therefore, much of this year's annual report is taken up with the Foundation's response to the pandemic and, in particular, to the support provided to frontline nursing and midwifery staff.

The establishment of CHSA was in direct response to the pandemic, and was made possible by a donation of £5m from TikTok, the global media company. This donation was part of a broader series of donations made by the company across the world. CHSA was set up to receive and administer the donation which was made to support wider health and care staff across the UK.

It became apparent to us early on during the pandemic that some of the challenges faced by nursing and midwifery staff would increase exponentially. We knew that existing issues of financial hardship, poor mental health and wellbeing, and workforce pressures, would increase acutely as a result of the additional strain brought about by working on the frontline during the pandemic. However, the speed and scale of the impact, and the increase in the demand for our support, has been breathtaking.

Because of this, in April we established the COVID-19 Support Fund. This was a vehicle for reaching out to staff who had been adversely affected by the pandemic. The Fund aimed to provide emergency aid grants to those who had fallen into hardship or needed psychological support during this challenging time.

We set the Fund up to focus our efforts on assisting frontline staff. However, we were astounded and humbled that it also attracted the support of many hundreds of individuals and organisations, all of whom were eager to 'do their bit' to help those caring for the nation. This interest in our work coincided with the general wave of public support for health and care staff across the UK.

By the time we closed the Fund in July, the Foundation had awarded around £1.45m in grants to over 3,200 individuals. We had also funded a project developed by the Institute of Health Visiting to provide peer support to health visitors during the pandemic, a group working with some of the most vulnerable families across the UK.

From March to July we awarded £1.45m to over 3,200 individuals

During the year, CHSA made grants to a wide variety of health and care organisations. These grants were to support emergency aid and hardship, psychological support projects, and recovery and resilience projects.

Our response to the pandemic extended to our work on the mental health of the profession. In May, the Foundation commissioned The King's Fund to carry out a comprehensive review of the evidence relating to the mental health of nurses and midwives specifically within the context of COVID-19. The research also encompassed interviews with key stakeholders, including nurses and midwives. The resulting report, *The Courage of Compassion* identified eight key recommendations to support the mental health and wellbeing of nurses and midwives moving forward. This remains a critical issue for the profession and its importance was underlined by the response to the follow up webinar from The King's Fund which was sponsored by the Foundation. This online event proved to be their most popular webinar ever, with over 4,000 participants signing up to the event.

The mental health of nurses and midwives, exacerbated and heightened by the challenges presented by the pandemic, will continue to remain a key priority for the Foundation in 2021.

Despite the pandemic, progress on other areas of our work also continued during the year. Scoping research was completed into nurse-led interventions to support children and young people's mental health and emotional wellbeing. The findings of this research, carried out by Sheffield Hallam University, will form the basis for a three-year programme of grant-making, to be launched in 2021. Scoping research on our second key priority – learning disability nursing – was also started, undertaken by the University of West London. Results of the research are due in 2021.

A particular highlight from the year was the development and launch of the Postgraduate Certificate in Neurological Rehabilitation and Care, funded by the Foundation. This was undertaken alongside the brain injury charity SameYou, with the programme being run by the University of Edinburgh. The launch of the programme in November marked the culmination of two years of work and will make a tangible difference to the care of people with a brain injury.

COVID-19 has significantly changed the world in which we live and will continue to do so for the foreseeable future, even with the rollout of vaccines. The effects of the pandemic, described by the Chair of the British Association of Critical Care Nurses as "dealing with a terrorist attack that goes on and on", are likely to be profound and long-lasting, both for the workforce and their patients.

What is clear to us is that the focus of the Foundation's work – on hardship, education and groundbreaking research – has never been more needed. We will continue to support, strengthen and sustain the profession as it navigates the pandemic and beyond, working alone or with others where needed.

We want to end by conveying our thanks and heartfelt gratitude to the many individuals and organisations who, through their donations, have shown their commitment to nursing and midwifery this year. The surge in support, reflected in this annual report, has been welcome, humbling and powerful, and for that we are enormously grateful.

Report of the Trustees

for the year ending 31 December 2020

(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2020 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances in 2020. It can be downloaded from the Foundation's website (rcnfoundation.org.uk), where there are further details about the Foundation's work.

2020 Objectives

In 2020, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. Despite the challenges presented by the pandemic, we carried out a robust programme of activity in 2020 with a focus on achieving positive outcomes for members of the nursing and midwifery team, and the public. Our objectives for 2020, as listed in the 2019 Annual Report, and the progress made against these objectives, are set out below.

1. **Implement a strong programme of grant-making that focuses on: supporting individual members of the nursing and midwifery team through our hardship and education grants; investing in the nursing and midwifery professions to improve patient care; and championing nursing and midwifery by raising its profile as well as supporting the mental health of the nursing and midwifery team.**

In 2020, we continued to support members of the nursing and midwifery team facing hardship by funding the Lamplight Support Service (LSS) which is administered by the Royal College of Nursing (RCN). LSS provided advice and grants to nurses, midwives and health care support workers who were facing financial hardship as a result of a wide range of issues including physical and mental ill health, debt, relationship breakdowns, caring responsibilities, and domestic abuse.

In 2020, the Foundation made grants to the value of £225k through LSS (2019: £227k), with 65% of grant recipients being financially better-off as a result of the grant they received and if they applied for the benefits for which they were eligible as identified by LSS. 1,088 individuals benefited from telephone assessments (2019: 1,125) and were, on average £5,800 (2019: £4,800) better off as a result of the advice they received.

We continued to support those seeking to improve their clinical skills through education and training. In 2020, the Foundation awarded £150k in education grants (2019: £315k) to 70 individuals (2019: 120). These grants were for a broad range of activities encompassing postgraduate studies and courses aimed at contributing to continuing professional development. Once again, the courses being undertaken were in a variety of topics including respiratory care, diabetes, and mental health. In addition, we also awarded grants to those

with a first non-nursing degree wishing to take up a degree in nursing. The lower number of grants awarded in 2020 reflected the fact that fewer applications had been received during the year, particularly during the spring grants round as a result of the pandemic.

We continued our successful joint grant-making partnerships with the Worshipful Company of Needlemakers, for nurses and midwives using needles in their work, and The Leathersellers' Company Charitable Fund, to support pre-registration nursing students. There was once again much interest in the RCN Foundation/ Leathersellers grant for which 109 applications were received. Sixteen grants were awarded totalling £40,000.

We supported a number of nursing-led projects during the year. A number of these projects, which had been funded over multiple years, were completed during the year.

All of our funded projects were affected to varying degrees by the pandemic. Our approach during this period has therefore been to offer support and flexibility to enable funded projects to continue.

Sheffield Hallam University was awarded £30,000 to undertake a scoping study on nursing-led interventions that supported children and young people's mental health and wellbeing. This research formed the basis of the first of our two priority areas. The final research report, *Nursing-led Interventions to Support the Psychological and Emotional Wellbeing of Children and Young People*, was published in September.

The findings of the research will form the basis of a three-year grant-making programme on nurse-led early interventions to support the psychological and emotional wellbeing of children and young people, to be implemented from 2021 onwards.

The University of West London was awarded funding at the beginning of the year to undertake a scoping review in the second of our two priority areas – learning disability nursing. Their research, *Understanding the Contribution of Nurses to Improve the Health*

Hardship case study

"A lifeline at a very desperate time"

Assy, paediatric agency nurse, London

Assy, a paediatric agency nurse for 13 years, had to self-isolate for two weeks due to a member of her household showing COVID-19 symptoms. During this time, she wasn't paid any sick leave – and later lost her job. As a single mother of two young children, she felt desperate and worried that due to the loss of income she wouldn't be able to pay her rent or bills.

Faced with imminent financial hardship, Assy applied to the RCN Foundation's COVID-19 Support Fund and was awarded a grant. On receiving the grant Assy said: "I am so grateful to the RCN Foundation – I am not sure what I would have done without this grant. The money was paid quickly and provided me with much needed relief at one of the most difficult times in my life. Thank you so much."

and Well-being of Children, Adults and Older People with Learning Disabilities, Now and for the Future, will be completed in 2021. This project was affected by the pandemic which resulted in a delay in its end date. This will result in a subsequent delay to the development of the Foundation's learning disability grant-making programme.

The two final projects in our care home programme of grant-making came to an end in 2020. The *Feasibility Study of a Pan-London Education-career Pathway for Care Home Registered Nurses: Supporting Nurse Retention and Development*, otherwise known as the PEACH project, aimed to test a regional model to improve professional competency, development, and retention of nurses caring for older people in registered care homes. The findings demonstrated there remains much to do to better support the education and career development of nurses working within the care home sector. The project found that it was difficult for care home nurses to be released from clinical practice to undertake the course despite course fees being met by the Foundation and backfill provided. Of those who did undertake the course many left the sector to join other areas of health care provision.

To continue the momentum in relation to addressing the challenges identified through the programme, the research team is working to raise this as a policy issue. They are planning to hold a webinar in spring 2021 to discuss the issue further and to gain further insight into the difficulties. They are working on a policy publication as well as a literature review for publication in a high impact journal. The Foundation is supporting dissemination by publishing case studies featuring some of the Alumni of the programme.

Tackling Loneliness and Isolation in Care Homes in Wales, an intergenerational project developed and delivered by the Aneurin Bevan University Health Board, was completed in September 2020. The project achieved a number of successes including the twinning of 72 care homes with 80 primary schools, training for teachers on the benefits of intergenerational practice and also on dementia, and the development of resources for children and young people aimed at encouraging an interest in having a career in health and social care.

The project team also developed an intergenerational toolkit including a pen-pal initiative where older people who were discharged from hospital, maintained contact with the children who had visited them in the care home. Finally, 200 children and uniformed cadets trained as digital heroes to engage in supporting care home residents to use digital technology to connect with their communities.

The Queen's Nursing Institute Care Home Nurses Network was funded by the Foundation at the end of 2019. During the year, it provided significant support to nurses working within the care home sector during the pandemic. The project expanded to include a moderated online Facebook support group and a repository for information and support. This project was funded for a three-year period.

Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales was led by the University of Cardiff. This project is an indepth ethnographic study of nurses' use of professional judgement in making decisions about the deployment and organisation of the nursing workforce to meet patient need. Very little is known about the use of professional judgement in this context and its impact on decision making. This research aims to address this gap in understanding, taking advantage of national differences between England and Wales to deepen the analysis.

Despite making progress on a number of fronts, the project faced many challenges during the year as a result of the pandemic. This included the use of an ethnographic research design approach, which required onsite access to clinical wards; and gaining access to study sites for data collection. The Foundation is working closely with the Principle Investigator to ensure the study remains on track and that the agreed outputs are delivered. The project is due to complete in February 2022.

The Foundation funded the Society of Occupational Medicine to undertake an evidence synthesis of the relevant literature relating to the mental health and wellbeing of nurses and midwives. The research study aimed to: assess the prevalence; identify antecedents and outcomes; highlight the cost of poor wellbeing; and review the effectiveness of interventions. The resulting report, *The Mental Health of Nurses and Midwives,* was completed in March and was due to be launched at a reception in the House of Lords in April. Because of COVID-19 restrictions the event had to be cancelled. The report instead had an online launch in July.

In recognition of the potential impact of COVID-19, the Foundation commissioned The King's Fund in March to carry out a further study on the mental health and wellbeing of nurses and midwives, this time through the lens of the pandemic. The study involved a detailed examination of available evidence, new analysis of key data, and interviews with staff at all levels across the NHS and social care. The resulting report, *The Courage of Compassion: Supporting Nurses and Midwives to Deliver High-quality Care* was published in September. It examined the workplace stressors, organisational cultures, working contexts and leadership styles that impacted on the mental health and wellbeing of nurses and midwives. The report made a number of recommendations and identified compassionate leadership as being of critical importance to the mental health and wellbeing of nursing and midwifery staff.

As part of our objective to raise the profile and public understanding of the profession, we held our annual lecture in November. Given the restrictions, the format was a virtual Q&A 'In Conversation' event with RCN Foundation patron and best-selling author Christie Watson. More than 250 individuals registered for the event and attendees had the opportunity to submit their questions to Christie both prior to and during the event.

In reporting on its expenditure on charitable activities, the RCN Foundation follows guidance from the Charity Commission, which itself refers back to the statement of recommended practice (SORP) definition of charitable expenditure. The guidance states that expenditure on charitable activities should include all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. In line with this guidance, in 2020 the RCN Foundation's expenditure on charitable activities was 89% of the total expenditure incurred in the year (31 December 2019: 81%).

2. Fund the development and delivery of an advanced practice neuro rehabilitation education programme.

At the end of 2019, a call for application was undertaken for the development and delivery of an advanced practice neuro rehabilitation education programme. A joint bid by the RCN and the University of Nottingham was successful in January 2020. COVID-19 placed constraints on many organisations, including the RCN and University of Nottingham. As a result, the partnership felt unable to meet the timelines to deliver the education programme and declined the grant.

The Foundation subsequently approached the University of Edinburgh to discuss and take forward their proposal, which had been submitted as part of the original call process. Working together, the University developed a bespoke Postgraduate Certificate (PGCert) in Neurological Rehabilitation and Care. The programme was launched in November 2020, when it opened for applications. The course will begin in May 2021 and will be delivered online. All of the places on the course are funded by the Foundation. The Foundation is working in partnership with the brain injury charity SameYou on the development of this project.

As part of the work to ensure that the education programme addressed the needs of people with a brain injury, the Foundation has also funded the University of Edinburgh's *Young Adults Rehabilitation Experiences and Needs Following Stroke* (YARNS) study. This research aimed to explore and understand the experiences of young people who have had a stroke, and how they adjust and adapt to the new normal of their lives. The study explored patients' and families' stories of stroke recorded on social media, explored the evidence base, and reviewed rehabilitation services, support and resources for young adults following stroke across the UK.

Education case study

"The bursary enabled me to fulfil a dream"

Charlotte, practice development nurse, Essex

"I've only ever known nursing and have been qualified just over seven years. My mum is a nurse and she told me I was going to apply to be a nurse as a teenager when I was overwhelmed with options for my future. Mum was right, I was destined to be a nurse and I've never looked back, and I couldn't think of a more diverse career to be a part of."

Charlotte began working in ITU where she forged a career, gaining specialist qualifications and her first post as a sister at 25 years old. "During this time, I discovered that I had a real passion for staff wellbeing – I came to discover that there is a link between our wellbeing and its impact on patient care. I had some ideas on what could be done to challenge and change this, but I needed funding. That's when I came across the RCN Foundation Professional Bursary Scheme."

"When I applied, I never thought in a million years I would be successful – I remember being a nervous wreck when I had my interview with the panel. When I got a call to let me know that I had been successful and was awarded the full amount of £5,000 to 'top-up' my DipHE to a degree, I was so elated and in complete shock."

Charlotte went on to study, get a promotion in ITU and also managed to graduate with First Class Honours with a new-born baby.

"I am honestly so proud of myself and what I have achieved. I created successful tools in ITU to improve staff morale, reduce burnout and improve patient care as a result of my studies. That degree also enabled me to become a practice development nurse in my hospital. The bursary enabled me to fulfil a dream, and I am not sure I would be here doing what I do if I hadn't received the grant. I would encourage anyone in nursing to apply – like me you may think you won't get it, but I am proof that if you put effort into your application, are passionate about nursing and believe in yourself and in wishing to improve your patients' care, then absolutely apply!"

3. Carry out a programme of activities to mark the International Year of the Nurse and Midwife.

2020 was designated the International Year of the Nurse and Midwife by the World Health Organization. The Foundation had planned to mark the year through four key activities and initiatives. These were:

- the Impact Awards Ceremony
- activities at RCN Congress
- two specific education grants – the Monica Baly History of Nursing Fund and the Trevor Clay International Education Awards
- a joint project with the Chief Nursing Officers of the UK and Republic of Ireland.

Many of the activities planned by nursing and health care organisations to mark the year, including the Foundation's, were inevitably disrupted as a result of the pandemic.

The Impact Awards Ceremony, to be held in March, and RCN Congress, to be held in June, were both cancelled due to the pandemic (the former by the Foundation and the latter by the RCN). However, to mark the contribution of our 2020 award recipients, the Foundation delivered a series of online communications in November to announce and celebrate the award winners, utilising our digital channels to increase the visibility of the awards and awardees' achievements. A series of videos showcasing each of the winners was developed and disseminated. These were viewed and shared widely, with the number of Twitter impressions relating to the films totalling 48,000.

Given the current restrictions on international travel, the Trevor Clay International Education Awards were deferred until such time as restrictions could be lifted. However, the Monica Baly Fund grants were advertised. A history of nursing project developed by Edinburgh Napier University was successfully awarded the funds in November. The

project aims to investigate historical accounts of nurses/healers and midwives who were accused and persecuted as 'witches'. It aims to review the Scottish Witchcraft Survey database between 1536 and 1746 to provide a better understanding of early nursing and midwifery. The outcomes from the project aim to support a high-profile Scottish campaign for the posthumous pardons of witches, as well as add to the body of historic nursing and midwifery research.

The Foundation developed a partnership with the Chief Nursing Officers (CNOs) of the four UK countries and the Republic of Ireland on a joint project to raise the status and profile of nursing. The Northern Ireland Practice and Education Council for Nursing and Midwifery (NIPEC) led on the delivery of the project on behalf of the five CNOs.

The project aimed to build on the previous Enabling Professionalism work undertaken by the CNOs. This provided nurses and midwives with a clear and common language to use when talking about their work, which not only encompassed the breadth of the nursing and midwifery professions, but the impact they have on the health of the public.

The partnership project aimed to create a digital media campaign to demonstrate what nursing and midwifery is in a powerful and meaningful way to the general public, practitioners and policy makers. The project aimed to include contributions from nurses and midwives, as well as patients and their families. This project was postponed for much of the year, although development began again towards the end of 2020.

To take account of the impact of the pandemic, the World Health Organization announced in October that the International Year of the Nurse and Midwife would be extended into 2021. Therefore, the Foundation will continue to deliver these activities during 2021.

4. Ensure that outcomes from funded projects are widely and effectively disseminated. This will include a clearer understanding of how outcomes will be disseminated and to whom.

In 2020 the Foundation took an increasingly proactive and targeted approach to increase the reach, visibility and media coverage around the impact and outcome of funded projects. Projects that received media publicity during the year included the grant to the Institute of Health Visiting, the launch of the Postgraduate Certificate in Neurological Rehabilitation and Care, and the completed project from Beyond Words, which produced materials on beating the virus aimed at people with intellectual disabilities.

One notable success during the year was the launch of the report from The King's Fund commissioned by the Foundation. Following its publication in September, *The Courage of Compassion: Supporting Nurses and Midwives to Deliver High-quality Care* received extensive news coverage across a number of news outlets and social media including *The Guardian*, ITV *Good Morning Britain*, *Sky News*, Sky News online, Independent/Press Association and The Times, in addition to bulletins in radio stations across the country.

The King's Fund held a follow up webinar in December, sponsored by the Foundation, which was watched live by 2,014 individuals, following a record number of registrations (4,607), the highest ever achieved by The King's Fund.

5. Ensure that income from investments and fundraising performs well and is able to support the delivery of our work.

Despite the pandemic, income from investments and fundraising performed relatively well during the year. In 2020, the value of the combined portfolio was £38.6m (2019: £36.1m).

The impact of the pandemic on fundraising income during the year was marked. Income from 'business as usual' fundraising activities was below budget as a result of the pandemic. However, in response to the pandemic, the Foundation established a COVID-19 Support Fund, the aim of which was to provide emergency financial aid and psychological support to nursing and midwifery staff affected by the pandemic. A total of £1.45m was received into the Fund from donations made by individuals and companies. Further details about the Fund are provided below.

The majority of fundraising activity in 2020 related to donations in respect of COVID-19. However, there were some other areas of activity.

The Foundation's first telephone upgrade campaign was undertaken between February-April 2020 and delivered by a third-party telephone fundraising agency. The campaign, which contacted 1,100 regular donors, exceeded expectations with nearly 30% of donors contacted increasing their donation. A second campaign started in December and will continue into 2021.

The RCN Foundation received a major gift donation in support of the RCN Prince of Wales Nursing Cadet Scheme. The scheme is intended to inspire young people, particularly those from disadvantaged backgrounds, to take up a career in nursing and midwifery by giving them access to opportunities for academic study and hands-on experience in the health sector. Following a pilot programme in Wales in 2019, the donation enabled the scheme, delivered by the RCN, to be rolled out across England.

Project case study

The Courage of Compassion – The King's Fund

The report, The Courage of Compassion: Supporting Nurses and Midwives to Deliver High-quality Care, was commissioned by the RCN Foundation in response to the pandemic. It provided a fresh perspective on the mental health and wellbeing of nurses and midwives, concentrating on the efforts needed to change the factors that cause stress rather than simply dealing with symptoms.

The report found that staff stress, absenteeism and turnover in the professions had reached high levels and had been compounded by the COVID-19 pandemic, which exacerbated longer-term issues including chronic excessive workload, inadequate working conditions, staff burnout and inequalities, particularly among Black, Asian and minority ethnic groups. The report found that many nurses and midwives routinely worked long shifts without proper breaks and with limited access to food and drinks. A high proportion also faced bullying, discrimination and verbal and physical abuse from people in their care.

New analysis carried out for the report suggested that these factors were having a significant impact on staff retention, with around a quarter of nurses and health visitors joining the NHS leaving within three years of starting (NHS Digital, 2019).

Following a comprehensive examination of the evidence, new analysis of key data and interviews with staff at all levels, the report set out eight key recommendations to support the wellbeing of nurses and midwives across the UK, including those working in adult social care, GP practices, community care and other settings.

The eight recommendations are as follows, with further details and implementation suggestions given in the full report.

1. **Authority, empowerment and influence** – Introduce mechanisms for nursing and midwifery staff to shape the cultures and processes of their organisations and influence decisions about how care is structured and delivered.
2. **Justice and fairness** – Nurture and sustain just, fair and psychologically safe cultures and ensure equity, proactive and positive approaches to diversity and universal inclusion.
3. **Work conditions and working schedules** – Introduce minimum standards for facilities and working conditions for nursing and midwifery staff in all health and care organisations.
4. **Teamworking** – Develop and support effective multidisciplinary teamworking for all nursing and midwifery staff across health and care services.
5. **Culture and leadership** – Ensure health and care environments have compassionate leadership and nurturing cultures that enable both care and staff support to be high quality, continually improving and compassionate.
6. **Workload** – Tackle chronic excessive work demands in nursing and midwifery, which exceed the capacity of nurses and midwives to sustainably lead and deliver safe, high-quality care and which damage their health and wellbeing.
7. **Management and supervision** – Ensure all nursing and midwifery staff have the effective support, professional reflection, mentorship and supervision needed to thrive in their roles.
8. **Learning, education and development** – Ensure the right systems, frameworks and processes are in place for nurses' and midwives' learning, education and development throughout their careers. These must promote fair and equitable outcomes.

Professor Michael West, Senior Visiting Fellow at The King's Fund and a co-author of the report said:

"We need to create environments and cultures where nurses and midwives can flourish. Unfortunately, this isn't where many frontline staff find themselves at the moment, with increasing numbers facing working conditions that are damaging to their health. We need to see a concerted effort to tackle these root problems, to transform work life experience for nurses, midwives and thereby the quality of care for the communities they serve."

6. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

Planned RCN Group activities were postponed as a result of the pandemic, this included RCN Congress. Some scheduled meetings of the RCN Group also had to be postponed as a result of clinical pressures for some of those involved.

The Group-wide task and finish group which was established to keep an overview of activities to commemorate the International Year of the Nurse and Midwife met during the early part of the year. However, the work of the Group was also put on hold as a result of the pandemic.

7. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

In Spring 2020, the Foundation appointed a Head of Grants and Impact. The role aimed to strengthen and underpin our grant-making programme, as well as further develop ways in which the impact of funded work can be demonstrated.

As with other areas, the pandemic also had a profound effect on the way in which our governance activities were carried out. All Board and Committee meetings were moved to an online platform and held virtually. The Foundation was able to adapt to these new circumstances, with all scheduled meetings continuing to take place virtually during the year. Alongside the Foundation's strategic risk register, a COVID-19 risk register was also developed and kept under review. A key risk identified was the potential for some meetings to be inquorate due to the pressures on clinically based Trustees. This was kept under review and all meetings held during the year were quorate.

The Chair of the Wales Committee stepped down from the Board of Trustees at the end of the year, which meant that both Country Committee Chair roles (Scotland and Wales) were vacant at the end of the year. The Board reaffirmed its commitment to ensuring that there should continue to be Foundation Trustees from all four countries of the UK on the Board. They also agreed to review the role and remit of Country Committees in 2021.

Safeguarding training for all Trustees was rolled out at the end of the year.

8. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and its ability to continue to support the nursing and midwifery professions. This includes establishing the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

This objective formed a significant proportion of the Foundation's activities during the year. In April, the Foundation established the COVID-19 Support Fund to support nursing and midwifery staff who had been adversely affected by the pandemic. The establishment of the Support Fund sparked increased numbers of donations from individual members of the public, companies and other organisations, in addition to increased numbers of online and In Memory gifts.

The Foundation received a £250,000 donation from the Stelios Philanthropic Foundation, to deliver the Stelios Says Thank You Awards. The donation was made in order to thank and recognise the contribution of frontline nursing and midwifery staff working and living in London during the pandemic, where the Stelios Philanthropic Foundation's UK headquarters are based. An unprecedented number of applications were received for these £250 grants, with enough applications received to fulfil the 1,000 grants available in just two days. The launch of the Awards was covered in several media publications including: *The London Post*, *Nursing Notes*, *Nursing Times* and *Nursing in Practice*.

Other significant institutional donations into the COVID-19 Support Fund were received from, amongst others, LV, Jeffries Group, Lisou, Arab Banking Corporation, Asia United Bank, Inspiration Healthcare, Warwick Trust and the APAX Foundation.

There were also a significant number of community fundraising initiatives in support of the COVID-19 Support Fund. One such initiative was the Covers for Others music project, in which musicians agreed to cover a song picked by their fans, who voted for their favourite by making a small donation to the RCN Foundation. The campaign was launched using the hashtag #CoversForCarers. Artists involved in the initiative included Frank Turner and Billy Bragg and it was featured widely in the press, including *Sky News*, *Music News* and *NME*.

Another community fundraising initiative of note was led by singer songwriter and Squeeze co-founder, Chris Difford, who curated *The Song Club* album, inspired by the work of Hannah Grace Deller, a paediatric nurse and amateur photographer. Hannah had been documenting her, and her colleagues' experiences of the pandemic. A series of her photographs were featured on Greyson Perry's Art Club, where they were seen by Chris Difford. The album was inspired by her photographs and included songs written by award-winning songwriters including Nik Kershaw, Beth Nielsen Chapman, Julia Fordham and Kimmie Rhodes.

The RCN Foundation was able to support 3,286 nursing and midwifery staff adversely affected by the pandemic. Just over £1.45m in emergency financial aid grants was provided to individuals through the COVID-19 Support Fund and the Stelios Says Thank You Awards.

A number of COVID-19-related projects were also initiated during the year. The Foundation awarded funding to the Institute of Health Visiting to develop a programme to promote emotional wellbeing at work for small groups of health visitors working in the community during the COVID-19 pandemic.

The King's Fund report was widely well received and viewed as a critical research project that contributed to the debate on the impact of the pandemic on nurses' and midwives' mental health and wellbeing. Following the publication of the report, the Foundation issued two calls for research projects – one to explore effective leadership strategies which could be sustained beyond the pandemic; and a second to evaluate the effectiveness of psychological first aid as an intervention to support the psychological outcomes of staff working in a care home setting. Funding awards to undertake each project will be made in 2021 with outcomes expected during the year.

A key development in relation to the pandemic was the establishment of a new time-limited subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA). This charity was established to accept and administer a donation of £5m from the video sharing platform TikTok. The donation was intended to support members of the wider health and care workforce who had been adversely affected by the COVID-19 pandemic.

The Foundation continued to support CHSA throughout the year. This included through the provision of communications support in relation to the donation from TikTok. The announcement of the TikTok donation in April led to significant news coverage in national and regional media. On the day of the announcement, there were nine national online media articles, including the BBC News website, *Evening Standard* and *Daily Mail*, 14 broadcast segments and 175 regional articles, as well as two articles in national nursing titles. Communication support to CHSA continued to be provided to widen awareness to organisations across the health and care sectors of the availability of grants. During the first six months of operation, CHSA had awarded some £3.1 million in grants to 19 organisations supporting, amongst others, ambulance staff, care workers, nurses, doctors, GPs, physiotherapists and pharmacists. This included grant funding awarded to the RCN Foundation.

RCN Foundation ongoing response to COVID-19

The COVID-19 pandemic is expected to continue to present a challenge to all aspects of the Foundation's work during the next twelve months. As a health charity, and with our beneficiaries being on the frontline of tackling the pandemic, the impact on the Foundation is likely to continue to be felt acutely. Similarly to many other charities, the pandemic affected our 'business as usual' income and expenditure in 2020. However, it was not necessary to furlough any staff and we aim to continue on this basis.

In 2021, with the rollout of a national vaccination programme, we expect to begin to return slowly to some semblance of 'normal' service. With two senior roles now in place within the Foundation (Head of Grants and Impact, and Head of Fundraising and Communications), we are well prepared to monitor and respond to any future spike in demand for support, and to any potential decline in voluntary income. As well as a strong staff resource, the Foundation also continues to remain financially resilient with unrestricted reserves of £29,170,035.

Policies

During 2020 two new policies were under development – a Trustee Recruitment Policy and a Gift Acceptance Policy. Both of these were discussed by the relevant Committees and will be put to the Board of Trustees for approval in 2021.

Amalgamation of funds

Following the amalgamation of funds in 2019, the Foundation continued to spend all remaining funds in line with the objectives of the individual funds in 2020. This included all restricted education and research funds that were left to the Foundation for a particular purpose.

Our position on modern day slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2021

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the profession.
2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.
3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various communication platforms and a review of branding.
4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Develop a clear and measurable fundraising strategy for the Foundation.
5. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.
6. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.
7. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and our ability to continue to support the nursing and midwifery professions. This includes supporting the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

Financial review

Investments, policy and performance

The RCN Foundation is subject to the Trustee Act 2000. The Foundation's investment objective is to seek to protect real income and capital growth over time. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The Board oversees the management of the Foundation's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the Board as appropriate.

The Trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short term fund consisting of cash, short-term deposits and short dated bonds. At 31 December 2020, £1m was held in the short-term fund as Money Market Investments and is shown as a current asset on the Balance Sheet (31 December 2019: £1m).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the Foundation's ethical requirements.

The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the Trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies. Specific restrictions include the avoidance of any investment in companies that manufacture tobacco products and investments in hedge funds. At the same time, environmental, social and governance (ESG) factors are embedded in the investment process for stock selection. The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility whilst at the same time they would like to achieve their goal with a low to medium level of risk.

2020 has been a fluctuating year for Foundation investments both in terms of income generated and increase in the value of the portfolio due to the worldwide impact of the COVID-19 pandemic. The gross investment income in the year ended 31 December 2020 was £783k (associated investment management fees of £158k) which is 29% lower compared to the gross income received in 2019 (£1.1m).

However, the movement in the investments resulted in a significant increase in the market value of the combined portfolio from £36.1m at the start of the year to £38.6m at the end of the year. This increase in value can mainly be attributed to a higher return on equities, both UK and global.

The market value of investments is subject to the fluctuation of the open market and are thus exposed to a degree of uncertainty and speculation. We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities as we expect 2021 to also be an unusual year, given the ongoing COVID-19 pandemic.

Review of financial position

The financial statements are presented in the format required under 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2020 and the balance sheet as at 31 December 2020 are set out on pages 38/39 and 40. The statement of financial activities shows that the RCN Foundation had a net surplus of £1.7m in the year ended 31 December 2020 (31 December 2019: net surplus of £4.7m).

The COVID-19 Healthcare Support Appeal (CHSA) was set up as a time-limited subsidiary of RCN Foundation. The statement of financial activities shows that CHSA had a net surplus of £1,748k in the 9 month period ended 31 December 2020, its first period of operation. Further information can be found in the RCN Foundation Group accounts.

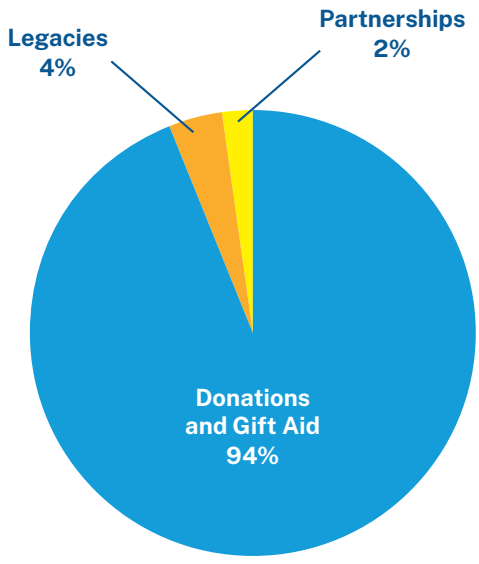
Income

RCN Foundation income is made up of income from donations and legacies, income from trading activities and investment income.

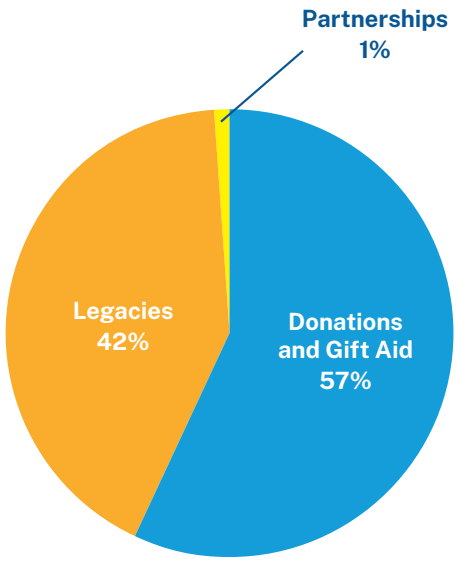
Total income in the year was £2.6m which is 61% higher than the previous year (31 December 2019: £1.6m). The positive variance is attributable to donations from individuals and organisations in an extraordinary response to the COVID-19 pandemic. In 2020, the Foundation facilitated a donation of £5m from TikTok which resulted in the creation of a subsidiary charity – the COVID-19 Healthcare Support Appeal (CHSA) – to accept and administer that specific donation. The Foundation received £828,000 from a grant application independently reviewed and awarded by CHSA.

Legacies, donations and gift aid amounted to £1.76m (31 December 2019: £506,000). Income earned from other trading activities includes licence income of £30,000 received from TikTok in order to use the Foundation's branding.

Donation and legacy income 2020 – £1.76m



Donation and legacy income 2019 – £506,000

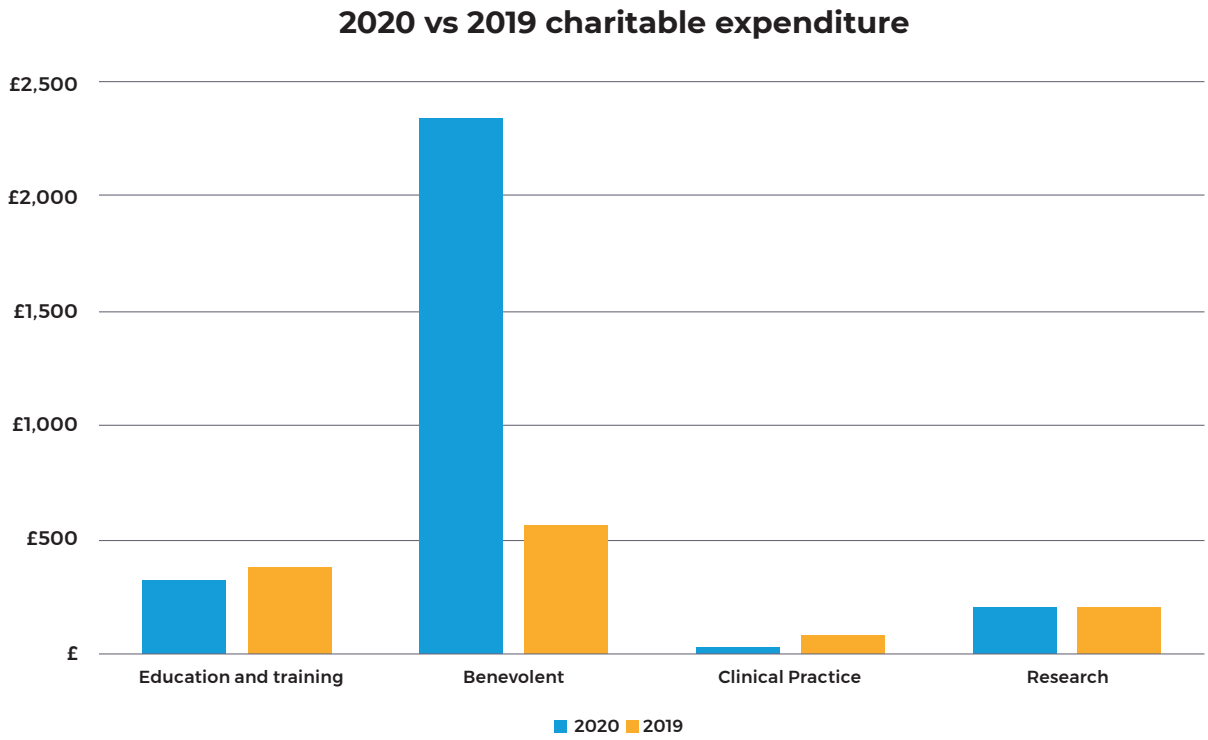


The adverse variance in legacies has been more than offset by the income received from donations and gift aid. Investment income for the year was £783,000 (31 December 2019: £1.1m) of which £602,000 was unrestricted (31 December 2019: £808,000). The RCN Foundation investments reported net gains of £2.5m (31 December 2019: £4.8m gains) mainly due to unrealised gains on the investment portfolio.

Expenditure

Total expenditure in the year amounted to £3.3m (31 December 2019: £1.8m) of which £1.2m (31 December 2019: £1.1m) was from unrestricted funds.

In 2020 expenditure increased by 89% compared to 2019. The variance is due to the benevolent grants awarded in response to the COVID-19 pandemic – this expenditure alone accounted for £1.5m (or 44% of total expenditure).



In 2020, £2.51m in grants were paid (31 December 2019: £1.04m), of these £239,000 relates to benevolent grants awarded through the Lamplight Support Service (31 December 2019: £242,000), £166,000 to educational bursaries (31 December 2019: £276,000) and £233,000 for non-COVID-19 related project grants (31 December 2019: £134,000). The Foundation paid £1.5m to individuals for COVID-19 grants and £32,200 for a project on psychological support due to the COVID-19 pandemic. The RCN Foundation paid £279,000 to RCN as part of the agreement to run the LSS (31 December 2019: £284,000), this expenditure has been charged against unrestricted funds.

The RCN Foundation group follows the grant-making policy approved by the Board of Trustees in 2019. Grants are awarded based on an assessment of individual applicants, as well as organisations, against specific criteria agreed for each grant programme which is set within the overarching grant making policy. The charity receives applications from individuals for education grants through two rounds of open applications per year. Individual hardship grants are awarded throughout the year. Applications from organisations can be received through the open application process and specific funding calls

An annual fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing and other services and is included within unrestricted expenditure. This was £544,000 in the year ended 31 December 2020 (31 December 2019: £433,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation plus 12% overheads. The increase in fee is partly due to the recruitment of two new roles, the Head of Fundraising & Communication and the Head of Grants.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £364,000, this figure includes investment management fees, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2019: £333,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2020: £158,000; 31 December 2019: £157,000). In the year Trustees expenses of £1,197 were incurred (31 December 2019: £15,134) which are made up of £536 accommodation costs (31 December 2019: £3,520) and £661 (31 December 2019: £5,075) mileage and public transport. The lower costs are due to Trustees not incurring travel or subsistence costs due to COVID-19 pandemic restrictions as well as no recruitment costs (31 December 2019: £6,000) and no events costs (31 December 2019: £539). These costs are treated as unrestrited expenditure.

Reserves

The RCN Foundation has adopted a reserves policy which they consider appropriate to ensure the Foundation can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The current reserves policy is that the RCN Foundation must maintain at least £18.5m of unrestricted funds. The reserves policy was not reviewed in 2020 due to the pressure of the pandemic, this task will be undertaken in 2021.

The level of free reserves at 31 December 2020 was £28.6m (31 December 2019: £27.1m). This excludes those unrestricted funds that have been earmarked for particular purposes by the Trustees and are shown as designated funds on the Balance Sheet, and excludes tangible fixed assets. The increase in reserves is due to the net gains on the investment portfolio.

The investment and reserves policies reflect the Trustees' acknowledgment that the RCN Foundation is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The Trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy. This policy is reviewed annually.

RCN Foundation accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a Strategic Report for that purpose.

Principal risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the amount and type of risk that the Foundation is willing to take in order to meet our strategic objectives. We have a range of appetites for different risks and these are set out below.

Financial

Appetite for risk: low

There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. Following the appointment of the Foundation's first Head of Fundraising and Communications in 2019, proactive steps have been taken in relation to various voluntary income streams. However, whilst much of the planned fundraising activity in 2020 was deferred as a result of COVID-19, the increased capacity within the team meant that the Foundation was able to respond to the influx of income that resulted from the pandemic.

Governance

Appetite for risk: low

There were several governance risks that were kept under review during the year. These included the vacancy for a Trustee from Scotland, (who would also act as the Chair of the Scotland Committee) and the potential for Board and Committee meetings to be inquorate due to the demands of the pandemic on Trustees who worked clinically. Towards the end of the year, the Board agreed to undertake a review of Country Committees and the additional workload they posed for Trustees who chaired them.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues.

Operational

Appetite for risk: medium

The ability to deliver our ambitious grant-making plans continued to feature as a key risk. In 2020, this was exacerbated by the constraints to public life caused by the pandemic. Nevertheless, progress was made on key areas of work during the year including on the launch of the Advanced Practice education programme for neurological rehabilitation and care; two calls for COVID-19 related projects; and the development of a three-year programme focused on children and young people's mental health and wellbeing. This work was undertaken alongside the increased workload relating to the administration of the COVID-19 Support Fund. A new Head of Grants and Impact was appointed during the year, which provided the Foundation with the increased capacity needed to address this sharp increase in workload.

External

Appetite for risk: medium

The key external risk for the Foundation during the year was the impact of the pandemic on the Foundation's finances and operations. This was kept under review by the Board with the development of a specific COVID-19 Risk Register. The potential impact of the UK leaving the European Union (Brexit) on the investment portfolio was also kept under review by the Board, and the Income Generation and Investment Committee.

Board of Trustees

External Advisers; Reference and Administrative Details; Structure, Governance and Management

Board of Trustees

The Trustees who are in office or have been during 2020 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Christine Perry, Vice-Chair and Chair of the Appointments Panel

Professor Jacqueline Dunkley-Bent OBE

Gordon Hull

David Jones, Chair of the Income Generation and Investment Committee

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee (from 1 January 2020)

Denise Llewellyn MBE, FRCN, Chair of the Wales Committee (retired 31 December 2020)

Professor Charlotte McArdle

Atul Patel MBE

External Advisers

The external advisers on our Committees are:

Nichola Ashby (Grants Committee)

Professor Michael Brown (Scotland Committee)

Joanne Griffin (Income Generation and Investment Committee)

Nicola Heazell (Grants Committee) (retired 31 December 2020)

Professor Angela Hopkins (Wales Committee)

John Husselbee (Income Generation and Investment Committee) (retired 31 December 2020)

Yvette Lloyd (Income Generation and Investment Committee)

Professor Donna Mead OBE (Wales Committee)

Jane Miles (Grants Committee)

Dr Susan Morgan (Wales Committee)

Tanya Strange MBE (Wales Committee)

Sian Thomas (Wales Committee)

Jayne Young (Appointments Panel)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN

Telephone 020 7409 3333

Website: rcnfoundation.org.uk

Bankers

National Westminster Bank PLC
1 Cavendish Square, London W1A 4NU

Independent auditors

Deloitte LLP
2 New Street Square, London EC4A 3BZ

Lawyers

Bates Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Investment managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered Charity: 1134606

Scottish registered charity SC043663

Registered Company: 7026001

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2020 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances during 2020. It can be downloaded from the Foundation's website (**rcnfoundation.org.uk**) where there are further details about the Foundation's work.

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the Royal College of Nursing in the United Kingdom (RCN UK) is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the Royal College of Nursing, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the Royal College of Nursing that sets out how the two organisations will work together to support nursing and midwifery, and improve care.

Objects

The objects of the RCN Foundation are to:

- promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing including those who are students
- promote the advancement of nursing as a profession in all or any of its branches
- promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

Public benefit statement

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The Board has provision for no fewer than seven and no more than 12 Trustees, four of whom are appointed by RCN Council. At least three of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual Board Awayday. The two substantive committees of the Board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis.

The Grants Committee is accountable to the Board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the Board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager.

The membership of these committees is largely drawn from the Board and the committees are chaired by a Trustee. We have also appointed additional independent members with particularly relevant experience and expertise to our committees.

The Appointments Panel oversees the recruitment and appointment of Trustees, Chair and Vice Chair elections, and committee appointments on behalf of the Board. It also oversees Trustees' induction, development programmes and performance review.

The Foundation also has two country committees, one for Scotland and a second for Wales. The role of these committees is to raise the profile of the Foundation's work in their respective countries; bring knowledge of the key country-specific issues affecting nursing, midwifery and health care to the attention of the Foundation; and aim to raise funds for the Foundation's work. Country committees are chaired by a Trustee from the relevant country. Currently, both the Scotland Committee and Wales Committee are without a Chair. The Chair of the Wales Committee stood down at the end of 2020 and the recruitment process is currently under way.

Terms of reference for all committees have been agreed by the Board.

CHSA is a subsidary charity of the RCN Foundation. CHSA's Board of Trustees is independent of the RCN Foundation. The Board has provision for no fewer than seven Trustees, four of whom are members of the RCN Foundation Board of Trustees. A minimum of three independent Trustees – including the Chair – must have no previous connection to the RCN Foundation or be a member of the Royal College of Nursing. This enables CHSA to retain its strong connections with the RCN Foundation whilst maintaining its independence.

Management

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a Services Agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation was supported in year by Jane Clarke, RCN Group Secretary and Tim Golbourn, RCN Director of Finance and Business Enablement. Other RCN staff support the RCN Foundation as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which is available on the Foundation website.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A three-year financial strategy was developed in 2019.

Conflicts of interest

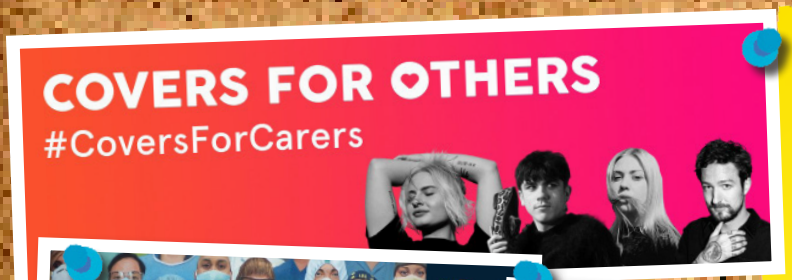
We have a register of interests which is updated regularly. We have guidance for managing conflicts and we ask Trustees and advisers to identify any conflicts at the beginning of each meeting. This process has not changed as a result of the COVID-19 pandemic.

Fundraising approach

In 2020, the RCN Foundation relied on donations from existing regular donors, unsolicited legacy donations and community fundraising activities. In 2020, no fundraising activities have been organised by the RCN Foundation. The RCN Foundation has two staff positions which have responsibility for fundraising strategy and activity included as part of their role and in 2020, worked with a third party professional fundraising agency partner in order to engage some of our existing supporters. The RCN Foundation is also a member of the Fundraising Regulator and, as such, abides by the Code of Fundraising Practice and require any professional fundraising agencies working on our behalf to adhere to our fundraising standards. The RCN Foundation received no complaints in 2020 related to its fundraising practices.

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during the year. With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. This year in particular has been like no other; and so we also want to thank the many new donors who have helped us to support frontline staff during the COVID-19 pandemic. Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care practitioners, and through them patients and families.
Thank you.



salt.

Inspiration HEALTHCARE

Stelios
STELIOS PHILANTHROPIC FOUNDATION
STELIOS-UK.FOUNDATION

DRUM

BNI

OrbitRemit
Online money transfer.

BALIK BAYANI
#MOVETIK

RCNFoundation 10
10 years of supporting nursing, improving care

10 for 10 challenge
25 to 26 July

Supporting
health and care staff
through COVID-19
CHSA
THANK YOU NHS
AND ALL FRONTLINE WORKERS
STAY SAFE
LV=
AUB
ASIA UNITED BANK
Jefferies
BankABC
SONGWRITER'S GARDEN
LIVE
CAFE DIRECT
Lisou
TIME
ON
OUR
HANDS
Apax
FOUNDATION

Statement of Trustees' responsibilities

The Trustees (who are also directors of RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- 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 the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group 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 the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

The Trustees' Report on pages 4 to 17 was approved by the Board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 13 April 2021

Independent auditor's report to the members and the trustees of the RCN Foundation

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the RCN Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the group and parent charitable company statement of financial activities (incorporating the income and expenditure account);
- the group and parent charitable company balance sheet;
- the statement of cash flows;
- the related notes 1 to 16.

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).

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 group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information within the annual report. 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.

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 purpose 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 group's and the parent 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 group or the parent 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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 FRC's website at: **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act and the UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Recognition of legacy income: the income is recognised on a receivable basis when the charity is entitled to the legacy, receipt is probable and the value can be estimated with sufficient accuracy. This is subject to judgement around whether the recognition criteria are met. On a sample basis, we have assessed the judgements and estimates made by management in the recognition of this income.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 includes the strategic report and the directors' report prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Gooding FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans. United Kingdom
Date: 21 April 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

Financial statements

Statement of financial activities 31 December 2020 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 31 December 2020 £'000	RCNF Group 31 December 2020 £'000
Income from:									
Income and endowments									
Donations and legacies	2	113	4,260	1,649	1,649	–	–	1,762	5,909
Income earned from other activities									
Investment income	3	602	602	181	181	–	–	783	783
Income earned from other trading activities									
Sponsorship income		–	–	–	–	–	–	–	–
Licence income		30	30	–	–	–	–	30	30
Total income		**745**	**4,892**	**1,830**	**1,830**	**–**	**–**	**2,575**	**6,722**
Expenditure									
Cost of raising funds	**4**	364	364	–	–	–	–	364	364
Expenditure on charitable activities:									
Education and training		164	164	190	190	–	–	354	354
Benevolent fund		555	2,953	1,773	1,773	–	–	2,328	4,726
Clinical practice and promoting the profession		65	65	–	–	–	–	65	65
Research		33	33	176	176	–	–	209	209
Total expenditure	**4**	**1,181**	**3,579**	**2,139**	**2,139**	**–**	**–**	**3,320**	**5,718**
Net income/(expenditure) before investment gains/ (losses)		**(436)**	**1,313**	**(309)**	**(309)**	**–**	**–**	**(745)**	**1,004**
Net gains/(losses) on investments	**13**	**1,839**	**1,839**	**593**	**593**	**54**	**54**	**2,486**	**2,486**
Net income/(loss) for the year		**1,403**	**3,152**	**284**	**284**	**54**	**54**	**1,741**	**3,490**
Transfers between funds		**–**	**–**	**17**	**17**	**(17)**	**(17)**	**–**	**–**
Net movement in funds	**13**	**1,403**	**3,152**	**301**	**301**	**37**	**37**	**1,741**	**3,490**
Reconciliation of funds									
Fund balances brought forward at the start of the period	**13**	**27,767**	**27,767**	**8,851**	**8,851**	**666**	**666**	**37,284**	**37,284**
Fund balances carried forward at the end of the period	**12**	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**

There are no recognised gains or losses other than those disclosed above. All of the above results derive from continuing operations.

There is no difference between the net income for the periods stated above and the historical cost equivalent.

Notes on pages 42 to 62 form part of these financial statements.

BACK TO CONTENTS

Statement of financial activities 31 December 2019 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2019 £'000	RCNF Group 2019 £'000	RCNF 2019 £'000	RCNF Group 2019 £'000	RCNF 2019 £'000	RCNF Group 2019 £'000	RCNF 31 December 2019 £'000	RCNF Group 31 December 2019 £'000
Income from:									
Income and endowments									
Donations and legacies	2	366	366	140	140	–	–	506	506
Income earned from other activities									
Investment income	3	808	808	280	280	–	–	1,088	1,088
Income earned from other trading activities									
Sponsorship income		4	4	–	–	–	–	4	4
Licence income		–	–	–	–	–	–	–	–
Total income		**1,178**	**1,178**	**420**	**420**	**–**	**–**	**1,598**	**1,598**
Expenditure									
Cost of raising funds	**4**	333	333	–	–	–	–	333	333
Expenditure on charitable activities:									
Education and training		161	161	276	276	–	–	437	437
Benevolent fund		430	430	242	242	–	–	672	672
Clinical practice and promoting the profession		100	100	–	–	–	–	100	100
Research		100	100	134	134	–	–	234	234
Total expenditure	**4**	**1,124**	**1,124**	**652**	**652**	**–**	**–**	**1,776**	**1,776**
Net income/(expenditure) before investment gains/ (losses)		**54**	**54**	**(232)**	**(232)**	**–**	**–**	**(178)**	**(178)**
Net gains/(losses) on investments	**13**	**3,567**	**3,567**	**1,155**	**1,155**	**110**	**110**	**4,832**	**4,832**
Net income/(loss) for the year		**3,621**	**3,621**	**923**	**923**	**110**	**110**	**4,654**	**4,654**
Transfers between funds		**(40)**	**(40)**	**168**	**168**	**(128)**	**(128)**	**–**	**–**
Net movement in funds	**13**	**3,581**	**3,581**	**1,091**	**1,091**	**(18)**	**(18)**	**4,654**	**4,654**
Reconciliation of funds									
Fund balances brought forward at the start of the period	**13**	**24,186**	**24,186**	**7,760**	**7,760**	**684**	**684**	**32,630**	**32,630**
Fund balances carried forward at the end of the period	**13**	**27,767**	**27,767**	**8,851**	**8,851**	**666**	**666**	**37,284**	**37,284**

Balance sheet as at 31 December 2020

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fixed assets					
Tangible assets	6	4	9	4	9
Long-term investments	8.1	37,587	35,132	37,587	35,132
Total fixed assets		**37,591**	**35,141**	**37,591**	**35,141**
Current assets					
Debtors	9	84	125	84	125
Short-term investments	8.2	1,009	1,001	1,009	1,001
Cash at bank and in hand		752	1,627	3,810	1,627
Total current assets		**1,845**	**2,753**	**4,903**	**2,753**
Liabilities					
Creditors: amounts falling due within one year	10	(411)	(610)	(1,720)	(610)
Net current assets		**1,434**	**2,143**	**3,183**	**2,143**
Total assets less current liabilities		**39,025**	**37,284**	**40,774**	**37,284**
Creditors: amounts falling due after one year	10	–			–
Total net assets		**39,025**	**37,284**	**40,774**	**37,284**
The funds of the charity					
Restricted funds:					
Permanent endowment	13	685	629	685	629
Expendable endowment	13	18	37	18	37
Restricted income funds	13	9,152	8,851	9,152	8,851
Total restricted funds		**9,855**	**9,517**	**9,855**	**9,517**
Unrestricted funds:					
Revaluation reserve	12	6,614	6,035	6,614	6,035
General funds		21,976	21,039	23,725	21,039
Designated funds	13	580	693	580	693
Total unrestricted funds	**13**	**29,170**	**27,767**	**30,919**	**27,767**
Total charity funds		**39,025**	**37,284**	**40,774**	**37,284**

Approved and authorised for issue by the Board of Trustees on 13 April 2021 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

BACK TO CONTENTS

Statement of cash flows

	Note	RCN Foundation 31 December 2020 £'000	RCN Foundation 31 December 2019 £'000	RCN Foundation Group 31 December 2020 £'000	RCN Foundation Group 31 December 2019 £'000
Reconciliation of net movement in funds to net cash flow from operating activities:					
Net movement in funds		1,741	4,654	3,490	4,654
Dividends and interest from investments		(783)	(1,088)	(783)	(1,088)
(Gains)/losses from investments		(2,486)	(4,832)	(2,486)	(4,832)
Decrease/(increase) in debtors	9	41	191	41	191
Increase/(decrease) in creditors	10	(198)	113	1,110	113
Net cash used in operating activities		**(1,685)**	**(962)**	**1,372**	**(962)**
Cash flows from investing activities:					
Dividends and interest from investments	3	783	1,088	783	1,088
Proceeds from sale of investments	8	15,254	14,800	15,254	14,800
Purchase of investments	8	(16,238)	(14,284)	(16,238)	(14,284)
Net cash provided by investing activities		**(201)**	**1,604**	**(201)**	**1,604**
Change in cash and cash equivalents in the reporting period		**(1,886)**	**642**	**1,171**	**642**
Opening cash at bank		1,627	1,510	1,627	1,510
Opening cash in investments		1,330	619	1,330	619
Cash and cash equivalents at the beginning of the reporting period		**2,957**	**2,129**	**2,957**	**2,129**
Change in cash and cash equivalents due to exchange rate movements		**691**	**186**	**691**	**186**
Cash and cash equivalents at the end of the reporting period		**1,761**	**2,957**	**4,819**	**2,957**
Represented by:					
Closing cash at bank		752	1,627	3,810	1,627
Closing cash in investments		1,009	1,330	1,009	1,330

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2020.

The RCN Foundation Group financial statements consolidate the accounts of the RCN Foundation and its subsidiary, COVID-19 Health Support Appeal.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2020.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Entitlement in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the Trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2020 %	31 December 2019 %
Cost of raising funds	9	19
Education and training	11	25
Benevolent fund	73	38
Clinical practice	4	6
Research	3	12

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions attached solely relate to the recipient meeting the conditions of the grant. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

The grant payable to RCN UK for the LampLight Support Service is recognised on a yearly basis for the duration of the grant due to the terms of the agreement, which aligns the grant payable to the cost of providing the service in the year.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of Trustee meetings and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

In 2020 there have been further developments on the customer relationship management phase 2. New features have been implemented into the software and reflected in the financial statements as a transfer from assets under construction to computer software (see note 6).

The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate Trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the Statement of Financial Activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the Trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a the fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2020 £45,000 (2019: £43,000) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation. The RCN Foundation is planning to spend the remaining funds in the next two to three years.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the Service Level Agreement (SLA) they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience during the COVID-19 pandemic. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation's Income, Generation and Investment Committee has reviewed and approved the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged under the best, worst and most likely case scenarios.

The board is of the opinion that in the case of any of the three scenarios, ie, 'Likely,' 'Best' and 'Worse' being materialised, this will not threaten the sustainability and viability of the business as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business.

2. Donations and legacies

RCN Foundation Group

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Regular giving	10	1	97	107	107	108
Major donors	4,123	135	1,208	–	5,331	135
Legacies	59	196	5	15	64	211
Corporate income and partnership	12	6	238	7	250	13
Other donations	48	28	99	8	147	36
Gift aid	8	1	2	2	10	3
Total	**4,260**	**367**	**1,649**	**139**	**5,909**	**506**

RCN Foundation

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Regular giving	10	1	97	107	107	108
Major donors	3	135	1,208	–	1,211	135
Legacies	59	196	5	15	64	211
Corporate income and partnership	12	6	238	7	250	13
Other donations	21	28	99	8	120	36
Gift aid	8	1	2	2	10	3
Total	**113**	**367**	**1,649**	**139**	**1,762**	**506**

3. Investment income

	31 December 2020 £'000	31 December 2019 £'000
UK equities	279	530
Overseas equities	301	330
UK fixed interest	174	207
Bank interest	5	13
Overseas fixed interest	24	8
Total	**783**	**1,088**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

4.1. RCN Foundation Group

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries:								
— to organisations	–	–	2,963	535	–	–	2,963	535
— to individuals	–	–	1,907	503	–	–	1,907	503
RCN UK service fee	179	126	231	154	160	153	570	433
Investment management fee	158	157	–	–	–	–	158	157
Fundraising costs	–	4	–	–	–	–	–	4
Trustee costs	–	–	–	–	1	15	1	15
Audit and tax advice	–	–	–	–	22	16	22	16
Publicity and events	–	–	–	3	20	29	20	32
Professional services	–	–	–	44	65	4	65	48
Travel and subsistence	–	–	–	2	2	4	2	6
IT costs	–	–	–	–	2	5	2	5
Miscellaneous cost	–	–	–	–	8	22	8	22
	337	**287**	**5,101**	**1,241**	**280**	**248**	**5,718**	**1,776**
Support costs	27	46	253	202	(280)	(248)	–	–
Total	**364**	**333**	**5,354**	**1,443**	**–**	**–**	**5,718**	**1,776**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £21,600 including VAT are included in these financial statements (31 December 2019: £11,650). This includes £12,600 for the RCN Foundation (31 December 2019: £11,650) and £9,000 for CHSA (31 December 2019: nil).

The amount spent on direct charitable activities, excluding support costs, compared to total expenditure for the year was 89% in 2020 (31 December 2019: 70%).

4.2. RCN Foundation

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries:								
— to organisations	–	–	625	535	–	–	625	535
— to individuals	–	–	1,907	503	–	–	1,907	503
RCN UK service fee	179	126	206	154	159	153	544	433
Investment management fee	158	157	–	–	–	–	158	157
Fundraising costs	–	4	–	–	–	–	–	4
Trustee costs	–	–	–	–	1	15	1	15
Audit and tax advice	–	–	–	–	13	16	13	16
Publicity and events	–	–	–	3	21	29	21	32
Professional services	–	–	–	44	40	4	40	48
Travel and subsistence	–	–	–	2	2	4	2	6
IT costs	–	–	–	–	2	5	2	5
Miscellaneous cost	–	–	–	–	7	22	7	22
	337	**287**	**2,738**	**1,241**	**245**	**248**	**3,320**	**1,776**
Support costs	27	46	218	202	(245)	(248)	–	–
Total	**364**	**333**	**2,956**	**1,443**	**–**	**–**	**3,320**	**1,776**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee — auditor services of £12,600 including VAT are included in these financial statements (31 December 2019: £11,650).

The amount spent on direct charitable activities, excluding support costs, compared to total expenditure for the year was 83% in 2020 (31 December 2019: 70%).

4.3. Expenditure on charitable activities – RCN Foundation Group

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries (note 5):												
— to organisations	80	11	2,722	293	106	30	74	201	(29)	–	2,953	535
— to individuals	166	270	1,728	233	–	–	–	–	–		1,894	503
RCN UK service fee	75	59	80	39	55	56	22	–	–	–	232	154
RCNF funding projects	1	–	–	–	–	–	–	–	1	–	2	–
Care home summit	–	5	–	–	–	–	–	–	–	–	–	5
Specialist nursing programme consultancy fees	7	31	–	–	–	–	–	–	–	–	7	31
LSS evaluation costs	–	–	–	13	–	–	–	–	–	–	–	13
Fees (agency and Just Giving)	–	–	13	–	–	–	–	–	–	–	13	–
	329	**376**	**4,543**	**578**	**161**	**86**	**96**	**201**	**(28)**	**–**	**5,101**	**1,241**
Support costs	25	61	209	94	13	14	8	33	(2)	–	253	202
Total	**354**	**437**	**4,752**	**672**	**174**	**100**	**104**	**234**	**(30)**	**–**	**5,354**	**1,443**

Staff costs – RCN Foundation Group

The RCN Foundation Group does not employ any staff directly. A service level agreement is in place between RCN UK and RCN Foundation for the provision of services to RCN Foundation (RCN service fee) and an arrangement is in place between RCN UK and CHSA for the provision of services to CHSA. Under these arrangements there are seven employees who work for RCN Foundation (31 December 2019: seven employees), one of whom falls into the banding of £60,000 – £70,000 per annum and one of whom falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £9,594 (31 December 2019: £6,859). There is one employee who worked for CHSA (2019: 0) and they did not earn more than £50,000 in 2020.

	31 December 2020 £'000	31 December 2019 £'000
Wages and salaries	363	322
Social security costs	41	35
Other pension costs	40	32
Total	**444**	**389**

4.4. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries (note 5):												
— to organisations	80	11	385	293	106	30	74	201	(29)	–	616	535
— to individuals	166	270	1,728	233	–	–	–	–	–		1,894	503
RCN UK service fee	75	59	54	39	55	56	22	–	–	–	206	154
RCNF funding projects	1	–	–	–	–	–	–	–	1	–	2	–
Care home summit	–	5	–	–	–	–	–	–	–	–	–	5
Specialist nursing programme consultancy fees	7	31	–	–	–	–	–	–	–	–	7	31
LSS evaluation costs	–	–	–	13	–	–	–	–	–	–	–	13
Fees (agency and Just Giving)	–	–	13	–	–	–	–	–	–	–	13	–
	329	**376**	**2,180**	**578**	**161**	**86**	**96**	**201**	**(28)**	**–**	**2,738**	**1,241**
Support costs	25	61	174	94	13	14	8	33	(2)	–	218	202
Total	**354**	**437**	**2,354**	**672**	**174**	**100**	**104**	**234**	**(30)**	**–**	**2,956**	**1,443**

In 2020, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs – RCN Foundation

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and RCN Foundation for the provision of services to RCN Foundation (RCN service fee). Under these arrangements there are seven employees who work for RCN Foundation (31 December 2019: seven employees), one of whom falls into the banding of £60,000 – £70,000 per annum and one of whom falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £9,594 (31 December 2019: £6,859).

	31 December 2020 £'000	31 December 2019 £'000
Wages and salaries	348	322
Social security costs	39	35
Other pension costs	38	32
Total	**425**	**389**

5. Grants payable

Grants payable – RCN Foundation Group

	Unrestricted funds		Restricted funds		Total grants payable	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Balance brought forward at start of period	**92**	**181**	**272**	**253**	**364**	**434**
Awarded in the period:						
Grants and bursaries	2,749	387	2,205	700	4,954	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
Charge to SOFA	**2,720**	**387**	**2,175**	**652**	**4,895**	**1,039**
Paid in period	(1,502)	(476)	(2,261)	(633)	(3,763)	(1,109)
Balance carried forward at the end of the period	**1,310**	**92**	**186**	**272**	**1,496**	**364**
Falling due within one year	1,310	92	186	272	1,496	364
Falling due after one year	–	–	–	–	–	–

Grants payable – RCN Foundation

	Unrestricted funds		Restricted funds		Total grants payable	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Balance brought forward at start of period	**92**	**181**	**272**	**253**	**364**	**434**
Awarded in the period:						
Grants and bursaries	421	387	2,170	700	2,591	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
Charge to SOFA	**392**	**387**	**2,140**	**652**	**2,532**	**1,039**
Paid in period	(465)	(476)	(2,226)	(633)	(2,691)	(1,109)
Balance carried forward at the end of the period	**19**	**92**	**186**	**272**	**205**	**364**
Falling due within one year	19	92	186	272	205	364
Falling due after one year	–	–	–	–	–	–

Grants were awarded as follows:

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Aneurin Bevan University	–	20	–	20
British Association of Social Workers (BASW)	–	–	90	–
Body & Soul	–	–	98	–
Books Beyond Words	10	–	10	–
British Medical Association	–	–	84	–
Cardiff University	70	130	70	130
Care Workers Charity	–	–	615	–
Cavell Nurses' Trust	–	–	50	–
Chartered Society of Physiotherapists	–	–	35	–
COVID-19 Healthcare Support Appeal (CHSA)	21	–	–	–
College of Paramedics	–	–	150	–
Florence Nightingale Foundation	–	19	–	19
Impact Foundation	6	–	6	–
Institute of Health Visitors	33	–	33	–
Intensive Care Society	–	–	172	–
King's Fund	48	–	48	–
Lamplight Support Services (LSS)	279	284	279	284
London School of Economics (LSE)	1	10	1	10
Northumbria University	4	–	4	–
Nurse Lifeline	–	–	50	–
Pharmacist Support	–	–	44	–
Prison Officers Association (POA) Welfare	–	–	47	–
Queen Mary University (write back)	–	(8)	–	(8)
Queen's Nursing Institute (QNI)	–	30	48	30
RCN -Celebrating Nursing Practice	(29)	–	(29)	–
RCN – Prince of Wales Cadet Scheme	25	–	25	–
Royal College of General Practitioners	–	–	60	–
Royal College of Occupational Therapists	–	–	32	–
Royal Medical Benevolent Fund	–	–	25	–
Sheffield Hallum University	5	25	5	25
Sheffield Teaching Hospital	–	4	–	4
Society of Occupational Medicine	5	20	5	20
TASC (The Ambulance Staff Charity)	–	–	128	–
There for you (UNISON Welfare)	–	–	630	–
University of Edinburgh	118	–	118	–
University of Plymouth	–	1	–	1
University of West London (UWL)	20	–	20	–
Total grants to organisations	**616**	**535**	**2,953**	**535**

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries to individuals:				
Educational bursaries	169	318	169	318
Educational bursaries write backs	(3)	(48)	(3)	(48)
Benevolent grants	239	233	239	233
COVID-19 related benevolent grants	1,489	–	1,489	–
Total grants to individuals	**1,894**	**503**	**1,894**	**503**

In the year the RCN Foundation Group awarded educational bursaries to 70 individuals (2019: 120) and benevolent grants to 372 individuals (2019: 377). Additionally RCN Foundation Group awarded COVID-19 related grants to 3,318 individuals and 19 organisations. For the full list of the grants awarded to organisations please refer to CHSA Annual Report.

In the year the RCN Foundation awarded educational bursaries to 70 individuals (2019: 120) and benevolent grants to 372 individuals (2019: 377). Additionally RCN Foundation awarded COVID-19 related grants to 3,318 individuals.

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2020		**14**	**2**	**16**
Disposals		**–**	(2)	(2)
Balance at 31 December 2020		**14**	**–**	**14**
Accumulated depreciation				
Balance at 1 January 2020		**7**	**–**	**7**
Charge for the year		3	**–**	3
Balance at 31 December 2020		**10**	**–**	**10**
Net book value at 31 December 2020		**4**	**–**	**4**
Net book value at 31 December 2019		**7**	**2**	**9**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2020 £'000	31 December 2019 £'000
Market value at the start of the year	33,802	29,668
Additions at cost	12,238	10,284
Disposals at carrying value	(11,241)	(10,496)
Redemptions	(13)	(304)
Realised gain	611	1,347
Unrealised gain/(loss)	1,876	3,303
Investments at market value at the end of the year	**37,273**	**33,802**
Cash held for reinvestment	314	1,330
Market value at the end of the year	**37,587**	**35,132**
Historic cost at the end of the year	**30,973**	**29,097**

Investments at market value (including short-term investments) comprise:

	31 December 2020 £'000	31 December 2019 £'000
Listed investments		
Fixed interest (Government securities and bonds)	6,258	5,882
UK equities	7,494	8,603
Global equities	19,977	15,363
Alternative assets	2,094	2,065
Property	1,334	1,905
Liquid assets in long-term fund	1,438	1,314
Total	**38,595**	**35,132**

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

Holdings over 5%
None of the investments represented holdings in excess of 5% of the investment portfolio at the start or the end of the period.

8.2. Short-term investments

	31 December 2020 £'000	31 December 2019 £'000
Market value at the start of the year	1,001	1,001
Additions at cost	4,000	4,000
Redemptions	(4,000)	(4,000)
Investments at market value at year end	**1,001**	**1,001**
Cash held for reinvestment	8	–
Market value at the end of the year	**1,009**	**1,001**
Historic cost at end of the year	**1,000**	**1,000**

All investments are owned solely by the RCN Foundation.

9. Debtors

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Prepayments and accrued income	56	77	56	77
Due from RCN UK	28	36	28	36
Sundry debtor	–	12	–	12
Total	**84**	**125**	**84**	**125**

10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year				
Trade Creditors	–	3	–	3
Grants payable (note 5)	205	364	1,496	364
Accruals	59	106	68	106
Due to RCN UK	146	125	155	125
Other creditors	1	12	1	12
Total	**411**	**610**	**1,720**	**610**
Amounts falling due after one year				
Grants payable (note 5)	–	–	–	–
Total	**–**	**–**	**–**	**–**

11. Analysis of net assets between funds

RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fund balances at the end of the period are represented by:								
Software	4	9	–	–	–	–	4	9
Investments	28,116	28,198	8,820	6,268	698	666	37,634	35,132
Current assets	4,334	441	565	2,311	5	–	4,904	2,752
– Current liabilities and provisions	(1,535)	(881)	(233)	272	–	–	(1,768)	(609)
– Non current liabilities	–	–	–	–	–	–	–	–
Total net assets	**30,919**	**27,767**	**9,152**	**8,851**	**703**	**666**	**40,774**	**37,284**

RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fund balances at the end of the period are represented by:								
Software	4	9	–	–	–	–	4	9
Investments	28,068	28,198	8,820	6,268	698	666	37,586	35,132
Current assets	1,276	441	565	2,311	5	–	1,846	2,752
– Current liabilities and provisions	(178)	(881)	(233)	272	–	–	(411)	(609)
– Non current liabilities	–	–	–	–	–	–	–	–
Total net assets	**29,170**	**27,767**	**9,152**	**8,851**	**703**	**666**	**39,025**	**37,284**

12. Revaluation reserve

	31 December 2019 £'000	Investment unrealised gain £'000	31 December 2020 £'000
Revaluation Reserve	6,035	579	6,614
Total	**6,035**	**579**	**6,614**

In 2020, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation Group year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	**81**	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	**548**	–	–	49	–	**597**
Expendable						
Educational funds	**22**	–	–	(3)	(17)	**2**
Benevolent funds	**–**	–	–	–	–	**–**
Other funds	**15**	–	–	1	–	**16**
Total endowment funds	**666**	–	–	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Edu. Funds	**2,976**	60	(18)	221	–	**3,239**
Trevor Clay Scholarship fund	**348**	6	(49)	31	–	**336**
John Colyer fund	**157**	3	(17)	29	–	**172**
Cowdray Scholarship fund	**–**	–	–	–	–	**–**
Other educational funds	**232**	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF Benevolent funds	**3,966**	198	(239)	228	(249)	**3,904**
Other Benevolent funds	**798**	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	**–**	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	**–**	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**4,892**	**(3,466)**	**1,839**	**–**	**30,339**
Designated funds						
Omaze	557	–	(45)	–	–	**512**
Other designated funds	136	–	(68)	–	–	**68**
Total designated funds	**693**	**–**	**(113)**	**–**	**–**	**580**
Total unrestricted funds	**27,767**	**4,892**	**(3,579)**	**1,839**	**–**	**30,919**
Total funds	**37,284**	**6,722**	**(5,718)**	**2,486**	**–**	**40,774**

13.2. RCN Foundation year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	81	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	548	–	–	49	–	**597**
Expendable						
Educational funds	22	–	–	(3)	(17)	**2**
Benevolent funds	–	–	–	–	–	**–**
Other funds	15	–	–	1	–	**16**
Total endowment funds	**666**	**–**	**–**	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Edu. Funds	2,976	60	(18)	221	–	**3,239**
Trevor Clay Scholarship fund	348	6	(49)	31	–	**336**
John Colyer fund	157	3	(17)	29	–	**172**
Cowdray Scholarship fund	–	–	–	–	–	**–**
Other educational funds	232	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF Benevolent funds	3,966	198	(239)	228	(249)	**3,904**
Other Benevolent funds	798	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	**–**	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	**–**	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**745**	**(1,068)**	**1,839**	**–**	**28,590**
Designated funds						
Omaze	557	–	(45)	–	–	**512**
Other designated funds	136	–	(68)	–	–	**68**
Total designated funds	**693**	**–**	**(113)**	**–**	**–**	**580**
Total unrestricted funds	**27,767**	**745**	**(1,181)**	**1,839**	**–**	**29,170**
Total funds	**37,284**	**2,575**	**(3,320)**	**2,486**	**–**	**39,025**

13.3. RCN Foundation year end 31 December 2019

	31 December 2018 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2019 £'000
Endowment funds						
Permanent						
Educational funds	165	–	–	20	(104)	**81**
Research fund — Daphne Heald R&D Fund	469	–	–	79	–	**548**
Expendable						
Educational funds	38	–	–	8	(24)	**22**
Benevolent funds	–	–	–	–	–	**–**
Other funds	12	–	–	3	–	**15**
Total endowment funds	**684**	**–**	**–**	**110**	**(128)**	**666**
Restricted income funds						
Educational funds						
RCNF Professional Edu. Funds	1,649	91	(61)	442	855	**2,976**
Trevor Clay Scholarship fund	411	13	(123)	52	(5)	**348**
John Colyer fund	135	5	(31)	48	–	**157**
Cowdray Scholarship fund	254	1	–	8	(263)	**–**
Other educational funds	655	20	(62)	38	(419)	**232**
Total educational funds	**3,104**	**130**	**(277)**	**588**	**168**	**3,713**
Benevolent funds						
RCNF Benevolent funds	3,346	237	(241)	435	189	**3,966**
Other Benevolent funds	862	23	–	102	(189)	**798**
Total benevolent funds	**4,208**	**260**	**(241)**	**537**	**–**	**4,764**
Research funds	**448**	**30**	**(134)**	**30**	**–**	**374**
Total restricted funds	**7,760**	**420**	**(652)**	**1,155**	**168**	**8,851**
Unrestricted funds						
General funds	**23,580**	**1,043**	**(1,081)**	**3,567**	**(35)**	**27,074**
Designated funds						
Omaze	600	–	(43)	–	–	**557**
Other designated funds	6	135	–	–	(5)	**136**
Total designated funds	**606**	**135**	**(43)**	–	**(5)**	**693**
Total unrestricted funds	**24,186**	**1,178**	**(1,124)**	**3,567**	**(40)**	**27,767**
Total funds	**32,630**	**1,598**	**(1,776)**	**4,832**	–	**37,284**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

Transfers between funds

Phase 1 of the amalgamation of funds started in 2018 and was completed in 2019. In February 2019, the RCN Foundation received an order from the Charity Commission to amalgamate a number of small funds in the RCN Foundation Professional Education Fund and the RCN Foundation Benevolent Fund. The transfers can be found on note 13.

Phase 2 of the amalgamation of funds aims at increasing the spending of restricted funds according to the conditions set by the donors. This phase started in 2019, continued through 2020 and will continue in 2021.

The amalgamation also included any existing endowment for the above funds.

14. Related party transactions

During the year a service charge of £570,549 was incurred by the RCN Foundation Group to RCN based upon the agreed service level agreement to provide staff (31 December 2019: £433,470). As at 31 December 2020, £153,645 is outstanding from RCN Foundation Group to RCN for this service level agreement and arrangement to provide staff.

In 2020, a total of £279,219 (31 December 2019: £284,301) has been paid to RCN for the LampLight Support Service (LSS). A repayment of LSS unused grant of £10,524 from RCN remains outstanding at year end.

15. Remuneration

None of the Trustees received remuneration. Costs incurred by the RCN Foundation Trustees while carrying out Trustee duties amounted to £1,197 in the year (31 December 2019: £15,134). These expenses related to £536 in accommodation and meals and £661 in travel. These costs relate to 10 Trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

16. Ultimate controlling party

The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-Trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss Trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London, W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN which are available from the above address.

20 Cavendish Square
London W1G 0RN
Tel: 020 7409 3333
rcnfoundation.rcn.org.uk

April 2021
Publication code 009 543

Published by the Royal College of Nursing
The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992

RCNFoundation

Supporting nursing, improving care

Group Annual Report 2020

The RCN Foundation Group Annual Report and Financial Statements 1 January to 31 December 2020

Contents

Introduction from the Chair and Director	2
Report of the Trustees	4
Financial review	18
Principal risks and uncertainties	22
Board of Trustees	24
Reference and administrative details	25
Structure, governance and management	26
Thank you to all our supporters	30
Statement of Trustees' responsibilities	32
Independent auditor's report	33
Financial statements	37

Our purpose is to support and strengthen nursing and midwifery to improve the health and wellbeing of the public.

Our values are to be:

- **relevant for today and ready for tomorrow**
- **focused on impact**
- **accountable**
- **ambitious.**

Registered Charity: 1134606
Scottish Registered Charity: SC043663
Registered Company: 7026001

This document has been designed in collaboration with our members to ensure it meets most accessibility standards.
However, if this does not fit your requirements, please contact **corporate.communications@rcn.org.uk**

Introduction from the Chair and Director

These are the first RCN Foundation Group report and accounts, encompassing the activities of the RCN Foundation and its new subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA). 2020 was designated by the World Health Organization as the International Year of the Nurse and Midwife. It also marked the 10th anniversary of the RCN Foundation. However, 2020 is likely to be remembered for another reason entirely – not only for the Foundation but for the profession, for the health and care sectors, and for the world.

Throughout 2020, the COVID-19 pandemic has touched on people's lives in all sectors, and in every part of the UK and beyond. Therefore, much of this year's annual report is taken up with the Foundation's response to the pandemic and, in particular, to the support provided to frontline nursing and midwifery staff.

The establishment of CHSA was in direct response to the pandemic, and was made possible by a donation of £5m from TikTok, the global media company. This donation was part of a broader series of donations made by the company across the world. CHSA was set up to receive and administer the donation which was made to support wider health and care staff across the UK.

It became apparent to us early on during the pandemic that some of the challenges faced by nursing and midwifery staff would increase exponentially. We knew that existing issues of financial hardship, poor mental health and wellbeing, and workforce pressures, would increase acutely as a result of the additional strain brought about by working on the frontline during the pandemic. However, the speed and scale of the impact, and the increase in the demand for our support, has been breathtaking.

Because of this, in April we established the COVID-19 Support Fund. This was a vehicle for reaching out to staff who had been adversely affected by the pandemic. The Fund aimed to provide emergency aid grants to those who had fallen into hardship or needed psychological support during this challenging time.

We set the Fund up to focus our efforts on assisting frontline staff. However, we were astounded and humbled that it also attracted the support of many hundreds of individuals and organisations, all of whom were eager to 'do their bit' to help those caring for the nation. This interest in our work coincided with the general wave of public support for health and care staff across the UK.

By the time we closed the Fund in July, the Foundation had awarded around £1.45m in grants to over 3,200 individuals. We had also funded a project developed by the Institute of Health Visiting to provide peer support to health visitors during the pandemic, a group working with some of the most vulnerable families across the UK.

From March to July we awarded £1.45m to over 3,200 individuals

During the year, CHSA made grants to a wide variety of health and care organisations. These grants were to support emergency aid and hardship, psychological support projects, and recovery and resilience projects.

Our response to the pandemic extended to our work on the mental health of the profession. In May, the Foundation commissioned The King's Fund to carry out a comprehensive review of the evidence relating to the mental health of nurses and midwives specifically within the context of COVID-19. The research also encompassed interviews with key stakeholders, including nurses and midwives. The resulting report, *The Courage of Compassion* identified eight key recommendations to support the mental health and wellbeing of nurses and midwives moving forward. This remains a critical issue for the profession and its importance was underlined by the response to the follow up webinar from The King's Fund which was sponsored by the Foundation. This online event proved to be their most popular webinar ever, with over 4,000 participants signing up to the event.

The mental health of nurses and midwives, exacerbated and heightened by the challenges presented by the pandemic, will continue to remain a key priority for the Foundation in 2021.

Despite the pandemic, progress on other areas of our work also continued during the year. Scoping research was completed into nurse-led interventions to support children and young people's mental health and emotional wellbeing. The findings of this research, carried out by Sheffield Hallam University, will form the basis for a three-year programme of grant-making, to be launched in 2021. Scoping research on our second key priority – learning disability nursing – was also started, undertaken by the University of West London. Results of the research are due in 2021.

A particular highlight from the year was the development and launch of the Postgraduate Certificate in Neurological Rehabilitation and Care, funded by the Foundation. This was undertaken alongside the brain injury charity SameYou, with the programme being run by the University of Edinburgh. The launch of the programme in November marked the culmination of two years of work and will make a tangible difference to the care of people with a brain injury.

COVID-19 has significantly changed the world in which we live and will continue to do so for the foreseeable future, even with the rollout of vaccines. The effects of the pandemic, described by the Chair of the British Association of Critical Care Nurses as "dealing with a terrorist attack that goes on and on", are likely to be profound and long-lasting, both for the workforce and their patients.

What is clear to us is that the focus of the Foundation's work – on hardship, education and groundbreaking research – has never been more needed. We will continue to support, strengthen and sustain the profession as it navigates the pandemic and beyond, working alone or with others where needed.

We want to end by conveying our thanks and heartfelt gratitude to the many individuals and organisations who, through their donations, have shown their commitment to nursing and midwifery this year. The surge in support, reflected in this annual report, has been welcome, humbling and powerful, and for that we are enormously grateful.

Report of the Trustees

for the year ending 31 December 2020

(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2020 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances in 2020. It can be downloaded from the Foundation's website (rcnfoundation.org.uk), where there are further details about the Foundation's work.

2020 Objectives

In 2020, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. Despite the challenges presented by the pandemic, we carried out a robust programme of activity in 2020 with a focus on achieving positive outcomes for members of the nursing and midwifery team, and the public. Our objectives for 2020, as listed in the 2019 Annual Report, and the progress made against these objectives, are set out below.

1. **Implement a strong programme of grant-making that focuses on: supporting individual members of the nursing and midwifery team through our hardship and education grants; investing in the nursing and midwifery professions to improve patient care; and championing nursing and midwifery by raising its profile as well as supporting the mental health of the nursing and midwifery team.**

In 2020, we continued to support members of the nursing and midwifery team facing hardship by funding the Lamplight Support Service (LSS) which is administered by the Royal College of Nursing (RCN). LSS provided advice and grants to nurses, midwives and health care support workers who were facing financial hardship as a result of a wide range of issues including physical and mental ill health, debt, relationship breakdowns, caring responsibilities, and domestic abuse.

In 2020, the Foundation made grants to the value of £225k through LSS (2019: £227k), with 65% of grant recipients being financially better-off as a result of the grant they received and if they applied for the benefits for which they were eligible as identified by LSS. 1,088 individuals benefited from telephone assessments (2019: 1,125) and were, on average £5,800 (2019: £4,800) better off as a result of the advice they received.

We continued to support those seeking to improve their clinical skills through education and training. In 2020, the Foundation awarded £150k in education grants (2019: £315k) to 70 individuals (2019: 120). These grants were for a broad range of activities encompassing postgraduate studies and courses aimed at contributing to continuing professional development. Once again, the courses being undertaken were in a variety of topics including respiratory care, diabetes, and mental health. In addition, we also awarded grants to those

with a first non-nursing degree wishing to take up a degree in nursing. The lower number of grants awarded in 2020 reflected the fact that fewer applications had been received during the year, particularly during the spring grants round as a result of the pandemic.

We continued our successful joint grant-making partnerships with the Worshipful Company of Needlemakers, for nurses and midwives using needles in their work, and The Leathersellers' Company Charitable Fund, to support pre-registration nursing students. There was once again much interest in the RCN Foundation/ Leathersellers grant for which 109 applications were received. Sixteen grants were awarded totalling £40,000.

We supported a number of nursing-led projects during the year. A number of these projects, which had been funded over multiple years, were completed during the year.

All of our funded projects were affected to varying degrees by the pandemic. Our approach during this period has therefore been to offer support and flexibility to enable funded projects to continue.

Sheffield Hallam University was awarded £30,000 to undertake a scoping study on nursing-led interventions that supported children and young people's mental health and wellbeing. This research formed the basis of the first of our two priority areas. The final research report, *Nursing-led Interventions to Support the Psychological and Emotional Wellbeing of Children and Young People*, was published in September.

The findings of the research will form the basis of a three-year grant-making programme on nurse-led early interventions to support the psychological and emotional wellbeing of children and young people, to be implemented from 2021 onwards.

The University of West London was awarded funding at the beginning of the year to undertake a scoping review in the second of our two priority areas – learning disability nursing. Their research, *Understanding the Contribution of Nurses to Improve the Health*

Hardship case study

"A lifeline at a very desperate time"

Assy, paediatric agency nurse, London

Assy, a paediatric agency nurse for 13 years, had to self-isolate for two weeks due to a member of her household showing COVID-19 symptoms. During this time, she wasn't paid any sick leave – and later lost her job. As a single mother of two young children, she felt desperate and worried that due to the loss of income she wouldn't be able to pay her rent or bills.

Faced with imminent financial hardship, Assy applied to the RCN Foundation's COVID-19 Support Fund and was awarded a grant. On receiving the grant Assy said: "I am so grateful to the RCN Foundation – I am not sure what I would have done without this grant. The money was paid quickly and provided me with much needed relief at one of the most difficult times in my life. Thank you so much."

and Well-being of Children, Adults and Older People with Learning Disabilities, Now and for the Future, will be completed in 2021. This project was affected by the pandemic which resulted in a delay in its end date. This will result in a subsequent delay to the development of the Foundation's learning disability grant-making programme.

The two final projects in our care home programme of grant-making came to an end in 2020. The *Feasibility Study of a Pan-London Education-career Pathway for Care Home Registered Nurses: Supporting Nurse Retention and Development*, otherwise known as the PEACH project, aimed to test a regional model to improve professional competency, development, and retention of nurses caring for older people in registered care homes. The findings demonstrated there remains much to do to better support the education and career development of nurses working within the care home sector. The project found that it was difficult for care home nurses to be released from clinical practice to undertake the course despite course fees being met by the Foundation and backfill provided. Of those who did undertake the course many left the sector to join other areas of health care provision.

To continue the momentum in relation to addressing the challenges identified through the programme, the research team is working to raise this as a policy issue. They are planning to hold a webinar in spring 2021 to discuss the issue further and to gain further insight into the difficulties. They are working on a policy publication as well as a literature review for publication in a high impact journal. The Foundation is supporting dissemination by publishing case studies featuring some of the Alumni of the programme.

Tackling Loneliness and Isolation in Care Homes in Wales, an intergenerational project developed and delivered by the Aneurin Bevan University Health Board, was completed in September 2020. The project achieved a number of successes including the twinning of 72 care homes with 80 primary schools, training for teachers on the benefits of intergenerational practice and also on dementia, and the development of resources for children and young people aimed at encouraging an interest in having a career in health and social care.

The project team also developed an intergenerational toolkit including a pen-pal initiative where older people who were discharged from hospital, maintained contact with the children who had visited them in the care home. Finally, 200 children and uniformed cadets trained as digital heroes to engage in supporting care home residents to use digital technology to connect with their communities.

The Queen's Nursing Institute Care Home Nurses Network was funded by the Foundation at the end of 2019. During the year, it provided significant support to nurses working within the care home sector during the pandemic. The project expanded to include a moderated online Facebook support group and a repository for information and support. This project was funded for a three-year period.

Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales was led by the University of Cardiff. This project is an indepth ethnographic study of nurses' use of professional judgement in making decisions about the deployment and organisation of the nursing workforce to meet patient need. Very little is known about the use of professional judgement in this context and its impact on decision making. This research aims to address this gap in understanding, taking advantage of national differences between England and Wales to deepen the analysis.

Despite making progress on a number of fronts, the project faced many challenges during the year as a result of the pandemic. This included the use of an ethnographic research design approach, which required onsite access to clinical wards; and gaining access to study sites for data collection. The Foundation is working closely with the Principle Investigator to ensure the study remains on track and that the agreed outputs are delivered. The project is due to complete in February 2022.

The Foundation funded the Society of Occupational Medicine to undertake an evidence synthesis of the relevant literature relating to the mental health and wellbeing of nurses and midwives. The research study aimed to: assess the prevalence; identify antecedents and outcomes; highlight the cost of poor wellbeing; and review the effectiveness of interventions. The resulting report, *The Mental Health of Nurses and Midwives,* was completed in March and was due to be launched at a reception in the House of Lords in April. Because of COVID-19 restrictions the event had to be cancelled. The report instead had an online launch in July.

In recognition of the potential impact of COVID-19, the Foundation commissioned The King's Fund in March to carry out a further study on the mental health and wellbeing of nurses and midwives, this time through the lens of the pandemic. The study involved a detailed examination of available evidence, new analysis of key data, and interviews with staff at all levels across the NHS and social care. The resulting report, *The Courage of Compassion: Supporting Nurses and Midwives to Deliver High-quality Care* was published in September. It examined the workplace stressors, organisational cultures, working contexts and leadership styles that impacted on the mental health and wellbeing of nurses and midwives. The report made a number of recommendations and identified compassionate leadership as being of critical importance to the mental health and wellbeing of nursing and midwifery staff.

As part of our objective to raise the profile and public understanding of the profession, we held our annual lecture in November. Given the restrictions, the format was a virtual Q&A 'In Conversation' event with RCN Foundation patron and best-selling author Christie Watson. More than 250 individuals registered for the event and attendees had the opportunity to submit their questions to Christie both prior to and during the event.

In reporting on its expenditure on charitable activities, the RCN Foundation follows guidance from the Charity Commission, which itself refers back to the statement of recommended practice (SORP) definition of charitable expenditure. The guidance states that expenditure on charitable activities should include all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. In line with this guidance, in 2020 the RCN Foundation's expenditure on charitable activities was 89% of the total expenditure incurred in the year (31 December 2019: 81%).

2. Fund the development and delivery of an advanced practice neuro rehabilitation education programme.

At the end of 2019, a call for application was undertaken for the development and delivery of an advanced practice neuro rehabilitation education programme. A joint bid by the RCN and the University of Nottingham was successful in January 2020. COVID-19 placed constraints on many organisations, including the RCN and University of Nottingham. As a result, the partnership felt unable to meet the timelines to deliver the education programme and declined the grant.

The Foundation subsequently approached the University of Edinburgh to discuss and take forward their proposal, which had been submitted as part of the original call process. Working together, the University developed a bespoke Postgraduate Certificate (PGCert) in Neurological Rehabilitation and Care. The programme was launched in November 2020, when it opened for applications. The course will begin in May 2021 and will be delivered online. All of the places on the course are funded by the Foundation. The Foundation is working in partnership with the brain injury charity SameYou on the development of this project.

As part of the work to ensure that the education programme addressed the needs of people with a brain injury, the Foundation has also funded the University of Edinburgh's *Young Adults Rehabilitation Experiences and Needs Following Stroke* (YARNS) study. This research aimed to explore and understand the experiences of young people who have had a stroke, and how they adjust and adapt to the new normal of their lives. The study explored patients' and families' stories of stroke recorded on social media, explored the evidence base, and reviewed rehabilitation services, support and resources for young adults following stroke across the UK.

Education case study

"The bursary enabled me to fulfil a dream"

Charlotte, practice development nurse, Essex

"I've only ever known nursing and have been qualified just over seven years. My mum is a nurse and she told me I was going to apply to be a nurse as a teenager when I was overwhelmed with options for my future. Mum was right, I was destined to be a nurse and I've never looked back, and I couldn't think of a more diverse career to be a part of."

Charlotte began working in ITU where she forged a career, gaining specialist qualifications and her first post as a sister at 25 years old. "During this time, I discovered that I had a real passion for staff wellbeing – I came to discover that there is a link between our wellbeing and its impact on patient care. I had some ideas on what could be done to challenge and change this, but I needed funding. That's when I came across the RCN Foundation Professional Bursary Scheme."

"When I applied, I never thought in a million years I would be successful – I remember being a nervous wreck when I had my interview with the panel. When I got a call to let me know that I had been successful and was awarded the full amount of £5,000 to 'top-up' my DipHE to a degree, I was so elated and in complete shock."

Charlotte went on to study, get a promotion in ITU and also managed to graduate with First Class Honours with a new-born baby.

"I am honestly so proud of myself and what I have achieved. I created successful tools in ITU to improve staff morale, reduce burnout and improve patient care as a result of my studies. That degree also enabled me to become a practice development nurse in my hospital. The bursary enabled me to fulfil a dream, and I am not sure I would be here doing what I do if I hadn't received the grant. I would encourage anyone in nursing to apply – like me you may think you won't get it, but I am proof that if you put effort into your application, are passionate about nursing and believe in yourself and in wishing to improve your patients' care, then absolutely apply!"

3. Carry out a programme of activities to mark the International Year of the Nurse and Midwife.

2020 was designated the International Year of the Nurse and Midwife by the World Health Organization. The Foundation had planned to mark the year through four key activities and initiatives. These were:

- the Impact Awards Ceremony
- activities at RCN Congress
- two specific education grants – the Monica Baly History of Nursing Fund and the Trevor Clay International Education Awards
- a joint project with the Chief Nursing Officers of the UK and Republic of Ireland.

Many of the activities planned by nursing and health care organisations to mark the year, including the Foundation's, were inevitably disrupted as a result of the pandemic.

The Impact Awards Ceremony, to be held in March, and RCN Congress, to be held in June, were both cancelled due to the pandemic (the former by the Foundation and the latter by the RCN). However, to mark the contribution of our 2020 award recipients, the Foundation delivered a series of online communications in November to announce and celebrate the award winners, utilising our digital channels to increase the visibility of the awards and awardees' achievements. A series of videos showcasing each of the winners was developed and disseminated. These were viewed and shared widely, with the number of Twitter impressions relating to the films totalling 48,000.

Given the current restrictions on international travel, the Trevor Clay International Education Awards were deferred until such time as restrictions could be lifted. However, the Monica Baly Fund grants were advertised. A history of nursing project developed by Edinburgh Napier University was successfully awarded the funds in November. The

project aims to investigate historical accounts of nurses/healers and midwives who were accused and persecuted as 'witches'. It aims to review the Scottish Witchcraft Survey database between 1536 and 1746 to provide a better understanding of early nursing and midwifery. The outcomes from the project aim to support a high-profile Scottish campaign for the posthumous pardons of witches, as well as add to the body of historic nursing and midwifery research.

The Foundation developed a partnership with the Chief Nursing Officers (CNOs) of the four UK countries and the Republic of Ireland on a joint project to raise the status and profile of nursing. The Northern Ireland Practice and Education Council for Nursing and Midwifery (NIPEC) led on the delivery of the project on behalf of the five CNOs.

The project aimed to build on the previous Enabling Professionalism work undertaken by the CNOs. This provided nurses and midwives with a clear and common language to use when talking about their work, which not only encompassed the breadth of the nursing and midwifery professions, but the impact they have on the health of the public.

The partnership project aimed to create a digital media campaign to demonstrate what nursing and midwifery is in a powerful and meaningful way to the general public, practitioners and policy makers. The project aimed to include contributions from nurses and midwives, as well as patients and their families. This project was postponed for much of the year, although development began again towards the end of 2020.

To take account of the impact of the pandemic, the World Health Organization announced in October that the International Year of the Nurse and Midwife would be extended into 2021. Therefore, the Foundation will continue to deliver these activities during 2021.

4. Ensure that outcomes from funded projects are widely and effectively disseminated. This will include a clearer understanding of how outcomes will be disseminated and to whom.

In 2020 the Foundation took an increasingly proactive and targeted approach to increase the reach, visibility and media coverage around the impact and outcome of funded projects. Projects that received media publicity during the year included the grant to the Institute of Health Visiting, the launch of the Postgraduate Certificate in Neurological Rehabilitation and Care, and the completed project from Beyond Words, which produced materials on beating the virus aimed at people with intellectual disabilities.

One notable success during the year was the launch of the report from The King's Fund commissioned by the Foundation. Following its publication in September, *The Courage of Compassion: Supporting Nurses and Midwives to Deliver High-quality Care* received extensive news coverage across a number of news outlets and social media including *The Guardian*, ITV *Good Morning Britain*, *Sky News*, Sky News online, Independent/Press Association and The Times, in addition to bulletins in radio stations across the country.

The King's Fund held a follow up webinar in December, sponsored by the Foundation, which was watched live by 2,014 individuals, following a record number of registrations (4,607), the highest ever achieved by The King's Fund.

5. Ensure that income from investments and fundraising performs well and is able to support the delivery of our work.

Despite the pandemic, income from investments and fundraising performed relatively well during the year. In 2020, the value of the combined portfolio was £38.6m (2019: £36.1m).

The impact of the pandemic on fundraising income during the year was marked. Income from 'business as usual' fundraising activities was below budget as a result of the pandemic. However, in response to the pandemic, the Foundation established a COVID-19 Support Fund, the aim of which was to provide emergency financial aid and psychological support to nursing and midwifery staff affected by the pandemic. A total of £1.45m was received into the Fund from donations made by individuals and companies. Further details about the Fund are provided below.

The majority of fundraising activity in 2020 related to donations in respect of COVID-19. However, there were some other areas of activity.

The Foundation's first telephone upgrade campaign was undertaken between February-April 2020 and delivered by a third-party telephone fundraising agency. The campaign, which contacted 1,100 regular donors, exceeded expectations with nearly 30% of donors contacted increasing their donation. A second campaign started in December and will continue into 2021.

The RCN Foundation received a major gift donation in support of the RCN Prince of Wales Nursing Cadet Scheme. The scheme is intended to inspire young people, particularly those from disadvantaged backgrounds, to take up a career in nursing and midwifery by giving them access to opportunities for academic study and hands-on experience in the health sector. Following a pilot programme in Wales in 2019, the donation enabled the scheme, delivered by the RCN, to be rolled out across England.

Project case study

The Courage of Compassion – The King's Fund

The report, The Courage of Compassion: Supporting Nurses and Midwives to Deliver High-quality Care, was commissioned by the RCN Foundation in response to the pandemic. It provided a fresh perspective on the mental health and wellbeing of nurses and midwives, concentrating on the efforts needed to change the factors that cause stress rather than simply dealing with symptoms.

The report found that staff stress, absenteeism and turnover in the professions had reached high levels and had been compounded by the COVID-19 pandemic, which exacerbated longer-term issues including chronic excessive workload, inadequate working conditions, staff burnout and inequalities, particularly among Black, Asian and minority ethnic groups. The report found that many nurses and midwives routinely worked long shifts without proper breaks and with limited access to food and drinks. A high proportion also faced bullying, discrimination and verbal and physical abuse from people in their care.

New analysis carried out for the report suggested that these factors were having a significant impact on staff retention, with around a quarter of nurses and health visitors joining the NHS leaving within three years of starting (NHS Digital, 2019).

Following a comprehensive examination of the evidence, new analysis of key data and interviews with staff at all levels, the report set out eight key recommendations to support the wellbeing of nurses and midwives across the UK, including those working in adult social care, GP practices, community care and other settings.

The eight recommendations are as follows, with further details and implementation suggestions given in the full report.

1. **Authority, empowerment and influence** – Introduce mechanisms for nursing and midwifery staff to shape the cultures and processes of their organisations and influence decisions about how care is structured and delivered.
2. **Justice and fairness** – Nurture and sustain just, fair and psychologically safe cultures and ensure equity, proactive and positive approaches to diversity and universal inclusion.
3. **Work conditions and working schedules** – Introduce minimum standards for facilities and working conditions for nursing and midwifery staff in all health and care organisations.
4. **Teamworking** – Develop and support effective multidisciplinary teamworking for all nursing and midwifery staff across health and care services.
5. **Culture and leadership** – Ensure health and care environments have compassionate leadership and nurturing cultures that enable both care and staff support to be high quality, continually improving and compassionate.
6. **Workload** – Tackle chronic excessive work demands in nursing and midwifery, which exceed the capacity of nurses and midwives to sustainably lead and deliver safe, high-quality care and which damage their health and wellbeing.
7. **Management and supervision** – Ensure all nursing and midwifery staff have the effective support, professional reflection, mentorship and supervision needed to thrive in their roles.
8. **Learning, education and development** – Ensure the right systems, frameworks and processes are in place for nurses' and midwives' learning, education and development throughout their careers. These must promote fair and equitable outcomes.

Professor Michael West, Senior Visiting Fellow at The King's Fund and a co-author of the report said:

"We need to create environments and cultures where nurses and midwives can flourish. Unfortunately, this isn't where many frontline staff find themselves at the moment, with increasing numbers facing working conditions that are damaging to their health. We need to see a concerted effort to tackle these root problems, to transform work life experience for nurses, midwives and thereby the quality of care for the communities they serve."

6. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.

Planned RCN Group activities were postponed as a result of the pandemic, this included RCN Congress. Some scheduled meetings of the RCN Group also had to be postponed as a result of clinical pressures for some of those involved.

The Group-wide task and finish group which was established to keep an overview of activities to commemorate the International Year of the Nurse and Midwife met during the early part of the year. However, the work of the Group was also put on hold as a result of the pandemic.

7. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.

In Spring 2020, the Foundation appointed a Head of Grants and Impact. The role aimed to strengthen and underpin our grant-making programme, as well as further develop ways in which the impact of funded work can be demonstrated.

As with other areas, the pandemic also had a profound effect on the way in which our governance activities were carried out. All Board and Committee meetings were moved to an online platform and held virtually. The Foundation was able to adapt to these new circumstances, with all scheduled meetings continuing to take place virtually during the year. Alongside the Foundation's strategic risk register, a COVID-19 risk register was also developed and kept under review. A key risk identified was the potential for some meetings to be inquorate due to the pressures on clinically based Trustees. This was kept under review and all meetings held during the year were quorate.

The Chair of the Wales Committee stepped down from the Board of Trustees at the end of the year, which meant that both Country Committee Chair roles (Scotland and Wales) were vacant at the end of the year. The Board reaffirmed its commitment to ensuring that there should continue to be Foundation Trustees from all four countries of the UK on the Board. They also agreed to review the role and remit of Country Committees in 2021.

Safeguarding training for all Trustees was rolled out at the end of the year.

8. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and its ability to continue to support the nursing and midwifery professions. This includes establishing the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

This objective formed a significant proportion of the Foundation's activities during the year. In April, the Foundation established the COVID-19 Support Fund to support nursing and midwifery staff who had been adversely affected by the pandemic. The establishment of the Support Fund sparked increased numbers of donations from individual members of the public, companies and other organisations, in addition to increased numbers of online and In Memory gifts.

The Foundation received a £250,000 donation from the Stelios Philanthropic Foundation, to deliver the Stelios Says Thank You Awards. The donation was made in order to thank and recognise the contribution of frontline nursing and midwifery staff working and living in London during the pandemic, where the Stelios Philanthropic Foundation's UK headquarters are based. An unprecedented number of applications were received for these £250 grants, with enough applications received to fulfil the 1,000 grants available in just two days. The launch of the Awards was covered in several media publications including: *The London Post*, *Nursing Notes*, *Nursing Times* and *Nursing in Practice*.

Other significant institutional donations into the COVID-19 Support Fund were received from, amongst others, LV, Jeffries Group, Lisou, Arab Banking Corporation, Asia United Bank, Inspiration Healthcare, Warwick Trust and the APAX Foundation.

There were also a significant number of community fundraising initiatives in support of the COVID-19 Support Fund. One such initiative was the Covers for Others music project, in which musicians agreed to cover a song picked by their fans, who voted for their favourite by making a small donation to the RCN Foundation. The campaign was launched using the hashtag #CoversForCarers. Artists involved in the initiative included Frank Turner and Billy Bragg and it was featured widely in the press, including *Sky News*, *Music News* and *NME*.

Another community fundraising initiative of note was led by singer songwriter and Squeeze co-founder, Chris Difford, who curated *The Song Club* album, inspired by the work of Hannah Grace Deller, a paediatric nurse and amateur photographer. Hannah had been documenting her, and her colleagues' experiences of the pandemic. A series of her photographs were featured on Greyson Perry's Art Club, where they were seen by Chris Difford. The album was inspired by her photographs and included songs written by award-winning songwriters including Nik Kershaw, Beth Nielsen Chapman, Julia Fordham and Kimmie Rhodes.

The RCN Foundation was able to support 3,286 nursing and midwifery staff adversely affected by the pandemic. Just over £1.45m in emergency financial aid grants was provided to individuals through the COVID-19 Support Fund and the Stelios Says Thank You Awards.

A number of COVID-19-related projects were also initiated during the year. The Foundation awarded funding to the Institute of Health Visiting to develop a programme to promote emotional wellbeing at work for small groups of health visitors working in the community during the COVID-19 pandemic.

The King's Fund report was widely well received and viewed as a critical research project that contributed to the debate on the impact of the pandemic on nurses' and midwives' mental health and wellbeing. Following the publication of the report, the Foundation issued two calls for research projects – one to explore effective leadership strategies which could be sustained beyond the pandemic; and a second to evaluate the effectiveness of psychological first aid as an intervention to support the psychological outcomes of staff working in a care home setting. Funding awards to undertake each project will be made in 2021 with outcomes expected during the year.

A key development in relation to the pandemic was the establishment of a new time-limited subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA). This charity was established to accept and administer a donation of £5m from the video sharing platform TikTok. The donation was intended to support members of the wider health and care workforce who had been adversely affected by the COVID-19 pandemic.

The Foundation continued to support CHSA throughout the year. This included through the provision of communications support in relation to the donation from TikTok. The announcement of the TikTok donation in April led to significant news coverage in national and regional media. On the day of the announcement, there were nine national online media articles, including the BBC News website, *Evening Standard* and *Daily Mail*, 14 broadcast segments and 175 regional articles, as well as two articles in national nursing titles. Communication support to CHSA continued to be provided to widen awareness to organisations across the health and care sectors of the availability of grants. During the first six months of operation, CHSA had awarded some £3.1 million in grants to 19 organisations supporting, amongst others, ambulance staff, care workers, nurses, doctors, GPs, physiotherapists and pharmacists. This included grant funding awarded to the RCN Foundation.

RCN Foundation ongoing response to COVID-19

The COVID-19 pandemic is expected to continue to present a challenge to all aspects of the Foundation's work during the next twelve months. As a health charity, and with our beneficiaries being on the frontline of tackling the pandemic, the impact on the Foundation is likely to continue to be felt acutely. Similarly to many other charities, the pandemic affected our 'business as usual' income and expenditure in 2020. However, it was not necessary to furlough any staff and we aim to continue on this basis.

In 2021, with the rollout of a national vaccination programme, we expect to begin to return slowly to some semblance of 'normal' service. With two senior roles now in place within the Foundation (Head of Grants and Impact, and Head of Fundraising and Communications), we are well prepared to monitor and respond to any future spike in demand for support, and to any potential decline in voluntary income. As well as a strong staff resource, the Foundation also continues to remain financially resilient with unrestricted reserves of £29,170,035.

Policies

During 2020 two new policies were under development – a Trustee Recruitment Policy and a Gift Acceptance Policy. Both of these were discussed by the relevant Committees and will be put to the Board of Trustees for approval in 2021.

Amalgamation of funds

Following the amalgamation of funds in 2019, the Foundation continued to spend all remaining funds in line with the objectives of the individual funds in 2020. This included all restricted education and research funds that were left to the Foundation for a particular purpose.

Our position on modern day slavery

Our policy is to assess and address anti-modern slavery laws in our own organisation and we expect organisations we work with to adopt and enforce policies to comply with the legislation.

Objectives for 2021

1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the profession.
2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.
3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various communication platforms and a review of branding.
4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Develop a clear and measurable fundraising strategy for the Foundation.
5. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.
6. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.
7. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and our ability to continue to support the nursing and midwifery professions. This includes supporting the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

Financial review

Investments, policy and performance

The RCN Foundation is subject to the Trustee Act 2000. The Foundation's investment objective is to seek to protect real income and capital growth over time. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility but nevertheless they would like to achieve their goal with a low to medium level of risk.

The Board oversees the management of the Foundation's investment portfolio and monitors the performance of the investment manager. The Income Generation and Investment Committee review the investment strategy, policy and performance and make recommendations to the Board as appropriate.

The Trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short term fund consisting of cash, short-term deposits and short dated bonds. At 31 December 2020, £1m was held in the short-term fund as Money Market Investments and is shown as a current asset on the Balance Sheet (31 December 2019: £1m).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the Foundation's ethical requirements.

The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the Trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies. Specific restrictions include the avoidance of any investment in companies that manufacture tobacco products and investments in hedge funds. At the same time, environmental, social and governance (ESG) factors are embedded in the investment process for stock selection. The fund managers manage the Foundation's investments with a long-term investment time horizon. The investment objective is to aim to protect the assets from inflation by maintaining the 'real' value of the capital and income. A balance is sought between providing income for the short term and real capital growth to provide income for the long term. The Trustees accept that in achieving this objective the portfolio will be subject to short-term volatility whilst at the same time they would like to achieve their goal with a low to medium level of risk.

2020 has been a fluctuating year for Foundation investments both in terms of income generated and increase in the value of the portfolio due to the worldwide impact of the COVID-19 pandemic. The gross investment income in the year ended 31 December 2020 was £783k (associated investment management fees of £158k) which is 29% lower compared to the gross income received in 2019 (£1.1m).

However, the movement in the investments resulted in a significant increase in the market value of the combined portfolio from £36.1m at the start of the year to £38.6m at the end of the year. This increase in value can mainly be attributed to a higher return on equities, both UK and global.

The market value of investments is subject to the fluctuation of the open market and are thus exposed to a degree of uncertainty and speculation. We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities as we expect 2021 to also be an unusual year, given the ongoing COVID-19 pandemic.

Review of financial position

The financial statements are presented in the format required under 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP FRS 102) and the statement of financial activities reflects the strategic objectives of the RCN Foundation and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The statement of financial activities for the year ended 31 December 2020 and the balance sheet as at 31 December 2020 are set out on pages 38/39 and 40. The statement of financial activities shows that the RCN Foundation had a net surplus of £1.7m in the year ended 31 December 2020 (31 December 2019: net surplus of £4.7m).

The COVID-19 Healthcare Support Appeal (CHSA) was set up as a time-limited subsidiary of RCN Foundation. The statement of financial activities shows that CHSA had a net surplus of £1,748k in the 9 month period ended 31 December 2020, its first period of operation. Further information can be found in the RCN Foundation Group accounts.

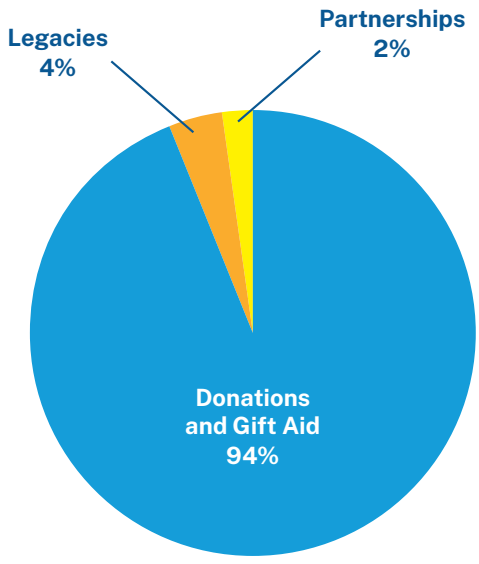
Income

RCN Foundation income is made up of income from donations and legacies, income from trading activities and investment income.

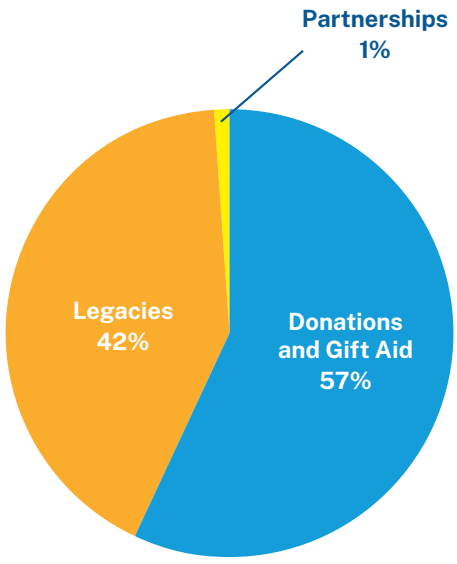
Total income in the year was £2.6m which is 61% higher than the previous year (31 December 2019: £1.6m). The positive variance is attributable to donations from individuals and organisations in an extraordinary response to the COVID-19 pandemic. In 2020, the Foundation facilitated a donation of £5m from TikTok which resulted in the creation of a subsidiary charity – the COVID-19 Healthcare Support Appeal (CHSA) – to accept and administer that specific donation. The Foundation received £828,000 from a grant application independently reviewed and awarded by CHSA.

Legacies, donations and gift aid amounted to £1.76m (31 December 2019: £506,000). Income earned from other trading activities includes licence income of £30,000 received from TikTok in order to use the Foundation's branding.

Donation and legacy income 2020 – £1.76m



Donation and legacy income 2019 – £506,000

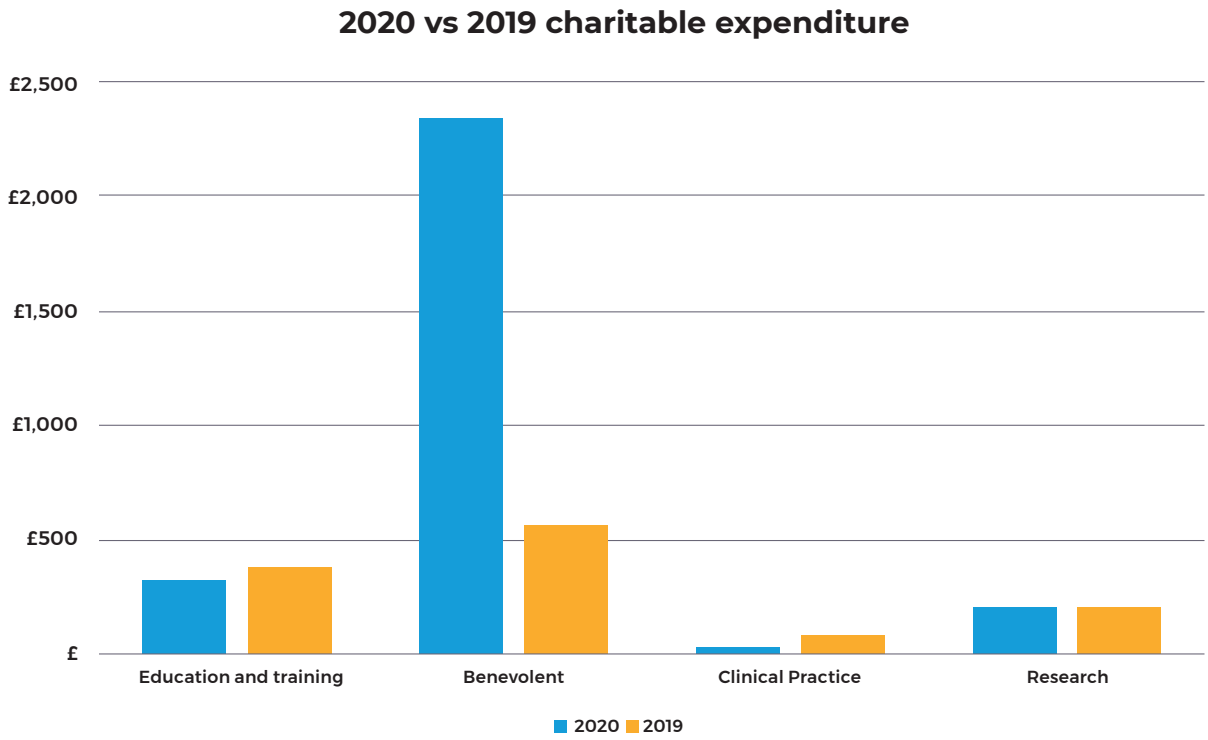


The adverse variance in legacies has been more than offset by the income received from donations and gift aid. Investment income for the year was £783,000 (31 December 2019: £1.1m) of which £602,000 was unrestricted (31 December 2019: £808,000). The RCN Foundation investments reported net gains of £2.5m (31 December 2019: £4.8m gains) mainly due to unrealised gains on the investment portfolio.

Expenditure

Total expenditure in the year amounted to £3.3m (31 December 2019: £1.8m) of which £1.2m (31 December 2019: £1.1m) was from unrestricted funds.

In 2020 expenditure increased by 89% compared to 2019. The variance is due to the benevolent grants awarded in response to the COVID-19 pandemic – this expenditure alone accounted for £1.5m (or 44% of total expenditure).



In 2020, £2.51m in grants were paid (31 December 2019: £1.04m), of these £239,000 relates to benevolent grants awarded through the Lamplight Support Service (31 December 2019: £242,000), £166,000 to educational bursaries (31 December 2019: £276,000) and £233,000 for non-COVID-19 related project grants (31 December 2019: £134,000). The Foundation paid £1.5m to individuals for COVID-19 grants and £32,200 for a project on psychological support due to the COVID-19 pandemic. The RCN Foundation paid £279,000 to RCN as part of the agreement to run the LSS (31 December 2019: £284,000), this expenditure has been charged against unrestricted funds.

The RCN Foundation group follows the grant-making policy approved by the Board of Trustees in 2019. Grants are awarded based on an assessment of individual applicants, as well as organisations, against specific criteria agreed for each grant programme which is set within the overarching grant making policy. The charity receives applications from individuals for education grants through two rounds of open applications per year. Individual hardship grants are awarded throughout the year. Applications from organisations can be received through the open application process and specific funding calls

An annual fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing and other services and is included within unrestricted expenditure. This was £544,000 in the year ended 31 December 2020 (31 December 2019: £433,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation plus 12% overheads. The increase in fee is partly due to the recruitment of two new roles, the Head of Fundraising & Communication and the Head of Grants.

In the expenditure note (Note 4 of the Financial Statements), the fee is allocated to the activities on which these staff members work.

The total cost of raising funds in the year was £364,000, this figure includes investment management fees, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2019: £333,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2020: £158,000; 31 December 2019: £157,000). In the year Trustees expenses of £1,197 were incurred (31 December 2019: £15,134) which are made up of £536 accommodation costs (31 December 2019: £3,520) and £661 (31 December 2019: £5,075) mileage and public transport. The lower costs are due to Trustees not incurring travel or subsistence costs due to COVID-19 pandemic restrictions as well as no recruitment costs (31 December 2019: £6,000) and no events costs (31 December 2019: £539). These costs are treated as unrestrited expenditure.

Reserves

The RCN Foundation has adopted a reserves policy which they consider appropriate to ensure the Foundation can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The current reserves policy is that the RCN Foundation must maintain at least £18.5m of unrestricted funds. The reserves policy was not reviewed in 2020 due to the pressure of the pandemic, this task will be undertaken in 2021.

The level of free reserves at 31 December 2020 was £28.6m (31 December 2019: £27.1m). This excludes those unrestricted funds that have been earmarked for particular purposes by the Trustees and are shown as designated funds on the Balance Sheet, and excludes tangible fixed assets. The increase in reserves is due to the net gains on the investment portfolio.

The investment and reserves policies reflect the Trustees' acknowledgment that the RCN Foundation is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future. The Trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy. This policy is reviewed annually.

RCN Foundation accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime, and has not prepared a Strategic Report for that purpose.

Principal risks and uncertainties

Our risk management framework is used to test the organisation's key decisions and influence the use of our resources. Risks are assessed on a quarterly basis by the Board of Trustees to ensure that adequate measures are in place to manage the identified risks. Risk appetite is the amount and type of risk that the Foundation is willing to take in order to meet our strategic objectives. We have a range of appetites for different risks and these are set out below.

Financial

Appetite for risk: low

There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. Following the appointment of the Foundation's first Head of Fundraising and Communications in 2019, proactive steps have been taken in relation to various voluntary income streams. However, whilst much of the planned fundraising activity in 2020 was deferred as a result of COVID-19, the increased capacity within the team meant that the Foundation was able to respond to the influx of income that resulted from the pandemic.

Governance

Appetite for risk: low

There were several governance risks that were kept under review during the year. These included the vacancy for a Trustee from Scotland, (who would also act as the Chair of the Scotland Committee) and the potential for Board and Committee meetings to be inquorate due to the demands of the pandemic on Trustees who worked clinically. Towards the end of the year, the Board agreed to undertake a review of Country Committees and the additional workload they posed for Trustees who chaired them.

Regulatory

Appetite for risk: low

The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues.

Operational

Appetite for risk: medium

The ability to deliver our ambitious grant-making plans continued to feature as a key risk. In 2020, this was exacerbated by the constraints to public life caused by the pandemic. Nevertheless, progress was made on key areas of work during the year including on the launch of the Advanced Practice education programme for neurological rehabilitation and care; two calls for COVID-19 related projects; and the development of a three-year programme focused on children and young people's mental health and wellbeing. This work was undertaken alongside the increased workload relating to the administration of the COVID-19 Support Fund. A new Head of Grants and Impact was appointed during the year, which provided the Foundation with the increased capacity needed to address this sharp increase in workload.

External

Appetite for risk: medium

The key external risk for the Foundation during the year was the impact of the pandemic on the Foundation's finances and operations. This was kept under review by the Board with the development of a specific COVID-19 Risk Register. The potential impact of the UK leaving the European Union (Brexit) on the investment portfolio was also kept under review by the Board, and the Income Generation and Investment Committee.

Board of Trustees

External Advisers; Reference and Administrative Details; Structure, Governance and Management

Board of Trustees

The Trustees who are in office or have been during 2020 are:

Professor Jane Cummings RN, CBE, Chair of the Board

Christine Perry, Vice-Chair and Chair of the Appointments Panel

Professor Jacqueline Dunkley-Bent OBE

Gordon Hull

David Jones, Chair of the Income Generation and Investment Committee

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee (from 1 January 2020)

Denise Llewellyn MBE, FRCN, Chair of the Wales Committee (retired 31 December 2020)

Professor Charlotte McArdle

Atul Patel MBE

External Advisers

The external advisers on our Committees are:

Nichola Ashby (Grants Committee)

Professor Michael Brown (Scotland Committee)

Joanne Griffin (Income Generation and Investment Committee)

Nicola Heazell (Grants Committee) (retired 31 December 2020)

Professor Angela Hopkins (Wales Committee)

John Husselbee (Income Generation and Investment Committee) (retired 31 December 2020)

Yvette Lloyd (Income Generation and Investment Committee)

Professor Donna Mead OBE (Wales Committee)

Jane Miles (Grants Committee)

Dr Susan Morgan (Wales Committee)

Tanya Strange MBE (Wales Committee)

Sian Thomas (Wales Committee)

Jayne Young (Appointments Panel)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN

Telephone 020 7409 3333

Website: rcnfoundation.org.uk

Bankers

National Westminster Bank PLC
1 Cavendish Square, London W1A 4NU

Independent auditors

Deloitte LLP
2 New Street Square, London EC4A 3BZ

Lawyers

Bates Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Investment managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Charity and Company registration numbers

Registered Charity: 1134606

Scottish registered charity SC043663

Registered Company: 7026001

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2020 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances during 2020. It can be downloaded from the Foundation's website (**rcnfoundation.org.uk**) where there are further details about the Foundation's work.

Structure, governance and management

Constitution

The RCN Foundation was registered as a charity on 2 March 2010. It was registered as a company limited by guarantee in December 2009 and the Royal College of Nursing in the United Kingdom (RCN UK) is the sole member. The Memorandum and Articles of Association were incorporated on 22 September 2009.

The Foundation was set up as a result of a review of the legal and governance structure of the Royal College of Nursing, which is no longer a registered charity.

The Foundation has a Memorandum of Agreement with the Royal College of Nursing that sets out how the two organisations will work together to support nursing and midwifery, and improve care.

Objects

The objects of the RCN Foundation are to:

- promote the science and art of nursing and the better education and training of persons providing nursing in health and social care and their efficiency in the profession of nursing including those who are students
- promote the advancement of nursing as a profession in all or any of its branches
- promote through the medium of international agencies and otherwise the foregoing purposes in other countries
- relieve and prevent charitable need of persons providing nursing in health and social care including those who are students, those who have retired and the dependents of any such persons.

Public benefit statement

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The Board has provision for no fewer than seven and no more than 12 Trustees, four of whom are appointed by RCN Council. At least three of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The Board of Trustees normally meets quarterly with the addition of an annual Board Awayday. The two substantive committees of the Board – the Grants Committee, and the Income Generation and Investment Committee – also meet on a quarterly basis.

The Grants Committee is accountable to the Board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the Board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager.

The membership of these committees is largely drawn from the Board and the committees are chaired by a Trustee. We have also appointed additional independent members with particularly relevant experience and expertise to our committees.

The Appointments Panel oversees the recruitment and appointment of Trustees, Chair and Vice Chair elections, and committee appointments on behalf of the Board. It also oversees Trustees' induction, development programmes and performance review.

The Foundation also has two country committees, one for Scotland and a second for Wales. The role of these committees is to raise the profile of the Foundation's work in their respective countries; bring knowledge of the key country-specific issues affecting nursing, midwifery and health care to the attention of the Foundation; and aim to raise funds for the Foundation's work. Country committees are chaired by a Trustee from the relevant country. Currently, both the Scotland Committee and Wales Committee are without a Chair. The Chair of the Wales Committee stood down at the end of 2020 and the recruitment process is currently under way.

Terms of reference for all committees have been agreed by the Board.

CHSA is a subsidary charity of the RCN Foundation. CHSA's Board of Trustees is independent of the RCN Foundation. The Board has provision for no fewer than seven Trustees, four of whom are members of the RCN Foundation Board of Trustees. A minimum of three independent Trustees – including the Chair – must have no previous connection to the RCN Foundation or be a member of the Royal College of Nursing. This enables CHSA to retain its strong connections with the RCN Foundation whilst maintaining its independence.

Management

The RCN Foundation operates from the RCN's national headquarters and is staffed by RCN employees under a Services Agreement which is kept under regular review. The staffing complement comprises the following roles: Foundation Director; Head of Grants and Impact; Head of Fundraising and Communications; Grants Manager; Fundraising and Communications Manager; Clerk to the Trustees; and Team Administrator. Additionally, the Foundation is supported by a dedicated member of the RCN Finance team.

The Foundation was supported in year by Jane Clarke, RCN Group Secretary and Tim Golbourn, RCN Director of Finance and Business Enablement. Other RCN staff support the RCN Foundation as required.

Compliance

Our key governance documents, processes and controls are in place to ensure that the Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which is available on the Foundation website.

We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A three-year financial strategy was developed in 2019.

Conflicts of interest

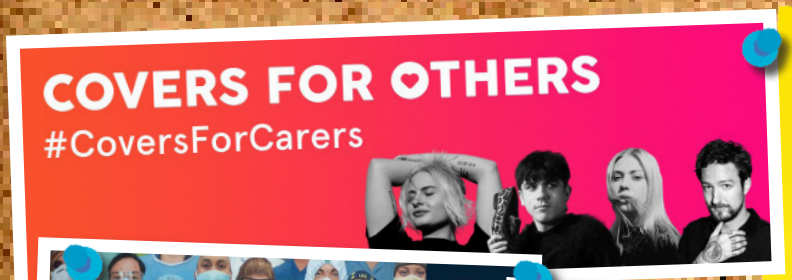
We have a register of interests which is updated regularly. We have guidance for managing conflicts and we ask Trustees and advisers to identify any conflicts at the beginning of each meeting. This process has not changed as a result of the COVID-19 pandemic.

Fundraising approach

In 2020, the RCN Foundation relied on donations from existing regular donors, unsolicited legacy donations and community fundraising activities. In 2020, no fundraising activities have been organised by the RCN Foundation. The RCN Foundation has two staff positions which have responsibility for fundraising strategy and activity included as part of their role and in 2020, worked with a third party professional fundraising agency partner in order to engage some of our existing supporters. The RCN Foundation is also a member of the Fundraising Regulator and, as such, abides by the Code of Fundraising Practice and require any professional fundraising agencies working on our behalf to adhere to our fundraising standards. The RCN Foundation received no complaints in 2020 related to its fundraising practices.

Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during the year. With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. This year in particular has been like no other; and so we also want to thank the many new donors who have helped us to support frontline staff during the COVID-19 pandemic. Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care practitioners, and through them patients and families.
Thank you.



salt.

Inspiration HEALTHCARE

Stelios
STELIOS PHILANTHROPIC FOUNDATION
STELIOS-UK.FOUNDATION

DRUM

BNI

OrbitRemit
Online money transfer.

BALIK BAYANI
#MOVETIK

RCNFoundation 10
10 years of supporting nursing, improving care

10 for 10 challenge
25 to 26 July

Supporting
health and care staff
through COVID-19
CHSA
THANK YOU NHS
AND ALL FRONTLINE WORKERS
STAY SAFE
LV=
AUB
ASIA UNITED BANK
Jefferies
BankABC
SONGWRITER'S GARDEN
LIVE
CAFE DIRECT
Lisou
TIME
ON
OUR
HANDS
Apax
FOUNDATION

Statement of Trustees' responsibilities

The Trustees (who are also directors of RCN Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- 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 the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group 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 the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

The Trustees' Report on pages 4 to 17 was approved by the Board and signed on its behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 13 April 2021

Independent auditor's report to the members and the trustees of the RCN Foundation

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the RCN Foundation (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the group and parent charitable company statement of financial activities (incorporating the income and expenditure account);
- the group and parent charitable company balance sheet;
- the statement of cash flows;
- the related notes 1 to 16.

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).

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 group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information within the annual report. 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.

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 purpose 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 group's and the parent 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 group or the parent 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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 FRC's website at: **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act and the UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Recognition of legacy income: the income is recognised on a receivable basis when the charity is entitled to the legacy, receipt is probable and the value can be estimated with sufficient accuracy. This is subject to judgement around whether the recognition criteria are met. On a sample basis, we have assessed the judgements and estimates made by management in the recognition of this income.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 includes the strategic report and the directors' report prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Gooding FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans. United Kingdom
Date: 21 April 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

Financial statements

Statement of financial activities 31 December 2020 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 31 December 2020 £'000	RCNF Group 31 December 2020 £'000
Income from:									
Income and endowments									
Donations and legacies	2	113	4,260	1,649	1,649	–	–	1,762	5,909
Income earned from other activities									
Investment income	3	602	602	181	181	–	–	783	783
Income earned from other trading activities									
Sponsorship income		–	–	–	–	–	–	–	–
Licence income		30	30	–	–	–	–	30	30
Total income		**745**	**4,892**	**1,830**	**1,830**	**–**	**–**	**2,575**	**6,722**
Expenditure									
Cost of raising funds	**4**	364	364	–	–	–	–	364	364
Expenditure on charitable activities:									
Education and training		164	164	190	190	–	–	354	354
Benevolent fund		555	2,953	1,773	1,773	–	–	2,328	4,726
Clinical practice and promoting the profession		65	65	–	–	–	–	65	65
Research		33	33	176	176	–	–	209	209
Total expenditure	**4**	**1,181**	**3,579**	**2,139**	**2,139**	**–**	**–**	**3,320**	**5,718**
Net income/(expenditure) before investment gains/ (losses)		**(436)**	**1,313**	**(309)**	**(309)**	**–**	**–**	**(745)**	**1,004**
Net gains/(losses) on investments	**13**	**1,839**	**1,839**	**593**	**593**	**54**	**54**	**2,486**	**2,486**
Net income/(loss) for the year		**1,403**	**3,152**	**284**	**284**	**54**	**54**	**1,741**	**3,490**
Transfers between funds		**–**	**–**	**17**	**17**	**(17)**	**(17)**	**–**	**–**
Net movement in funds	**13**	**1,403**	**3,152**	**301**	**301**	**37**	**37**	**1,741**	**3,490**
Reconciliation of funds									
Fund balances brought forward at the start of the period	**13**	**27,767**	**27,767**	**8,851**	**8,851**	**666**	**666**	**37,284**	**37,284**
Fund balances carried forward at the end of the period	**12**	**29,170**	**30,919**	**9,152**	**9,152**	**703**	**703**	**39,025**	**40,774**

There are no recognised gains or losses other than those disclosed above. All of the above results derive from continuing operations.

There is no difference between the net income for the periods stated above and the historical cost equivalent.

Notes on pages 42 to 62 form part of these financial statements.

BACK TO CONTENTS

Statement of financial activities 31 December 2019 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds			
		RCNF 2019 £'000	RCNF Group 2019 £'000	RCNF 2019 £'000	RCNF Group 2019 £'000	RCNF 2019 £'000	RCNF Group 2019 £'000	RCNF 31 December 2019 £'000	RCNF Group 31 December 2019 £'000
Income from:									
Income and endowments									
Donations and legacies	2	366	366	140	140	–	–	506	506
Income earned from other activities									
Investment income	3	808	808	280	280	–	–	1,088	1,088
Income earned from other trading activities									
Sponsorship income		4	4	–	–	–	–	4	4
Licence income		–	–	–	–	–	–	–	–
Total income		**1,178**	**1,178**	**420**	**420**	**–**	**–**	**1,598**	**1,598**
Expenditure									
Cost of raising funds	**4**	333	333	–	–	–	–	333	333
Expenditure on charitable activities:									
Education and training		161	161	276	276	–	–	437	437
Benevolent fund		430	430	242	242	–	–	672	672
Clinical practice and promoting the profession		100	100	–	–	–	–	100	100
Research		100	100	134	134	–	–	234	234
Total expenditure	**4**	**1,124**	**1,124**	**652**	**652**	**–**	**–**	**1,776**	**1,776**
Net income/(expenditure) before investment gains/ (losses)		**54**	**54**	**(232)**	**(232)**	**–**	**–**	**(178)**	**(178)**
Net gains/(losses) on investments	**13**	**3,567**	**3,567**	**1,155**	**1,155**	**110**	**110**	**4,832**	**4,832**
Net income/(loss) for the year		**3,621**	**3,621**	**923**	**923**	**110**	**110**	**4,654**	**4,654**
Transfers between funds		**(40)**	**(40)**	**168**	**168**	**(128)**	**(128)**	**–**	**–**
Net movement in funds	**13**	**3,581**	**3,581**	**1,091**	**1,091**	**(18)**	**(18)**	**4,654**	**4,654**
Reconciliation of funds									
Fund balances brought forward at the start of the period	**13**	**24,186**	**24,186**	**7,760**	**7,760**	**684**	**684**	**32,630**	**32,630**
Fund balances carried forward at the end of the period	**13**	**27,767**	**27,767**	**8,851**	**8,851**	**666**	**666**	**37,284**	**37,284**

Balance sheet as at 31 December 2020

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fixed assets					
Tangible assets	6	4	9	4	9
Long-term investments	8.1	37,587	35,132	37,587	35,132
Total fixed assets		**37,591**	**35,141**	**37,591**	**35,141**
Current assets					
Debtors	9	84	125	84	125
Short-term investments	8.2	1,009	1,001	1,009	1,001
Cash at bank and in hand		752	1,627	3,810	1,627
Total current assets		**1,845**	**2,753**	**4,903**	**2,753**
Liabilities					
Creditors: amounts falling due within one year	10	(411)	(610)	(1,720)	(610)
Net current assets		**1,434**	**2,143**	**3,183**	**2,143**
Total assets less current liabilities		**39,025**	**37,284**	**40,774**	**37,284**
Creditors: amounts falling due after one year	10	–			–
Total net assets		**39,025**	**37,284**	**40,774**	**37,284**
The funds of the charity					
Restricted funds:					
Permanent endowment	13	685	629	685	629
Expendable endowment	13	18	37	18	37
Restricted income funds	13	9,152	8,851	9,152	8,851
Total restricted funds		**9,855**	**9,517**	**9,855**	**9,517**
Unrestricted funds:					
Revaluation reserve	12	6,614	6,035	6,614	6,035
General funds		21,976	21,039	23,725	21,039
Designated funds	13	580	693	580	693
Total unrestricted funds	**13**	**29,170**	**27,767**	**30,919**	**27,767**
Total charity funds		**39,025**	**37,284**	**40,774**	**37,284**

Approved and authorised for issue by the Board of Trustees on 13 April 2021 and signed on their behalf by:

Professor Jane Cummings RN, CBE
Chair of the Board of Trustees

BACK TO CONTENTS

Statement of cash flows

	Note	RCN Foundation 31 December 2020 £'000	RCN Foundation 31 December 2019 £'000	RCN Foundation Group 31 December 2020 £'000	RCN Foundation Group 31 December 2019 £'000
Reconciliation of net movement in funds to net cash flow from operating activities:					
Net movement in funds		1,741	4,654	3,490	4,654
Dividends and interest from investments		(783)	(1,088)	(783)	(1,088)
(Gains)/losses from investments		(2,486)	(4,832)	(2,486)	(4,832)
Decrease/(increase) in debtors	9	41	191	41	191
Increase/(decrease) in creditors	10	(198)	113	1,110	113
Net cash used in operating activities		**(1,685)**	**(962)**	**1,372**	**(962)**
Cash flows from investing activities:					
Dividends and interest from investments	3	783	1,088	783	1,088
Proceeds from sale of investments	8	15,254	14,800	15,254	14,800
Purchase of investments	8	(16,238)	(14,284)	(16,238)	(14,284)
Net cash provided by investing activities		**(201)**	**1,604**	**(201)**	**1,604**
Change in cash and cash equivalents in the reporting period		**(1,886)**	**642**	**1,171**	**642**
Opening cash at bank		1,627	1,510	1,627	1,510
Opening cash in investments		1,330	619	1,330	619
Cash and cash equivalents at the beginning of the reporting period		**2,957**	**2,129**	**2,957**	**2,129**
Change in cash and cash equivalents due to exchange rate movements		**691**	**186**	**691**	**186**
Cash and cash equivalents at the end of the reporting period		**1,761**	**2,957**	**4,819**	**2,957**
Represented by:					
Closing cash at bank		752	1,627	3,810	1,627
Closing cash in investments		1,009	1,330	1,009	1,330

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2020.

The RCN Foundation Group financial statements consolidate the accounts of the RCN Foundation and its subsidiary, COVID-19 Health Support Appeal.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The RCN Foundation is a private company limited by guarantee (registered company: 7026001), it was registered as a charity (registered charity: 1134606) on 2 March 2010.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (SORP 2019) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015 and the Companies Act 2006, and Charities Accounts (Scotland regulations 2006) and Charities and Trustee Investment (Scotland) Act 2005.

The RCN Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements. Accordingly, exemption has been taken in relation to disclosure of remuneration of key management personnel.

The RCN Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the RCN Foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the valuation of investments. Since the market value of investments are dependent on the fluctuation of the open market these are exposed to a degree of uncertainty and speculation.

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2020.

c. Income

All income is accounted for when the RCN Foundation has entitlement to the funds, the amount can be quantified and it is probable that the income will be received.

Income includes interest and dividends receivable from the investment portfolio, donations and legacies to the various restricted funds held by the RCN Foundation, and unrestricted legacies and donations gifted to the RCN Foundation.

Legacy income is accrued at the point that the entitlement and measurability of the amount become known and it is probable that the legacy income will be received. Entitlement in the case of residual and pecuniary legacies is counted from the earlier of estate financial statements being finalised and cash received.

d. Expenditure

Expenditure is recognised on an accruals basis and allocated according to the RCN Foundation's objectives. Charitable activities relate to the objectives which are explained within the Trustees' report of this annual report and financial statements. Restricted expenditure relates to grants and awards paid out under the terms of the individual funds.

Where expenditure cannot be directly allocated under these main categories, they are allocated across activities in the ratio shown below based on actual direct expenditure incurred on the activities.

	31 December 2020 %	31 December 2019 %
Cost of raising funds	9	19
Education and training	11	25
Benevolent fund	73	38
Clinical practice	4	6
Research	3	12

Cost of raising funds

The cost of raising funds relate to the fee paid to the investment managers and other costs incurred by the charity to raise funds for its charitable work.

Objective 1: Education and training

Promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing.

Objective 2: Benevolent funds

Assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

Objective 3: Clinical practice

Supporting the development of clinical practice and the improvement of care.

Objective 4: Research

To fund nursing-led innovation projects and research and development activity to support the development of leading edge clinical practice, educational tools and the improvement of patient care.

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions attached solely relate to the recipient meeting the conditions of the grant. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

The grant payable to RCN UK for the LampLight Support Service is recognised on a yearly basis for the duration of the grant due to the terms of the agreement, which aligns the grant payable to the cost of providing the service in the year.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support cost have been allocated are set out in note 4. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of Trustee meetings and are included within support costs.

e. Irrecoverable value added tax

Where value added tax is incurred and cannot be recovered it is expensed in the Statement of Financial Activities. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f. Tangible assets – software

In 2020 there have been further developments on the customer relationship management phase 2. New features have been implemented into the software and reflected in the financial statements as a transfer from assets under construction to computer software (see note 6).

The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database.

g. Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value, where market value represents the mid-market price on the last trading day before the period end. Investments purchased as part of the treasury management, which are intended to be held for less than one year, are shown as current assets (short-term investments). Investments held to generate longer term income and capital growth are shown within fixed assets. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

h. Endowments

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trusts' terms provide for the expenditure of capital rather than its preservation. Permanent endowment funds are donations that have been given to the RCN Foundation to be held as capital with no power to convert the funds to income. Permanent endowment funds are held by the RCN Foundation as a corporate Trustee and do not form part of the corporate property of the charitable company. Investment income generated from the endowment funds is allocated to these restricted funds.

i. Restricted income funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the Statement of Financial Activities. This includes income arising from endowment funds if it is restricted in use by the donor. Expenditure for the specified purposes is shown as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

j. Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the objects of the RCN Foundation.

k. Designated funds

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the Trustees. The designated funds are set out in note 13.

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a the fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2020 £45,000 (2019: £43,000) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation. The RCN Foundation is planning to spend the remaining funds in the next two to three years.

l. Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

m. Pensions

The RCN UK operates defined benefit and defined contribution schemes. As the RCN Foundation staff are employed by the RCN UK and work for the RCN Foundation in accordance with the Service Level Agreement (SLA) they fall within the pension schemes of the RCN UK.

n. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates.

For the avoidance of doubt there are no critical accounting judgements or estimates applied in these financial statements.

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience during the COVID-19 pandemic. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation's Income, Generation and Investment Committee has reviewed and approved the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged under the best, worst and most likely case scenarios.

The board is of the opinion that in the case of any of the three scenarios, ie, 'Likely,' 'Best' and 'Worse' being materialised, this will not threaten the sustainability and viability of the business as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgments while preparing the financial statements for the business.

2. Donations and legacies

RCN Foundation Group

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Regular giving	10	1	97	107	107	108
Major donors	4,123	135	1,208	–	5,331	135
Legacies	59	196	5	15	64	211
Corporate income and partnership	12	6	238	7	250	13
Other donations	48	28	99	8	147	36
Gift aid	8	1	2	2	10	3
Total	**4,260**	**367**	**1,649**	**139**	**5,909**	**506**

RCN Foundation

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Regular giving	10	1	97	107	107	108
Major donors	3	135	1,208	–	1,211	135
Legacies	59	196	5	15	64	211
Corporate income and partnership	12	6	238	7	250	13
Other donations	21	28	99	8	120	36
Gift aid	8	1	2	2	10	3
Total	**113**	**367**	**1,649**	**139**	**1,762**	**506**

3. Investment income

	31 December 2020 £'000	31 December 2019 £'000
UK equities	279	530
Overseas equities	301	330
UK fixed interest	174	207
Bank interest	5	13
Overseas fixed interest	24	8
Total	**783**	**1,088**

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

4.1. RCN Foundation Group

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries:								
— to organisations	–	–	2,963	535	–	–	2,963	535
— to individuals	–	–	1,907	503	–	–	1,907	503
RCN UK service fee	179	126	231	154	160	153	570	433
Investment management fee	158	157	–	–	–	–	158	157
Fundraising costs	–	4	–	–	–	–	–	4
Trustee costs	–	–	–	–	1	15	1	15
Audit and tax advice	–	–	–	–	22	16	22	16
Publicity and events	–	–	–	3	20	29	20	32
Professional services	–	–	–	44	65	4	65	48
Travel and subsistence	–	–	–	2	2	4	2	6
IT costs	–	–	–	–	2	5	2	5
Miscellaneous cost	–	–	–	–	8	22	8	22
	337	**287**	**5,101**	**1,241**	**280**	**248**	**5,718**	**1,776**
Support costs	27	46	253	202	(280)	(248)	–	–
Total	**364**	**333**	**5,354**	**1,443**	**–**	**–**	**5,718**	**1,776**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee – auditor services of £21,600 including VAT are included in these financial statements (31 December 2019: £11,650). This includes £12,600 for the RCN Foundation (31 December 2019: £11,650) and £9,000 for CHSA (31 December 2019: nil).

The amount spent on direct charitable activities, excluding support costs, compared to total expenditure for the year was 89% in 2020 (31 December 2019: 70%).

4.2. RCN Foundation

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries:								
— to organisations	–	–	625	535	–	–	625	535
— to individuals	–	–	1,907	503	–	–	1,907	503
RCN UK service fee	179	126	206	154	159	153	544	433
Investment management fee	158	157	–	–	–	–	158	157
Fundraising costs	–	4	–	–	–	–	–	4
Trustee costs	–	–	–	–	1	15	1	15
Audit and tax advice	–	–	–	–	13	16	13	16
Publicity and events	–	–	–	3	21	29	21	32
Professional services	–	–	–	44	40	4	40	48
Travel and subsistence	–	–	–	2	2	4	2	6
IT costs	–	–	–	–	2	5	2	5
Miscellaneous cost	–	–	–	–	7	22	7	22
	337	**287**	**2,738**	**1,241**	**245**	**248**	**3,320**	**1,776**
Support costs	27	46	218	202	(245)	(248)	–	–
Total	**364**	**333**	**2,956**	**1,443**	**–**	**–**	**3,320**	**1,776**

Support costs are allocated across the charitable activities and the cost of raising funds based on the actual costs incurred on these activities.

External audit fee — auditor services of £12,600 including VAT are included in these financial statements (31 December 2019: £11,650).

The amount spent on direct charitable activities, excluding support costs, compared to total expenditure for the year was 83% in 2020 (31 December 2019: 70%).

4.3. Expenditure on charitable activities – RCN Foundation Group

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries (note 5):												
— to organisations	80	11	2,722	293	106	30	74	201	(29)	–	2,953	535
— to individuals	166	270	1,728	233	–	–	–	–	–		1,894	503
RCN UK service fee	75	59	80	39	55	56	22	–	–	–	232	154
RCNF funding projects	1	–	–	–	–	–	–	–	1	–	2	–
Care home summit	–	5	–	–	–	–	–	–	–	–	–	5
Specialist nursing programme consultancy fees	7	31	–	–	–	–	–	–	–	–	7	31
LSS evaluation costs	–	–	–	13	–	–	–	–	–	–	–	13
Fees (agency and Just Giving)	–	–	13	–	–	–	–	–	–	–	13	–
	329	**376**	**4,543**	**578**	**161**	**86**	**96**	**201**	**(28)**	**–**	**5,101**	**1,241**
Support costs	25	61	209	94	13	14	8	33	(2)	–	253	202
Total	**354**	**437**	**4,752**	**672**	**174**	**100**	**104**	**234**	**(30)**	**–**	**5,354**	**1,443**

Staff costs – RCN Foundation Group

The RCN Foundation Group does not employ any staff directly. A service level agreement is in place between RCN UK and RCN Foundation for the provision of services to RCN Foundation (RCN service fee) and an arrangement is in place between RCN UK and CHSA for the provision of services to CHSA. Under these arrangements there are seven employees who work for RCN Foundation (31 December 2019: seven employees), one of whom falls into the banding of £60,000 – £70,000 per annum and one of whom falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £9,594 (31 December 2019: £6,859). There is one employee who worked for CHSA (2019: 0) and they did not earn more than £50,000 in 2020.

	31 December 2020 £'000	31 December 2019 £'000
Wages and salaries	363	322
Social security costs	41	35
Other pension costs	40	32
Total	**444**	**389**

4.4. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries (note 5):												
— to organisations	80	11	385	293	106	30	74	201	(29)	–	616	535
— to individuals	166	270	1,728	233	–	–	–	–	–		1,894	503
RCN UK service fee	75	59	54	39	55	56	22	–	–	–	206	154
RCNF funding projects	1	–	–	–	–	–	–	–	1	–	2	–
Care home summit	–	5	–	–	–	–	–	–	–	–	–	5
Specialist nursing programme consultancy fees	7	31	–	–	–	–	–	–	–	–	7	31
LSS evaluation costs	–	–	–	13	–	–	–	–	–	–	–	13
Fees (agency and Just Giving)	–	–	13	–	–	–	–	–	–	–	13	–
	329	**376**	**2,180**	**578**	**161**	**86**	**96**	**201**	**(28)**	**–**	**2,738**	**1,241**
Support costs	25	61	174	94	13	14	8	33	(2)	–	218	202
Total	**354**	**437**	**2,354**	**672**	**174**	**100**	**104**	**234**	**(30)**	**–**	**2,956**	**1,443**

In 2020, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs – RCN Foundation

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and RCN Foundation for the provision of services to RCN Foundation (RCN service fee). Under these arrangements there are seven employees who work for RCN Foundation (31 December 2019: seven employees), one of whom falls into the banding of £60,000 – £70,000 per annum and one of whom falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £9,594 (31 December 2019: £6,859).

	31 December 2020 £'000	31 December 2019 £'000
Wages and salaries	348	322
Social security costs	39	35
Other pension costs	38	32
Total	**425**	**389**

5. Grants payable

Grants payable – RCN Foundation Group

	Unrestricted funds		Restricted funds		Total grants payable	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Balance brought forward at start of period	**92**	**181**	**272**	**253**	**364**	**434**
Awarded in the period:						
Grants and bursaries	2,749	387	2,205	700	4,954	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
Charge to SOFA	**2,720**	**387**	**2,175**	**652**	**4,895**	**1,039**
Paid in period	(1,502)	(476)	(2,261)	(633)	(3,763)	(1,109)
Balance carried forward at the end of the period	**1,310**	**92**	**186**	**272**	**1,496**	**364**
Falling due within one year	1,310	92	186	272	1,496	364
Falling due after one year	–	–	–	–	–	–

Grants payable – RCN Foundation

	Unrestricted funds		Restricted funds		Total grants payable	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Balance brought forward at start of period	**92**	**181**	**272**	**253**	**364**	**434**
Awarded in the period:						
Grants and bursaries	421	387	2,170	700	2,591	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
Charge to SOFA	**392**	**387**	**2,140**	**652**	**2,532**	**1,039**
Paid in period	(465)	(476)	(2,226)	(633)	(2,691)	(1,109)
Balance carried forward at the end of the period	**19**	**92**	**186**	**272**	**205**	**364**
Falling due within one year	19	92	186	272	205	364
Falling due after one year	–	–	–	–	–	–

Grants were awarded as follows:

	RCN Foundation		RCN Foundation Group	
Grants/bursaries to organisations:	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Aneurin Bevan University	–	20	–	20
British Association of Social Workers (BASW)	–	–	90	–
Body & Soul	–	–	98	–
Books Beyond Words	10	–	10	–
British Medical Association	–	–	84	–
Cardiff University	70	130	70	130
Care Workers Charity	–	–	615	–
Cavell Nurses' Trust	–	–	50	–
Chartered Society of Physiotherapists	–	–	35	–
COVID-19 Healthcare Support Appeal (CHSA)	21	–	–	–
College of Paramedics	–	–	150	–
Florence Nightingale Foundation	–	19	–	19
Impact Foundation	6	–	6	–
Institute of Health Visitors	33	–	33	–
Intensive Care Society	–	–	172	–
King's Fund	48	–	48	–
Lamplight Support Services (LSS)	279	284	279	284
London School of Economics (LSE)	1	10	1	10
Northumbria University	4	–	4	–
Nurse Lifeline	–	–	50	–
Pharmacist Support	–	–	44	–
Prison Officers Association (POA) Welfare	–	–	47	–
Queen Mary University (write back)	–	(8)	–	(8)
Queen's Nursing Institute (QNI)	–	30	48	30
RCN -Celebrating Nursing Practice	(29)	–	(29)	–
RCN – Prince of Wales Cadet Scheme	25	–	25	–
Royal College of General Practitioners	–	–	60	–
Royal College of Occupational Therapists	–	–	32	–
Royal Medical Benevolent Fund	–	–	25	–
Sheffield Hallum University	5	25	5	25
Sheffield Teaching Hospital	–	4	–	4
Society of Occupational Medicine	5	20	5	20
TASC (The Ambulance Staff Charity)	–	–	128	–
There for you (UNISON Welfare)	–	–	630	–
University of Edinburgh	118	–	118	–
University of Plymouth	–	1	–	1
University of West London (UWL)	20	–	20	–
Total grants to organisations	**616**	**535**	**2,953**	**535**

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Grants/bursaries to individuals:				
Educational bursaries	169	318	169	318
Educational bursaries write backs	(3)	(48)	(3)	(48)
Benevolent grants	239	233	239	233
COVID-19 related benevolent grants	1,489	–	1,489	–
Total grants to individuals	**1,894**	**503**	**1,894**	**503**

In the year the RCN Foundation Group awarded educational bursaries to 70 individuals (2019: 120) and benevolent grants to 372 individuals (2019: 377). Additionally RCN Foundation Group awarded COVID-19 related grants to 3,318 individuals and 19 organisations. For the full list of the grants awarded to organisations please refer to CHSA Annual Report.

In the year the RCN Foundation awarded educational bursaries to 70 individuals (2019: 120) and benevolent grants to 372 individuals (2019: 377). Additionally RCN Foundation awarded COVID-19 related grants to 3,318 individuals.

6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 January 2020		**14**	**2**	**16**
Disposals		**–**	(2)	(2)
Balance at 31 December 2020		**14**	**–**	**14**
Accumulated depreciation				
Balance at 1 January 2020		**7**	**–**	**7**
Charge for the year		3	**–**	3
Balance at 31 December 2020		**10**	**–**	**10**
Net book value at 31 December 2020		**4**	**–**	**4**
Net book value at 31 December 2019		**7**	**2**	**9**

All fixed assets are owned by the RCN Foundation.

7. Taxation

The RCN Foundation is exempt from tax as all its income is charitable and is applied for charitable purposes.

8. Investments

8.1. Long-term investments

	31 December 2020 £'000	31 December 2019 £'000
Market value at the start of the year	33,802	29,668
Additions at cost	12,238	10,284
Disposals at carrying value	(11,241)	(10,496)
Redemptions	(13)	(304)
Realised gain	611	1,347
Unrealised gain/(loss)	1,876	3,303
Investments at market value at the end of the year	**37,273**	**33,802**
Cash held for reinvestment	314	1,330
Market value at the end of the year	**37,587**	**35,132**
Historic cost at the end of the year	**30,973**	**29,097**

Investments at market value (including short-term investments) comprise:

	31 December 2020 £'000	31 December 2019 £'000
Listed investments		
Fixed interest (Government securities and bonds)	6,258	5,882
UK equities	7,494	8,603
Global equities	19,977	15,363
Alternative assets	2,094	2,065
Property	1,334	1,905
Liquid assets in long-term fund	1,438	1,314
Total	**38,595**	**35,132**

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

Holdings over 5%
None of the investments represented holdings in excess of 5% of the investment portfolio at the start or the end of the period.

8.2. Short-term investments

	31 December 2020 £'000	31 December 2019 £'000
Market value at the start of the year	1,001	1,001
Additions at cost	4,000	4,000
Redemptions	(4,000)	(4,000)
Investments at market value at year end	**1,001**	**1,001**
Cash held for reinvestment	8	–
Market value at the end of the year	**1,009**	**1,001**
Historic cost at end of the year	**1,000**	**1,000**

All investments are owned solely by the RCN Foundation.

9. Debtors

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Prepayments and accrued income	56	77	56	77
Due from RCN UK	28	36	28	36
Sundry debtor	–	12	–	12
Total	**84**	**125**	**84**	**125**

10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year				
Trade Creditors	–	3	–	3
Grants payable (note 5)	205	364	1,496	364
Accruals	59	106	68	106
Due to RCN UK	146	125	155	125
Other creditors	1	12	1	12
Total	**411**	**610**	**1,720**	**610**
Amounts falling due after one year				
Grants payable (note 5)	–	–	–	–
Total	**–**	**–**	**–**	**–**

11. Analysis of net assets between funds

RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fund balances at the end of the period are represented by:								
Software	4	9	–	–	–	–	4	9
Investments	28,116	28,198	8,820	6,268	698	666	37,634	35,132
Current assets	4,334	441	565	2,311	5	–	4,904	2,752
– Current liabilities and provisions	(1,535)	(881)	(233)	272	–	–	(1,768)	(609)
– Non current liabilities	–	–	–	–	–	–	–	–
Total net assets	**30,919**	**27,767**	**9,152**	**8,851**	**703**	**666**	**40,774**	**37,284**

RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Fund balances at the end of the period are represented by:								
Software	4	9	–	–	–	–	4	9
Investments	28,068	28,198	8,820	6,268	698	666	37,586	35,132
Current assets	1,276	441	565	2,311	5	–	1,846	2,752
– Current liabilities and provisions	(178)	(881)	(233)	272	–	–	(411)	(609)
– Non current liabilities	–	–	–	–	–	–	–	–
Total net assets	**29,170**	**27,767**	**9,152**	**8,851**	**703**	**666**	**39,025**	**37,284**

12. Revaluation reserve

	31 December 2019 £'000	Investment unrealised gain £'000	31 December 2020 £'000
Revaluation Reserve	6,035	579	6,614
Total	**6,035**	**579**	**6,614**

In 2020, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation Group year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	**81**	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	**548**	–	–	49	–	**597**
Expendable						
Educational funds	**22**	–	–	(3)	(17)	**2**
Benevolent funds	**–**	–	–	–	–	**–**
Other funds	**15**	–	–	1	–	**16**
Total endowment funds	**666**	–	–	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Edu. Funds	**2,976**	60	(18)	221	–	**3,239**
Trevor Clay Scholarship fund	**348**	6	(49)	31	–	**336**
John Colyer fund	**157**	3	(17)	29	–	**172**
Cowdray Scholarship fund	**–**	–	–	–	–	**–**
Other educational funds	**232**	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF Benevolent funds	**3,966**	198	(239)	228	(249)	**3,904**
Other Benevolent funds	**798**	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	**–**	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	**–**	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**4,892**	**(3,466)**	**1,839**	**–**	**30,339**
Designated funds						
Omaze	557	–	(45)	–	–	**512**
Other designated funds	136	–	(68)	–	–	**68**
Total designated funds	**693**	**–**	**(113)**	**–**	**–**	**580**
Total unrestricted funds	**27,767**	**4,892**	**(3,579)**	**1,839**	**–**	**30,919**
Total funds	**37,284**	**6,722**	**(5,718)**	**2,486**	**–**	**40,774**

13.2. RCN Foundation year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	81	–	–	7	–	**88**
Research fund — Daphne Heald R&D Fund	548	–	–	49	–	**597**
Expendable						
Educational funds	22	–	–	(3)	(17)	**2**
Benevolent funds	–	–	–	–	–	**–**
Other funds	15	–	–	1	–	**16**
Total endowment funds	**666**	**–**	**–**	**54**	**(17)**	**703**
Restricted income funds						
Educational funds						
RCNF Professional Edu. Funds	2,976	60	(18)	221	–	**3,239**
Trevor Clay Scholarship fund	348	6	(49)	31	–	**336**
John Colyer fund	157	3	(17)	29	–	**172**
Cowdray Scholarship fund	–	–	–	–	–	**–**
Other educational funds	232	117	(106)	11	17	**271**
Total educational funds	**3,713**	**186**	**(190)**	**292**	**17**	**4,018**
Benevolent funds						
RCNF Benevolent funds	3,966	198	(239)	228	(249)	**3,904**
Other Benevolent funds	798	1,429	(1,534)	55	249	**997**
Total benevolent funds	**4,764**	**1,627**	**(1,773)**	**283**	**–**	**4,901**
Research funds	**374**	**17**	**(176)**	**18**	**–**	**233**
Total restricted funds	**8,851**	**1,830**	**(2,139)**	**593**	**17**	**9,152**
Unrestricted funds						
General funds	**27,074**	**745**	**(1,068)**	**1,839**	**–**	**28,590**
Designated funds						
Omaze	557	–	(45)	–	–	**512**
Other designated funds	136	–	(68)	–	–	**68**
Total designated funds	**693**	**–**	**(113)**	**–**	**–**	**580**
Total unrestricted funds	**27,767**	**745**	**(1,181)**	**1,839**	**–**	**29,170**
Total funds	**37,284**	**2,575**	**(3,320)**	**2,486**	**–**	**39,025**

13.3. RCN Foundation year end 31 December 2019

	31 December 2018 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2019 £'000
Endowment funds						
Permanent						
Educational funds	165	–	–	20	(104)	**81**
Research fund — Daphne Heald R&D Fund	469	–	–	79	–	**548**
Expendable						
Educational funds	38	–	–	8	(24)	**22**
Benevolent funds	–	–	–	–	–	**–**
Other funds	12	–	–	3	–	**15**
Total endowment funds	**684**	**–**	**–**	**110**	**(128)**	**666**
Restricted income funds						
Educational funds						
RCNF Professional Edu. Funds	1,649	91	(61)	442	855	**2,976**
Trevor Clay Scholarship fund	411	13	(123)	52	(5)	**348**
John Colyer fund	135	5	(31)	48	–	**157**
Cowdray Scholarship fund	254	1	–	8	(263)	**–**
Other educational funds	655	20	(62)	38	(419)	**232**
Total educational funds	**3,104**	**130**	**(277)**	**588**	**168**	**3,713**
Benevolent funds						
RCNF Benevolent funds	3,346	237	(241)	435	189	**3,966**
Other Benevolent funds	862	23	–	102	(189)	**798**
Total benevolent funds	**4,208**	**260**	**(241)**	**537**	**–**	**4,764**
Research funds	**448**	**30**	**(134)**	**30**	**–**	**374**
Total restricted funds	**7,760**	**420**	**(652)**	**1,155**	**168**	**8,851**
Unrestricted funds						
General funds	**23,580**	**1,043**	**(1,081)**	**3,567**	**(35)**	**27,074**
Designated funds						
Omaze	600	–	(43)	–	–	**557**
Other designated funds	6	135	–	–	(5)	**136**
Total designated funds	**606**	**135**	**(43)**	–	**(5)**	**693**
Total unrestricted funds	**24,186**	**1,178**	**(1,124)**	**3,567**	**(40)**	**27,767**
Total funds	**32,630**	**1,598**	**(1,776)**	**4,832**	–	**37,284**

The funds we hold are for the following purposes:

Educational funds

To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

Benevolent funds

To assist nurses who by reason of adversity, ill health or otherwise are in need of assistance.

Research funds

To fund a research and development unit within the RCN and to provide funds to undertake research projects.

Transfers between funds

Phase 1 of the amalgamation of funds started in 2018 and was completed in 2019. In February 2019, the RCN Foundation received an order from the Charity Commission to amalgamate a number of small funds in the RCN Foundation Professional Education Fund and the RCN Foundation Benevolent Fund. The transfers can be found on note 13.

Phase 2 of the amalgamation of funds aims at increasing the spending of restricted funds according to the conditions set by the donors. This phase started in 2019, continued through 2020 and will continue in 2021.

The amalgamation also included any existing endowment for the above funds.

14. Related party transactions

During the year a service charge of £570,549 was incurred by the RCN Foundation Group to RCN based upon the agreed service level agreement to provide staff (31 December 2019: £433,470). As at 31 December 2020, £153,645 is outstanding from RCN Foundation Group to RCN for this service level agreement and arrangement to provide staff.

In 2020, a total of £279,219 (31 December 2019: £284,301) has been paid to RCN for the LampLight Support Service (LSS). A repayment of LSS unused grant of £10,524 from RCN remains outstanding at year end.

15. Remuneration

None of the Trustees received remuneration. Costs incurred by the RCN Foundation Trustees while carrying out Trustee duties amounted to £1,197 in the year (31 December 2019: £15,134). These expenses related to £536 in accommodation and meals and £661 in travel. These costs relate to 10 Trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

16. Ultimate controlling party

The RCN is the sole company member of the RCN Foundation. It discharges that role as a quasi-Trustee by using its membership to further the charitable purposes of the RCN Foundation. However, the RCN Foundation is established for exclusively charitable purposes and the RCN will respect at all times the RCN Foundation's independence as a charity, separate and distinct from the RCN. The ultimate sanction to appoint and dismiss Trustees resides with the RCN. The RCN's principal place of business is 20 Cavendish Square, London, W1G 0RN. The results of the RCN Foundation are included in the consolidated financial statements of the RCN which are available from the above address.

20 Cavendish Square
London W1G 0RN
Tel: 020 7409 3333
rcnfoundation.rcn.org.uk

April 2021
Publication code 009 543

Published by the Royal College of Nursing
The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992

Deloitte.

RCN Foundation and CHSA

Final report to the Audit Committee on the audit for the year ended 31 December 2020

Issued on 19 March 2021 For the meeting on 25 March 2021

Contents

01 Our final report

Introduction	3
Significant risks	4
CHSA	6
Purpose of our report and responsibility statement	40

02 Appendices

Fraud responsibilities and representations	41

© 2021 Deloitte LLP. All rights reserved.

Introduction

The key messages in this report:

We have pleasure in presenting our final report to the Audit Committee for the 2020 audit. We would like to draw your attention to the key messages of this paper:

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

Focus of the audit – significant audit risks

We focused our testing on the following significant risk areas:

- Completeness and cut-off of legacy income; and
- management override of controls.

Conclusions from our testing

We anticipate issuing an unqualified audit opinion on the financial statements for RCNF following satisfactory completion of all outstanding items. Items include:

- Completion and review of revenue testing;
- Full tie through and consistency check of the final version of accounts;
- Finalisation of reviews and clearance of review comments;
- Receipt of letter of representation;
- Completion of procedures in relation to summary financial statements; and
- Update of subsequent events procedures.

We will update the RCN Audit Committee on completion of the above. We have identified no misstatements that remain unadjusted at this time.

CHSA

See page 39 for a summary of work in relation to CHSA. As a time-bound entity, CHSA is expected to be wound up in FY 2021. The accounts are therefore not prepared on a going concern basis.

Determine materiality

Materiality for RCN Foundation is set at £103,000 (2019: £57,000). The increase in materiality here was communicated in our November planning paper.

CHSA materiality is set at £115,900.

We would like to thank the finance team for their support during the audit process.

© 2021 Deloitte LLP. All rights reserved.

Significant risks

Revenue recognition: Completeness and cut-off of Legacies income

Risk identified

ISA 240: The auditor's responsibilities relating to fraud in an audit of financial statements, states that when identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition, evaluate which types of revenue, revenue transactions or assertions give rise to such risks.

The key revenue recognition risk at RCN Foundation (RCNF) has been assessed as being in respect of completeness and cut-off of legacy income, as this source of income at RCN Foundation is subject to high level of unpredictability and can require judgement related to timing of recognition. As per the SORP, recognition is upon entitlement, where amounts can be reliably measured and when receipt is probable. We have tested donations to a higher risk level as our analysis and risk assessment of the balance did not indicate a significant risk or material misstatement in relation to donation income.

Key judgements

The legacies have differing terms so the key judgment by management is around how much income is recognised in the period, and ensuring all income due is recognised at the appropriate time.

Deloitte response

We have updated our understanding of RCNF's income streams to understand the source of income, its nature and how it is received. Additionally we have refreshed our understanding of the procedures that RCNF use to achieve control over the capture, processing and disclosure of these income streams.

We have performed detailed substantive tests on a sample basis by tracing from source document back to the ledger to determine whether the income recognised is appropriate. We have challenged the judgements made around probability of the receipt of the legacy income and where an estimate has been made as to how much to recognise, this has also been challenged.

We have tested the design an implementation of controls in relation to legacy income.

We carried out our assessment of fraud and error through discussion with internal audit, management and the Trustees.

Deloitte view:

Our work on this risk area is in progress. Our testing of the design and implementation of controls concluded satisfactorily. We expect to complete the substantive work on this risk area ahead of the meeting and will update the Committee accordingly.

© 2021 Deloitte LLP. All rights reserved.

Significant risks

Management override of controls

Risk identified

In accordance with ISA 240 (UK and Ireland) management override of controls is always a significant risk. Management are in a unique position to process changes and bias estimates, increasing the risk of misstatement. This is considered a significant risk for all group entities.

Key judgements

Key areas of judgement in this area are the processing of journals, bias in accounting estimates and accounting for significant or unusual transactions.

Deloitte response

We have performed audit procedures to respond to the risk of management's override of control which included:

- an assessment of the design and implementation of the controls in place around the recording and processing of journals;
- obtaining an understanding of the business rationale for any significant transactions that we became aware of that were outside the normal course of business or that otherwise appeared to be unusual given our understanding of the RCN Foundation and its environment;
- a review of accounting estimates for bias that could result in material misstatement due to fraud; and
- testing a sample of journal entries which exhibited indicators of fraud to assess whether they were appropriate and supportable.

Deloitte view:

Our work on this risk area is still in progress in particular the testing and review of the sample selected for journals testing. Our testing of the design and implementation of controls concluded satisfactorily. We expect to complete the substantive work on this risk area ahead of the meeting and will update the Committee accordingly.

© 2021 Deloitte LLP. All rights reserved.

CHSA

Nature of organisation

A large one-off donation was received from TikTok in FY 2020 for c.£5m. This resulted in the Covid-19 Healthcare Support Appeal charitable company being established. It is expected that CHSA will expend these funds in the next few months and CHSA will be wound up.

Focus of our work

We tested 100% of the income and expenditure within CHSA with no issues noted. The significant risk identified is in relation to the occurrence and cut off of CHSA expenditure recognised in the period.

We note that CHSA's accounts are not prepared on a going concern basis as the entity will not exist 12 months from the signing of the financial statements.

This leads to a disclosure from management in relation to this and an emphasis of matter in our audit report.

In the audit plan we noted that management override of controls would be a risk for this entity as it is a presumed risk on all audits.

Deloitte response

We have tested the design and implementation of the key controls in the area of expenditure. We note CHSA is operated in a similar manner to RCNF. We did not identify issues in relation to this.

We also performed tests of detail around restricted expenditure to determine whether or not sample items have been expended in line with the terms of the income allocated to them and confirmed if the remaining amount to be paid under grants has been appropriately recognised in current payables.

As we substantively tested 100% of the income and expenditure within CHSA including the closing cash balance and the current payables, no further testing of journal entries was required. We did not identify areas of significant accounting estimate or judgement. No unusual transactions were identified. The control framework is similar to that tested under RCNF procedures. This addresses the management override of controls presumed risk identified in the audit plan.

Deloitte view:

We did not identify any issues in our testing. There are no corrected or uncorrected misstatements to report in relation to CHSA.

© 2021 Deloitte LLP. All rights reserved.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Board of Trustees discharge its governance duties. It also represents one way in which we fulfil our obligations under ISA 260 (UK and Ireland) to communicate with you regarding your oversight of the financial reporting process and your governance requirements.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the board.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

The scope of our work

Our observations are developed in the context of our audit of the financial statements.

Use of this report

This report has been prepared for the Board of Trustees, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

Deloitte LLP

Statutory Auditor

London | 19 March 2021

© 2021 Deloitte LLP. All rights reserved.

Appendices

3. Fraud responsibilities and representations

Responsibilities explained

Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

Required representations:

We have asked the Board to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you are not aware of any fraud or suspected fraud that affects the entity or group.

We have also asked the Board to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

Audit work performed:

In our planning we identified the risk of fraud in revenue recognition and management override of controls as a key audit risk for your organisation.

During the course of our audit, we have had discussions with management and those charged with governance.

We detailed our response to the risks of revenue recognition and management override on page 9.

We will explain in our audit report (for all entities subject to audit) how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.

Concerns:

We did not identify any areas of concern from our testing performed to date in the course of the audit.

© 2021 Deloitte LLP. All rights reserved.

Deloitte.

This document is confidential and it is not to be copied or made available to any other party. Deloitte LLP does not accept any liability for use of or reliance on the contents of this document by any person save by the intended recipient(s) to the extent agreed in a Deloitte LLP engagement contract.

If this document contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities).

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NWE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2021 Deloitte LLP. All rights reserved.