

# Group Annual Report 2020









# The RCN Foundation Group Annual Report and Financial Statements

## 1 January to 31 December 2020

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**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.**

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# 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](https://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 Needle-makers, 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.

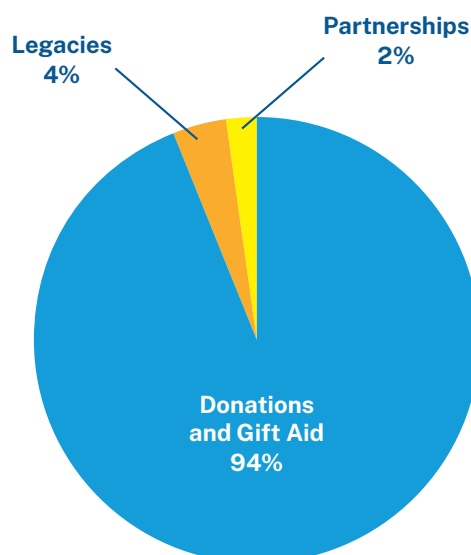
## Income

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

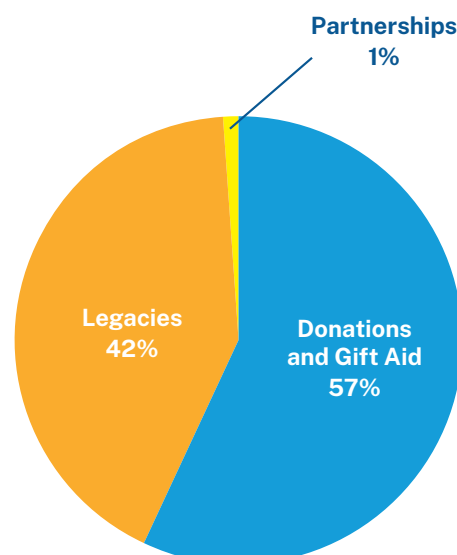
Total income in the year was £2.6m which is 61% higher than the previous year (31 December 2019: £1.6m). The positive variance is attributable to donations from individuals and organisations in an extraordinary response to the COVID-19 pandemic. In 2020, the Foundation facilitated a donation of £5m from 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**



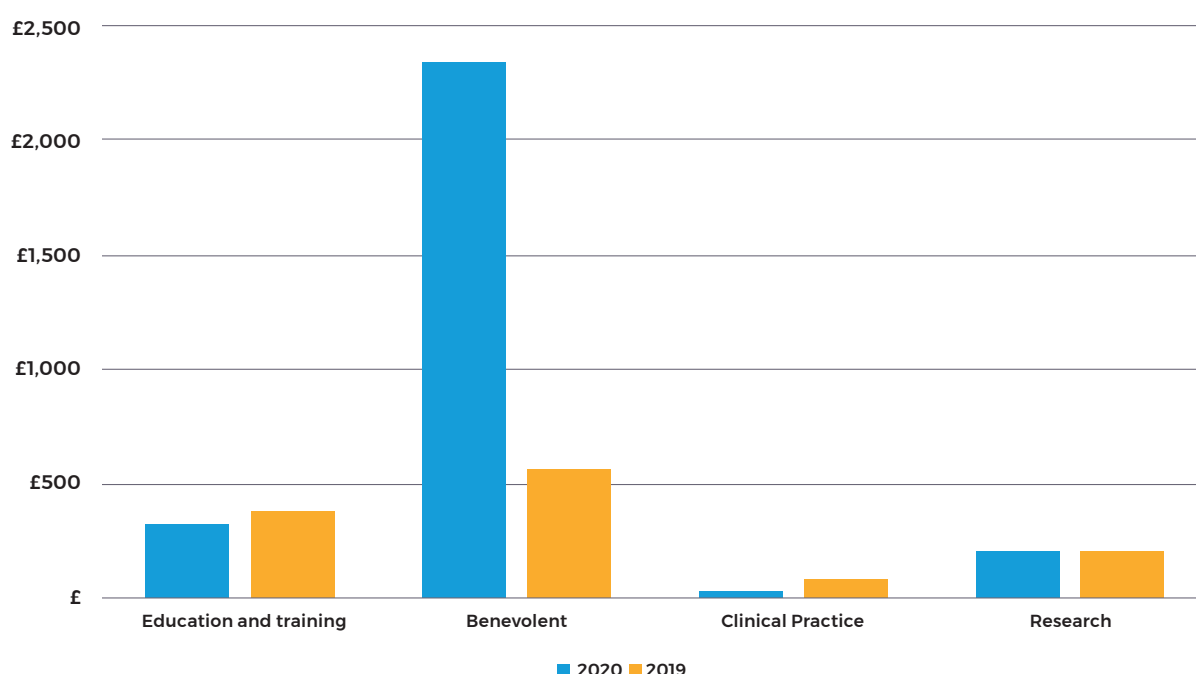
The adverse variance in legacies has been more than offset by the income received from donations and gift aid. Investment income for the year was £783,000 (31 December 2019: £1.1m) of which £602,000 was unrestricted (31 December 2019: £808,000). The RCN Foundation investments reported net gains of £2.5m (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).

### 2020 vs 2019 charitable 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 unrestricted 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](https://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](https://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 subsidiary 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.



## COVERS FOR OTHERS

#CoversForCarers



salt •



## 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.



Inspiration  
HEALTHCARE

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FOUNDATION

STELIOS-UK.FOUNDATION

DRUM



BNI



OrbitRemit<sup>7</sup>  
Online money transfer.

BATIK BAYANI  
#MOVEITIK



10 for 10 challenge

25 to 26 July

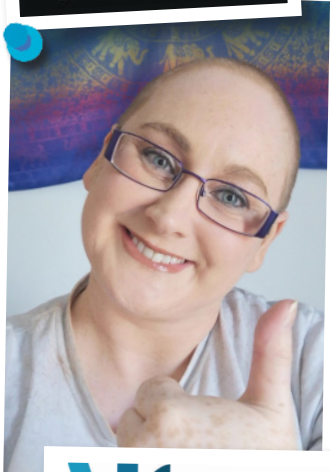


Supporting health and care staff through COVID-19

**CHSA**



**LVE**



**Jefferies**

**BankABC**



**Lisou**

**CAFÉ DIRECT**



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](https://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 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)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	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
<b>Income from:</b>									
<b>Income and endowments</b>									
Donations and legacies	2	113	4,260	1,649	1,649	–	–	1,762	5,909
<b>Income earned from other activities</b>									
Investment income	3	602	602	181	181	–	–	783	783
<b>Income earned from other trading activities</b>									
Sponsorship income		–	–	–	–	–	–	–	–
Licence income		30	30	–	–	–	–	30	30
<b>Total income</b>		<b>745</b>	<b>4,892</b>	<b>1,830</b>	<b>1,830</b>	<b>–</b>	<b>–</b>	<b>2,575</b>	<b>6,722</b>
<b>Expenditure</b>									
<b>Cost of raising funds</b>	<b>4</b>	364	364	–	–	–	–	364	364
<b>Expenditure on charitable activities:</b>									
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
<b>Total expenditure</b>	<b>4</b>	<b>1,181</b>	<b>3,579</b>	<b>2,139</b>	<b>2,139</b>	<b>–</b>	<b>–</b>	<b>3,320</b>	<b>5,718</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>(436)</b>	<b>1,313</b>	<b>(309)</b>	<b>(309)</b>	<b>–</b>	<b>–</b>	<b>(745)</b>	<b>1,004</b>
<b>Net gains/(losses) on investments</b>	<b>13</b>	<b>1,839</b>	<b>1,839</b>	<b>593</b>	<b>593</b>	<b>54</b>	<b>54</b>	<b>2,486</b>	<b>2,486</b>
<b>Net income/(loss) for the year</b>		<b>1,403</b>	<b>3,152</b>	<b>284</b>	<b>284</b>	<b>54</b>	<b>54</b>	<b>1,741</b>	<b>3,490</b>
<b>Transfers between funds</b>		<b>–</b>	<b>–</b>	<b>17</b>	<b>17</b>	<b>(17)</b>	<b>(17)</b>	<b>–</b>	<b>–</b>
<b>Net movement in funds</b>	<b>13</b>	<b>1,403</b>	<b>3,152</b>	<b>301</b>	<b>301</b>	<b>37</b>	<b>37</b>	<b>1,741</b>	<b>3,490</b>
<b>Reconciliation of funds</b>									
<b>Fund balances brought forward at the start of the period</b>	<b>13</b>	<b>27,767</b>	<b>27,767</b>	<b>8,851</b>	<b>8,851</b>	<b>666</b>	<b>666</b>	<b>37,284</b>	<b>37,284</b>
<b>Fund balances carried forward at the end of the period</b>	<b>12</b>	<b>29,170</b>	<b>30,919</b>	<b>9,152</b>	<b>9,152</b>	<b>703</b>	<b>703</b>	<b>39,025</b>	<b>40,774</b>

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.



## Statement of financial activities 31 December 2019 (Incorporating the income and expenditure account)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	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
<b>Income from:</b>									
<b>Income and endowments</b>									
Donations and legacies	2	366	366	140	140	–	–	506	506
<b>Income earned from other activities</b>									
Investment income	3	808	808	280	280	–	–	1,088	1,088
<b>Income earned from other trading activities</b>									
Sponsorship income		4	4	–	–	–	–	4	4
Licence income		–	–	–	–	–	–	–	–
<b>Total income</b>		<b>1,178</b>	<b>1,178</b>	<b>420</b>	<b>420</b>	<b>–</b>	<b>–</b>	<b>1,598</b>	<b>1,598</b>
<b>Expenditure</b>									
<b>Cost of raising funds</b>	<b>4</b>	<b>333</b>	<b>333</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>333</b>	<b>333</b>
<b>Expenditure on charitable activities:</b>									
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
<b>Total expenditure</b>	<b>4</b>	<b>1,124</b>	<b>1,124</b>	<b>652</b>	<b>652</b>	<b>–</b>	<b>–</b>	<b>1,776</b>	<b>1,776</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>54</b>	<b>54</b>	<b>(232)</b>	<b>(232)</b>	<b>–</b>	<b>–</b>	<b>(178)</b>	<b>(178)</b>
<b>Net gains/(losses) on investments</b>	<b>13</b>	<b>3,567</b>	<b>3,567</b>	<b>1,155</b>	<b>1,155</b>	<b>110</b>	<b>110</b>	<b>4,832</b>	<b>4,832</b>
<b>Net income/(loss) for the year</b>		<b>3,621</b>	<b>3,621</b>	<b>923</b>	<b>923</b>	<b>110</b>	<b>110</b>	<b>4,654</b>	<b>4,654</b>
<b>Transfers between funds</b>		<b>(40)</b>	<b>(40)</b>	<b>168</b>	<b>168</b>	<b>(128)</b>	<b>(128)</b>	<b>–</b>	<b>–</b>
<b>Net movement in funds</b>	<b>13</b>	<b>3,581</b>	<b>3,581</b>	<b>1,091</b>	<b>1,091</b>	<b>(18)</b>	<b>(18)</b>	<b>4,654</b>	<b>4,654</b>
<b>Reconciliation of funds</b>									
<b>Fund balances brought forward at the start of the period</b>	<b>13</b>	<b>24,186</b>	<b>24,186</b>	<b>7,760</b>	<b>7,760</b>	<b>684</b>	<b>684</b>	<b>32,630</b>	<b>32,630</b>
<b>Fund balances carried forward at the end of the period</b>	<b>13</b>	<b>27,767</b>	<b>27,767</b>	<b>8,851</b>	<b>8,851</b>	<b>666</b>	<b>666</b>	<b>37,284</b>	<b>37,284</b>

## Balance sheet as at 31 December 2020

		RCN Foundation		RCN Foundation Group	
	Note	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

## Statement of cash flows

		RCN Foundation		RCN Foundation Group	
	Note	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	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.

	<b>31 December 2020</b> %	<b>31 December 2019</b> %
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	
<b>Total</b>	<b>4,260</b>	<b>367</b>	<b>1,649</b>	<b>139</b>	<b>5,909</b>	<b>506</b>	

### 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	
<b>Total</b>	<b>113</b>	<b>367</b>	<b>1,649</b>	<b>139</b>	<b>1,762</b>	<b>506</b>	

## 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
<b>Total</b>	<b>783</b>	<b>1,088</b>

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	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Grants/bursaries:</b>								
— 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
	<b>337</b>	<b>287</b>	<b>5,101</b>	<b>1,241</b>	<b>280</b>	<b>248</b>	<b>5,718</b>	<b>1,776</b>
Support costs	27	46	253	202	(280)	(248)	–	–
<b>Total</b>	<b>364</b>	<b>333</b>	<b>5,354</b>	<b>1,443</b>	<b>–</b>	<b>–</b>	<b>5,718</b>	<b>1,776</b>

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
<b>Grants/bursaries:</b>								
— 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
	<b>337</b>	<b>287</b>	<b>2,738</b>	<b>1,241</b>	<b>245</b>	<b>248</b>	<b>3,320</b>	<b>1,776</b>
Support costs	27	46	218	202	(245)	(248)	–	–
<b>Total</b>	<b>364</b>	<b>333</b>	<b>2,956</b>	<b>1,443</b>	<b>–</b>	<b>–</b>	<b>3,320</b>	<b>1,776</b>

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	2019	2020	2019	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Grants/bursaries (note 5):</b>												
— 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	—
	<b>329</b>	<b>376</b>	<b>4,543</b>	<b>578</b>	<b>161</b>	<b>86</b>	<b>96</b>	<b>201</b>	<b>(28)</b>	<b>—</b>	<b>5,101</b>	<b>1,241</b>
Support costs	25	61	209	94	13	14	8	33	(2)	—	253	202
<b>Total</b>	<b>354</b>	<b>437</b>	<b>4,752</b>	<b>672</b>	<b>174</b>	<b>100</b>	<b>104</b>	<b>234</b>	<b>(30)</b>	<b>—</b>	<b>5,354</b>	<b>1,443</b>

### 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
<b>Total</b>	<b>444</b>	<b>389</b>



#### 4.4. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Grants/bursaries (note 5):</b>												
– 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	–
	<b>329</b>	<b>376</b>	<b>2,180</b>	<b>578</b>	<b>161</b>	<b>86</b>	<b>96</b>	<b>201</b>	<b>(28)</b>	<b>–</b>	<b>2,738</b>	<b>1,241</b>
Support costs	25	61	174	94	13	14	8	33	(2)	–	218	202
<b>Total</b>	<b>354</b>	<b>437</b>	<b>2,354</b>	<b>672</b>	<b>174</b>	<b>100</b>	<b>104</b>	<b>234</b>	<b>(30)</b>	<b>–</b>	<b>2,956</b>	<b>1,443</b>

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
<b>Total</b>	<b>425</b>	<b>389</b>

## 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
<b>Balance brought forward at start of period</b>	<b>92</b>	<b>181</b>	<b>272</b>	<b>253</b>	<b>364</b>	<b>434</b>
<b>Awarded in the period:</b>						
Grants and bursaries	2,749	387	2,205	700	4,954	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
<b>Charge to SOFA</b>	<b>2,720</b>	<b>387</b>	<b>2,175</b>	<b>652</b>	<b>4,895</b>	<b>1,039</b>
Paid in period	(1,502)	(476)	(2,261)	(633)	(3,763)	(1,109)
<b>Balance carried forward at the end of the period</b>	<b>1,310</b>	<b>92</b>	<b>186</b>	<b>272</b>	<b>1,496</b>	<b>364</b>
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
<b>Balance brought forward at start of period</b>	<b>92</b>	<b>181</b>	<b>272</b>	<b>253</b>	<b>364</b>	<b>434</b>
<b>Awarded in the period:</b>						
Grants and bursaries	421	387	2,170	700	2,591	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
<b>Charge to SOFA</b>	<b>392</b>	<b>387</b>	<b>2,140</b>	<b>652</b>	<b>2,532</b>	<b>1,039</b>
Paid in period	(465)	(476)	(2,226)	(633)	(2,691)	(1,109)
<b>Balance carried forward at the end of the period</b>	<b>19</b>	<b>92</b>	<b>186</b>	<b>272</b>	<b>205</b>	<b>364</b>
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	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
<b>Grants/bursaries to organisations:</b>				
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 Hallam 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	–
<b>Total grants to organisations</b>	<b>616</b>	<b>535</b>	<b>2,953</b>	<b>535</b>

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
<b>Grants/bursaries to individuals:</b>				
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	–
<b>Total grants to individuals</b>	<b>1,894</b>	<b>503</b>	<b>1,894</b>	<b>503</b>

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
<b>Cost or valuation</b>				
Balance at 1 January 2020		14	2	16
Disposals		–	(2)	(2)
<b>Balance at 31 December 2020</b>		<b>14</b>	<b>–</b>	<b>14</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2020		7	–	7
Charge for the year		3	–	3
<b>Balance at 31 December 2020</b>		<b>10</b>	<b>–</b>	<b>10</b>
<b>Net book value at 31 December 2020</b>		<b>4</b>	<b>–</b>	<b>4</b>
<b>Net book value at 31 December 2019</b>		<b>7</b>	<b>2</b>	<b>9</b>

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
<b>Investments at market value at the end of the year</b>	<b>37,273</b>	<b>33,802</b>
Cash held for reinvestment	314	1,330
<b>Market value at the end of the year</b>	<b>37,587</b>	<b>35,132</b>
<b>Historic cost at the end of the year</b>	<b>30,973</b>	<b>29,097</b>

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

	31 December 2020 £'000	31 December 2019 £'000
<b>Listed investments</b>		
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
<b>Total</b>	<b>38,595</b>	<b>35,132</b>

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)
<b>Investments at market value at year end</b>	<b>1,001</b>	<b>1,001</b>
Cash held for reinvestment	8	–
<b>Market value at the end of the year</b>	<b>1,009</b>	<b>1,001</b>
<b>Historic cost at end of the year</b>	<b>1,000</b>	<b>1,000</b>

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
<b>Total</b>	<b>84</b>	<b>125</b>	<b>84</b>	<b>125</b>

## 10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
<b>Amounts falling due within one year</b>				
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
<b>Total</b>	<b>411</b>	<b>610</b>	<b>1,720</b>	<b>610</b>
<b>Amounts falling due after one year</b>				
Grants payable (note 5)	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 11. Analysis of net assets between funds

### RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fund balances at the end of the period are represented by:</b>								
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	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>30,919</b>	<b>27,767</b>	<b>9,152</b>	<b>8,851</b>	<b>703</b>	<b>666</b>	<b>40,774</b>	<b>37,284</b>

### RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fund balances at the end of the period are represented by:</b>								
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	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>29,170</b>	<b>27,767</b>	<b>9,152</b>	<b>8,851</b>	<b>703</b>	<b>666</b>	<b>39,025</b>	<b>37,284</b>

## 12. Revaluation reserve

	31 December 2019	Investment unrealised gain	31 December 2020
	£'000	£'000	£'000
Revaluation Reserve	6,035	579	6,614
<b>Total</b>	<b>6,035</b>	<b>579</b>	<b>6,614</b>

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
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	81	-	-	7	-	88
Research fund — Daphne Heald R&D Fund	548	-	-	49	-	597
<b>Expendable</b>						
Educational funds	22	-	-	(3)	(17)	2
Benevolent funds	-	-	-	-	-	-
Other funds	15	-	-	1	-	16
<b>Total endowment funds</b>	<b>666</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>(17)</b>	<b>703</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
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
<b>Total educational funds</b>	<b>3,713</b>	<b>186</b>	<b>(190)</b>	<b>292</b>	<b>17</b>	<b>4,018</b>
<b>Benevolent funds</b>						
RCNF Benevolent funds	3,966	198	(239)	228	(249)	3,904
Other Benevolent funds	798	1,429	(1,534)	55	249	997
<b>Total benevolent funds</b>	<b>4,764</b>	<b>1,627</b>	<b>(1,773)</b>	<b>283</b>	<b>-</b>	<b>4,901</b>
<b>Research funds</b>	<b>374</b>	<b>17</b>	<b>(176)</b>	<b>18</b>	<b>-</b>	<b>233</b>
<b>Total restricted funds</b>	<b>8,851</b>	<b>1,830</b>	<b>(2,139)</b>	<b>593</b>	<b>17</b>	<b>9,152</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>27,074</b>	<b>4,892</b>	<b>(3,466)</b>	<b>1,839</b>	<b>-</b>	<b>30,339</b>
<b>Designated funds</b>						
Omaze	557	-	(45)	-	-	512
Other designated funds	136	-	(68)	-	-	68
<b>Total designated funds</b>	<b>693</b>	<b>-</b>	<b>(113)</b>	<b>-</b>	<b>-</b>	<b>580</b>
<b>Total unrestricted funds</b>	<b>27,767</b>	<b>4,892</b>	<b>(3,579)</b>	<b>1,839</b>	<b>-</b>	<b>30,919</b>
<b>Total funds</b>	<b>37,284</b>	<b>6,722</b>	<b>(5,718)</b>	<b>2,486</b>	<b>-</b>	<b>40,774</b>

## 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
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	81	-	-	7	-	<b>88</b>
Research fund — Daphne Heald R&D Fund	548	-	-	49	-	<b>597</b>
<b>Expendable</b>						
Educational funds	22	-	-	(3)	(17)	<b>2</b>
Benevolent funds	-	-	-	-	-	<b>-</b>
Other funds	15	-	-	1	-	<b>16</b>
<b>Total endowment funds</b>	<b>666</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>(17)</b>	<b>703</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
RCNF Professional Edu. Funds	2,976	60	(18)	221	-	<b>3,239</b>
Trevor Clay Scholarship fund	348	6	(49)	31	-	<b>336</b>
John Colyer fund	157	3	(17)	29	-	<b>172</b>
Cowdray Scholarship fund	-	-	-	-	-	<b>-</b>
Other educational funds	232	117	(106)	11	17	<b>271</b>
<b>Total educational funds</b>	<b>3,713</b>	<b>186</b>	<b>(190)</b>	<b>292</b>	<b>17</b>	<b>4,018</b>
<b>Benevolent funds</b>						
RCNF Benevolent funds	3,966	198	(239)	228	(249)	<b>3,904</b>
Other Benevolent funds	798	1,429	(1,534)	55	249	<b>997</b>
<b>Total benevolent funds</b>	<b>4,764</b>	<b>1,627</b>	<b>(1,773)</b>	<b>283</b>	<b>-</b>	<b>4,901</b>
<b>Research funds</b>	<b>374</b>	<b>17</b>	<b>(176)</b>	<b>18</b>	<b>-</b>	<b>233</b>
<b>Total restricted funds</b>	<b>8,851</b>	<b>1,830</b>	<b>(2,139)</b>	<b>593</b>	<b>17</b>	<b>9,152</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>27,074</b>	<b>745</b>	<b>(1,068)</b>	<b>1,839</b>	<b>-</b>	<b>28,590</b>
<b>Designated funds</b>						
Omaze	557	-	(45)	-	-	<b>512</b>
Other designated funds	136	-	(68)	-	-	<b>68</b>
<b>Total designated funds</b>	<b>693</b>	<b>-</b>	<b>(113)</b>	<b>-</b>	<b>-</b>	<b>580</b>
<b>Total unrestricted funds</b>	<b>27,767</b>	<b>745</b>	<b>(1,181)</b>	<b>1,839</b>	<b>-</b>	<b>29,170</b>
<b>Total funds</b>	<b>37,284</b>	<b>2,575</b>	<b>(3,320)</b>	<b>2,486</b>	<b>-</b>	<b>39,025</b>



### 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
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	165	–	–	20	(104)	<b>81</b>
Research fund – Daphne Heald R&D Fund	469	–	–	79	–	<b>548</b>
<b>Expendable</b>						
Educational funds	38	–	–	8	(24)	<b>22</b>
Benevolent funds	–	–	–	–	–	<b>–</b>
Other funds	12	–	–	3	–	<b>15</b>
<b>Total endowment funds</b>	<b>684</b>	<b>–</b>	<b>–</b>	<b>110</b>	<b>(128)</b>	<b>666</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
RCNF Professional Edu. Funds	1,649	91	(61)	442	855	<b>2,976</b>
Trevor Clay Scholarship fund	411	13	(123)	52	(5)	<b>348</b>
John Colyer fund	135	5	(31)	48	–	<b>157</b>
Cowdray Scholarship fund	254	1	–	8	(263)	<b>–</b>
Other educational funds	655	20	(62)	38	(419)	<b>232</b>
<b>Total educational funds</b>	<b>3,104</b>	<b>130</b>	<b>(277)</b>	<b>588</b>	<b>168</b>	<b>3,713</b>
<b>Benevolent funds</b>						
RCNF Benevolent funds	3,346	237	(241)	435	189	<b>3,966</b>
Other Benevolent funds	862	23	–	102	(189)	<b>798</b>
<b>Total benevolent funds</b>	<b>4,208</b>	<b>260</b>	<b>(241)</b>	<b>537</b>	<b>–</b>	<b>4,764</b>
<b>Research funds</b>	<b>448</b>	<b>30</b>	<b>(134)</b>	<b>30</b>	<b>–</b>	<b>374</b>
<b>Total restricted funds</b>	<b>7,760</b>	<b>420</b>	<b>(652)</b>	<b>1,155</b>	<b>168</b>	<b>8,851</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>23,580</b>	<b>1,043</b>	<b>(1,081)</b>	<b>3,567</b>	<b>(35)</b>	<b>27,074</b>
<b>Designated funds</b>						
Omaze	600	–	(43)	–	–	<b>557</b>
Other designated funds	6	135	–	–	(5)	<b>136</b>
<b>Total designated funds</b>	<b>606</b>	<b>135</b>	<b>(43)</b>	<b>–</b>	<b>(5)</b>	<b>693</b>
<b>Total unrestricted funds</b>	<b>24,186</b>	<b>1,178</b>	<b>(1,124)</b>	<b>3,567</b>	<b>(40)</b>	<b>27,767</b>
<b>Total funds</b>	<b>32,630</b>	<b>1,598</b>	<b>(1,776)</b>	<b>4,832</b>	<b>–</b>	<b>37,284</b>

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.





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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



# Group Annual Report 2020









# The RCN Foundation Group Annual Report and Financial Statements

## 1 January to 31 December 2020

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**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.**

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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](mailto: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](https://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 Needle makers, 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.

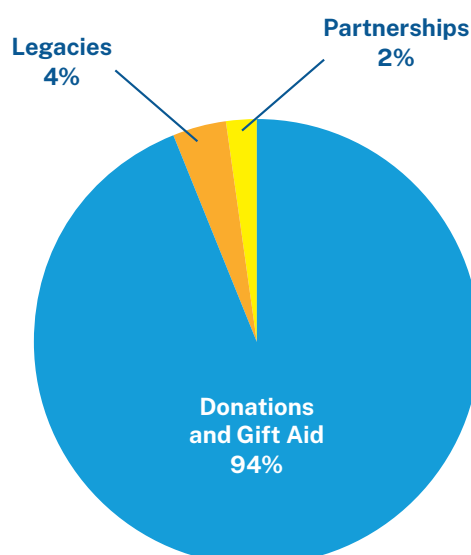
## Income

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

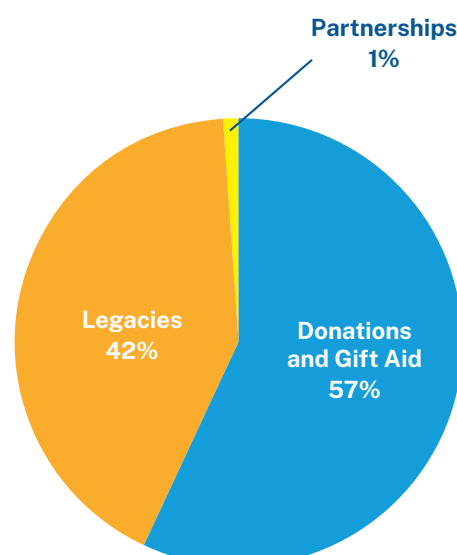
Total income in the year was £2.6m which is 61% higher than the previous year (31 December 2019: £1.6m). The positive variance is attributable to donations from individuals and organisations in an extraordinary response to the COVID-19 pandemic. In 2020, the Foundation facilitated a donation of £5m from 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**



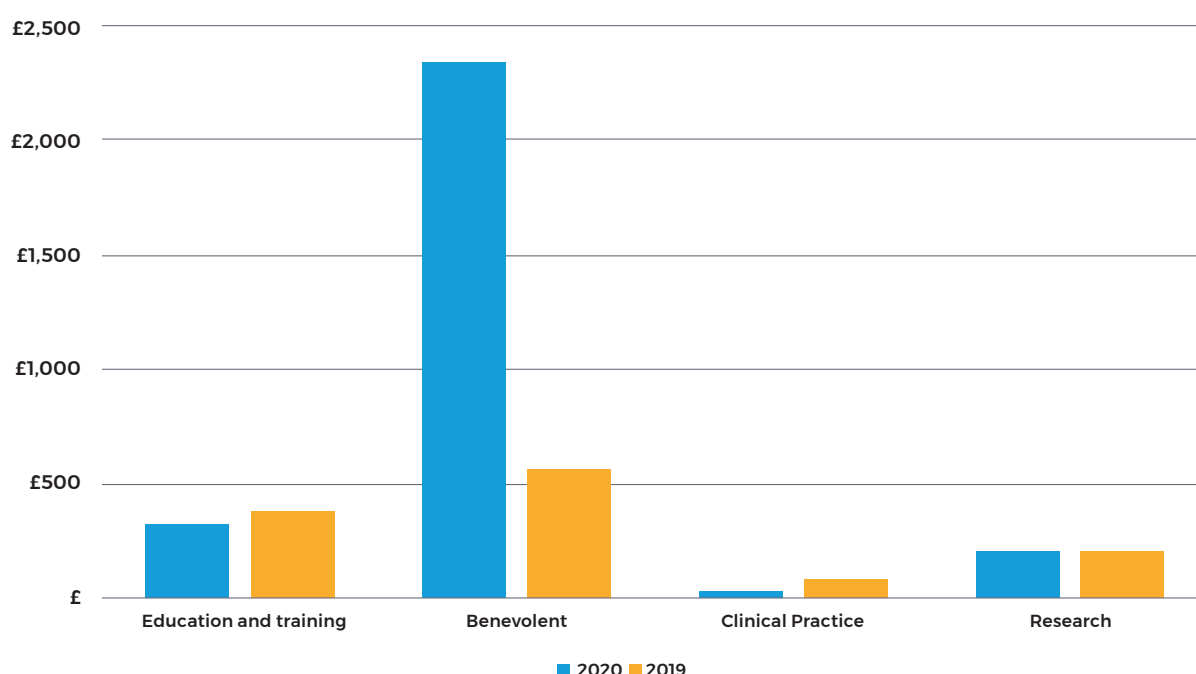
The adverse variance in legacies has been more than offset by the income received from donations and gift aid. Investment income for the year was £783,000 (31 December 2019: £1.1m) of which £602,000 was unrestricted (31 December 2019: £808,000). The RCN Foundation investments reported net gains of £2.5m (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).

### 2020 vs 2019 charitable 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 unrestricted 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](https://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](https://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 subsidiary 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.





## COVERS FOR OTHERS

#CoversForCarers



salt •



## 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.



Inspiration  
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FOUNDATION

STELIOS-UK.FOUNDATION

DRUM



BNI



OrbitRemit<sup>7</sup>  
Online money transfer.

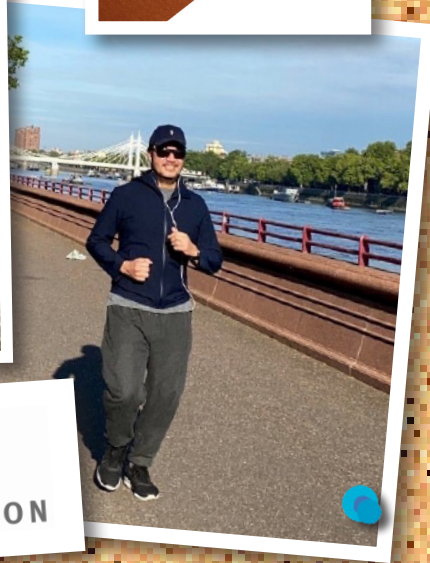
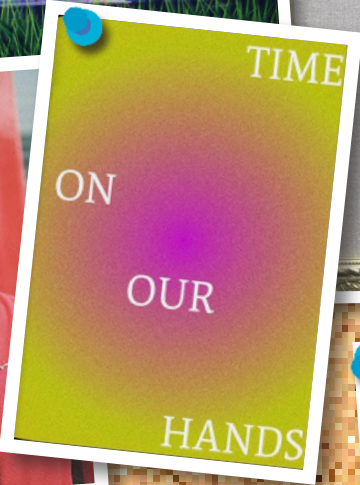
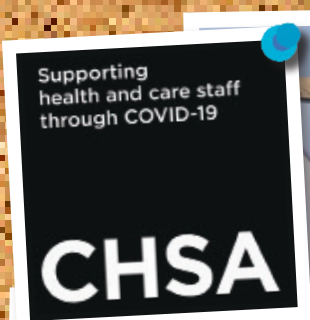
BATIK BAYANI  
#MOVEITIK



10 for 10 challenge

25 to 26 July





# 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](https://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 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)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	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
<b>Income from:</b>									
<b>Income and endowments</b>									
Donations and legacies	2	113	4,260	1,649	1,649	–	–	1,762	5,909
<b>Income earned from other activities</b>									
Investment income	3	602	602	181	181	–	–	783	783
<b>Income earned from other trading activities</b>									
Sponsorship income		–	–	–	–	–	–	–	–
Licence income		30	30	–	–	–	–	30	30
<b>Total income</b>		<b>745</b>	<b>4,892</b>	<b>1,830</b>	<b>1,830</b>	<b>–</b>	<b>–</b>	<b>2,575</b>	<b>6,722</b>
<b>Expenditure</b>									
<b>Cost of raising funds</b>	<b>4</b>	364	364	–	–	–	–	364	364
<b>Expenditure on charitable activities:</b>									
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
<b>Total expenditure</b>	<b>4</b>	<b>1,181</b>	<b>3,579</b>	<b>2,139</b>	<b>2,139</b>	<b>–</b>	<b>–</b>	<b>3,320</b>	<b>5,718</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>(436)</b>	<b>1,313</b>	<b>(309)</b>	<b>(309)</b>	<b>–</b>	<b>–</b>	<b>(745)</b>	<b>1,004</b>
<b>Net gains/(losses) on investments</b>	<b>13</b>	<b>1,839</b>	<b>1,839</b>	<b>593</b>	<b>593</b>	<b>54</b>	<b>54</b>	<b>2,486</b>	<b>2,486</b>
<b>Net income/(loss) for the year</b>		<b>1,403</b>	<b>3,152</b>	<b>284</b>	<b>284</b>	<b>54</b>	<b>54</b>	<b>1,741</b>	<b>3,490</b>
<b>Transfers between funds</b>		<b>–</b>	<b>–</b>	<b>17</b>	<b>17</b>	<b>(17)</b>	<b>(17)</b>	<b>–</b>	<b>–</b>
<b>Net movement in funds</b>	<b>13</b>	<b>1,403</b>	<b>3,152</b>	<b>301</b>	<b>301</b>	<b>37</b>	<b>37</b>	<b>1,741</b>	<b>3,490</b>
<b>Reconciliation of funds</b>									
<b>Fund balances brought forward at the start of the period</b>	<b>13</b>	<b>27,767</b>	<b>27,767</b>	<b>8,851</b>	<b>8,851</b>	<b>666</b>	<b>666</b>	<b>37,284</b>	<b>37,284</b>
<b>Fund balances carried forward at the end of the period</b>	<b>12</b>	<b>29,170</b>	<b>30,919</b>	<b>9,152</b>	<b>9,152</b>	<b>703</b>	<b>703</b>	<b>39,025</b>	<b>40,774</b>

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.

## Statement of financial activities 31 December 2019 (Incorporating the income and expenditure account)

		Unrestricted funds		Restricted funds		Endowment funds			
	Note	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
<b>Income from:</b>									
<b>Income and endowments</b>									
Donations and legacies	2	366	366	140	140	–	–	506	506
<b>Income earned from other activities</b>									
Investment income	3	808	808	280	280	–	–	1,088	1,088
<b>Income earned from other trading activities</b>									
Sponsorship income		4	4	–	–	–	–	4	4
Licence income		–	–	–	–	–	–	–	–
<b>Total income</b>		<b>1,178</b>	<b>1,178</b>	<b>420</b>	<b>420</b>	<b>–</b>	<b>–</b>	<b>1,598</b>	<b>1,598</b>
<b>Expenditure</b>									
<b>Cost of raising funds</b>	4	333	333	–	–	–	–	333	333
<b>Expenditure on charitable activities:</b>									
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
<b>Total expenditure</b>	4	<b>1,124</b>	<b>1,124</b>	<b>652</b>	<b>652</b>	<b>–</b>	<b>–</b>	<b>1,776</b>	<b>1,776</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>54</b>	<b>54</b>	<b>(232)</b>	<b>(232)</b>	<b>–</b>	<b>–</b>	<b>(178)</b>	<b>(178)</b>
<b>Net gains/(losses) on investments</b>	13	<b>3,567</b>	<b>3,567</b>	<b>1,155</b>	<b>1,155</b>	<b>110</b>	<b>110</b>	<b>4,832</b>	<b>4,832</b>
<b>Net income/(loss) for the year</b>		<b>3,621</b>	<b>3,621</b>	<b>923</b>	<b>923</b>	<b>110</b>	<b>110</b>	<b>4,654</b>	<b>4,654</b>
<b>Transfers between funds</b>		<b>(40)</b>	<b>(40)</b>	<b>168</b>	<b>168</b>	<b>(128)</b>	<b>(128)</b>	<b>–</b>	<b>–</b>
<b>Net movement in funds</b>	13	<b>3,581</b>	<b>3,581</b>	<b>1,091</b>	<b>1,091</b>	<b>(18)</b>	<b>(18)</b>	<b>4,654</b>	<b>4,654</b>
<b>Reconciliation of funds</b>									
<b>Fund balances brought forward at the start of the period</b>	13	<b>24,186</b>	<b>24,186</b>	<b>7,760</b>	<b>7,760</b>	<b>684</b>	<b>684</b>	<b>32,630</b>	<b>32,630</b>
<b>Fund balances carried forward at the end of the period</b>	13	<b>27,767</b>	<b>27,767</b>	<b>8,851</b>	<b>8,851</b>	<b>666</b>	<b>666</b>	<b>37,284</b>	<b>37,284</b>



## Balance sheet as at 31 December 2020

		RCN Foundation		RCN Foundation Group	
	Note	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

## Statement of cash flows

		RCN Foundation		RCN Foundation Group	
	Note	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	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.

	<b>31 December 2020</b> %	<b>31 December 2019</b> %
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	
<b>Total</b>	<b>4,260</b>	<b>367</b>	<b>1,649</b>	<b>139</b>	<b>5,909</b>	<b>506</b>	

### 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	
<b>Total</b>	<b>113</b>	<b>367</b>	<b>1,649</b>	<b>139</b>	<b>1,762</b>	<b>506</b>	

## 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
<b>Total</b>	<b>783</b>	<b>1,088</b>

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	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Grants/bursaries:</b>								
— 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
	<b>337</b>	<b>287</b>	<b>5,101</b>	<b>1,241</b>	<b>280</b>	<b>248</b>	<b>5,718</b>	<b>1,776</b>
Support costs	27	46	253	202	(280)	(248)	–	–
<b>Total</b>	<b>364</b>	<b>333</b>	<b>5,354</b>	<b>1,443</b>	<b>–</b>	<b>–</b>	<b>5,718</b>	<b>1,776</b>

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
<b>Grants/bursaries:</b>								
— 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
	<b>337</b>	<b>287</b>	<b>2,738</b>	<b>1,241</b>	<b>245</b>	<b>248</b>	<b>3,320</b>	<b>1,776</b>
Support costs	27	46	218	202	(245)	(248)	–	–
<b>Total</b>	<b>364</b>	<b>333</b>	<b>2,956</b>	<b>1,443</b>	<b>–</b>	<b>–</b>	<b>3,320</b>	<b>1,776</b>

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	2019	2020	2019	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Grants/bursaries (note 5):</b>												
— 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	–
	<b>329</b>	<b>376</b>	<b>4,543</b>	<b>578</b>	<b>161</b>	<b>86</b>	<b>96</b>	<b>201</b>	<b>(28)</b>	<b>–</b>	<b>5,101</b>	<b>1,241</b>
Support costs	25	61	209	94	13	14	8	33	(2)	–	253	202
<b>Total</b>	<b>354</b>	<b>437</b>	<b>4,752</b>	<b>672</b>	<b>174</b>	<b>100</b>	<b>104</b>	<b>234</b>	<b>(30)</b>	<b>–</b>	<b>5,354</b>	<b>1,443</b>

### 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
<b>Total</b>	<b>444</b>	<b>389</b>

#### 4.4. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Grants/bursaries (note 5):</b>												
– 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	–
	<b>329</b>	<b>376</b>	<b>2,180</b>	<b>578</b>	<b>161</b>	<b>86</b>	<b>96</b>	<b>201</b>	<b>(28)</b>	<b>–</b>	<b>2,738</b>	<b>1,241</b>
Support costs	25	61	174	94	13	14	8	33	(2)	–	218	202
<b>Total</b>	<b>354</b>	<b>437</b>	<b>2,354</b>	<b>672</b>	<b>174</b>	<b>100</b>	<b>104</b>	<b>234</b>	<b>(30)</b>	<b>–</b>	<b>2,956</b>	<b>1,443</b>

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
<b>Total</b>	<b>425</b>	<b>389</b>

## 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
<b>Balance brought forward at start of period</b>	<b>92</b>	<b>181</b>	<b>272</b>	<b>253</b>	<b>364</b>	<b>434</b>
<b>Awarded in the period:</b>						
Grants and bursaries	2,749	387	2,205	700	4,954	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
<b>Charge to SOFA</b>	<b>2,720</b>	<b>387</b>	<b>2,175</b>	<b>652</b>	<b>4,895</b>	<b>1,039</b>
Paid in period	(1,502)	(476)	(2,261)	(633)	(3,763)	(1,109)
<b>Balance carried forward at the end of the period</b>	<b>1,310</b>	<b>92</b>	<b>186</b>	<b>272</b>	<b>1,496</b>	<b>364</b>
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
<b>Balance brought forward at start of period</b>	<b>92</b>	<b>181</b>	<b>272</b>	<b>253</b>	<b>364</b>	<b>434</b>
<b>Awarded in the period:</b>						
Grants and bursaries	421	387	2,170	700	2,591	1,087
Unused awards written back	(29)	–	(30)	(48)	(59)	(48)
<b>Charge to SOFA</b>	<b>392</b>	<b>387</b>	<b>2,140</b>	<b>652</b>	<b>2,532</b>	<b>1,039</b>
Paid in period	(465)	(476)	(2,226)	(633)	(2,691)	(1,109)
<b>Balance carried forward at the end of the period</b>	<b>19</b>	<b>92</b>	<b>186</b>	<b>272</b>	<b>205</b>	<b>364</b>
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	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
<b>Grants/bursaries to organisations:</b>				
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 Hallam 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	–
<b>Total grants to organisations</b>	<b>616</b>	<b>535</b>	<b>2,953</b>	<b>535</b>



	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
<b>Grants/bursaries to individuals:</b>				
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	–
<b>Total grants to individuals</b>	<b>1,894</b>	<b>503</b>	<b>1,894</b>	<b>503</b>

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
<b>Cost or valuation</b>				
Balance at 1 January 2020		14	2	16
Disposals		–	(2)	(2)
<b>Balance at 31 December 2020</b>		<b>14</b>	<b>–</b>	<b>14</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2020		7	–	7
Charge for the year		3	–	3
<b>Balance at 31 December 2020</b>		<b>10</b>	<b>–</b>	<b>10</b>
<b>Net book value at 31 December 2020</b>		<b>4</b>	<b>–</b>	<b>4</b>
<b>Net book value at 31 December 2019</b>		<b>7</b>	<b>2</b>	<b>9</b>

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
<b>Investments at market value at the end of the year</b>	<b>37,273</b>	<b>33,802</b>
Cash held for reinvestment	314	1,330
<b>Market value at the end of the year</b>	<b>37,587</b>	<b>35,132</b>
<b>Historic cost at the end of the year</b>	<b>30,973</b>	<b>29,097</b>

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

	31 December 2020 £'000	31 December 2019 £'000
<b>Listed investments</b>		
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
<b>Total</b>	<b>38,595</b>	<b>35,132</b>

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)
<b>Investments at market value at year end</b>	<b>1,001</b>	<b>1,001</b>
Cash held for reinvestment	8	–
<b>Market value at the end of the year</b>	<b>1,009</b>	<b>1,001</b>
<b>Historic cost at end of the year</b>	<b>1,000</b>	<b>1,000</b>

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
<b>Total</b>	<b>84</b>	<b>125</b>	<b>84</b>	<b>125</b>

## 10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
<b>Amounts falling due within one year</b>				
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
<b>Total</b>	<b>411</b>	<b>610</b>	<b>1,720</b>	<b>610</b>
<b>Amounts falling due after one year</b>				
Grants payable (note 5)	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 11. Analysis of net assets between funds

### RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fund balances at the end of the period are represented by:</b>								
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	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>30,919</b>	<b>27,767</b>	<b>9,152</b>	<b>8,851</b>	<b>703</b>	<b>666</b>	<b>40,774</b>	<b>37,284</b>

### RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020	2019	2020	2019	2020	2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fund balances at the end of the period are represented by:</b>								
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	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>29,170</b>	<b>27,767</b>	<b>9,152</b>	<b>8,851</b>	<b>703</b>	<b>666</b>	<b>39,025</b>	<b>37,284</b>

## 12. Revaluation reserve

	31 December 2019	Investment unrealised gain	31 December 2020
	£'000	£'000	£'000
Revaluation Reserve	6,035	579	6,614
<b>Total</b>	<b>6,035</b>	<b>579</b>	<b>6,614</b>

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
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	81	-	-	7	-	88
Research fund — Daphne Heald R&D Fund	548	-	-	49	-	597
<b>Expendable</b>						
Educational funds	22	-	-	(3)	(17)	2
Benevolent funds	-	-	-	-	-	-
Other funds	15	-	-	1	-	16
<b>Total endowment funds</b>	<b>666</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>(17)</b>	<b>703</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
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
<b>Total educational funds</b>	<b>3,713</b>	<b>186</b>	<b>(190)</b>	<b>292</b>	<b>17</b>	<b>4,018</b>
<b>Benevolent funds</b>						
RCNF Benevolent funds	3,966	198	(239)	228	(249)	3,904
Other Benevolent funds	798	1,429	(1,534)	55	249	997
<b>Total benevolent funds</b>	<b>4,764</b>	<b>1,627</b>	<b>(1,773)</b>	<b>283</b>	<b>-</b>	<b>4,901</b>
<b>Research funds</b>	<b>374</b>	<b>17</b>	<b>(176)</b>	<b>18</b>	<b>-</b>	<b>233</b>
<b>Total restricted funds</b>	<b>8,851</b>	<b>1,830</b>	<b>(2,139)</b>	<b>593</b>	<b>17</b>	<b>9,152</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>27,074</b>	<b>4,892</b>	<b>(3,466)</b>	<b>1,839</b>	<b>-</b>	<b>30,339</b>
<b>Designated funds</b>						
Omaze	557	-	(45)	-	-	512
Other designated funds	136	-	(68)	-	-	68
<b>Total designated funds</b>	<b>693</b>	<b>-</b>	<b>(113)</b>	<b>-</b>	<b>-</b>	<b>580</b>
<b>Total unrestricted funds</b>	<b>27,767</b>	<b>4,892</b>	<b>(3,579)</b>	<b>1,839</b>	<b>-</b>	<b>30,919</b>
<b>Total funds</b>	<b>37,284</b>	<b>6,722</b>	<b>(5,718)</b>	<b>2,486</b>	<b>-</b>	<b>40,774</b>



## 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
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	81	-	-	7	-	88
Research fund — Daphne Heald R&D Fund	548	-	-	49	-	597
<b>Expendable</b>						
Educational funds	22	-	-	(3)	(17)	2
Benevolent funds	-	-	-	-	-	-
Other funds	15	-	-	1	-	16
<b>Total endowment funds</b>	<b>666</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>(17)</b>	<b>703</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
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
<b>Total educational funds</b>	<b>3,713</b>	<b>186</b>	<b>(190)</b>	<b>292</b>	<b>17</b>	<b>4,018</b>
<b>Benevolent funds</b>						
RCNF Benevolent funds	3,966	198	(239)	228	(249)	3,904
Other Benevolent funds	798	1,429	(1,534)	55	249	997
<b>Total benevolent funds</b>	<b>4,764</b>	<b>1,627</b>	<b>(1,773)</b>	<b>283</b>	<b>-</b>	<b>4,901</b>
<b>Research funds</b>	<b>374</b>	<b>17</b>	<b>(176)</b>	<b>18</b>	<b>-</b>	<b>233</b>
<b>Total restricted funds</b>	<b>8,851</b>	<b>1,830</b>	<b>(2,139)</b>	<b>593</b>	<b>17</b>	<b>9,152</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>27,074</b>	<b>745</b>	<b>(1,068)</b>	<b>1,839</b>	<b>-</b>	<b>28,590</b>
<b>Designated funds</b>						
Omaze	557	-	(45)	-	-	512
Other designated funds	136	-	(68)	-	-	68
<b>Total designated funds</b>	<b>693</b>	<b>-</b>	<b>(113)</b>	<b>-</b>	<b>-</b>	<b>580</b>
<b>Total unrestricted funds</b>	<b>27,767</b>	<b>745</b>	<b>(1,181)</b>	<b>1,839</b>	<b>-</b>	<b>29,170</b>
<b>Total funds</b>	<b>37,284</b>	<b>2,575</b>	<b>(3,320)</b>	<b>2,486</b>	<b>-</b>	<b>39,025</b>

### 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
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	165	–	–	20	(104)	<b>81</b>
Research fund – Daphne Heald R&D Fund	469	–	–	79	–	<b>548</b>
<b>Expendable</b>						
Educational funds	38	–	–	8	(24)	<b>22</b>
Benevolent funds	–	–	–	–	–	<b>–</b>
Other funds	12	–	–	3	–	<b>15</b>
<b>Total endowment funds</b>	<b>684</b>	<b>–</b>	<b>–</b>	<b>110</b>	<b>(128)</b>	<b>666</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
RCNF Professional Edu. Funds	1,649	91	(61)	442	855	<b>2,976</b>
Trevor Clay Scholarship fund	411	13	(123)	52	(5)	<b>348</b>
John Colyer fund	135	5	(31)	48	–	<b>157</b>
Cowdray Scholarship fund	254	1	–	8	(263)	<b>–</b>
Other educational funds	655	20	(62)	38	(419)	<b>232</b>
<b>Total educational funds</b>	<b>3,104</b>	<b>130</b>	<b>(277)</b>	<b>588</b>	<b>168</b>	<b>3,713</b>
<b>Benevolent funds</b>						
RCNF Benevolent funds	3,346	237	(241)	435	189	<b>3,966</b>
Other Benevolent funds	862	23	–	102	(189)	<b>798</b>
<b>Total benevolent funds</b>	<b>4,208</b>	<b>260</b>	<b>(241)</b>	<b>537</b>	<b>–</b>	<b>4,764</b>
<b>Research funds</b>	<b>448</b>	<b>30</b>	<b>(134)</b>	<b>30</b>	<b>–</b>	<b>374</b>
<b>Total restricted funds</b>	<b>7,760</b>	<b>420</b>	<b>(652)</b>	<b>1,155</b>	<b>168</b>	<b>8,851</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>23,580</b>	<b>1,043</b>	<b>(1,081)</b>	<b>3,567</b>	<b>(35)</b>	<b>27,074</b>
<b>Designated funds</b>						
Omaze	600	–	(43)	–	–	<b>557</b>
Other designated funds	6	135	–	–	(5)	<b>136</b>
<b>Total designated funds</b>	<b>606</b>	<b>135</b>	<b>(43)</b>	<b>–</b>	<b>(5)</b>	<b>693</b>
<b>Total unrestricted funds</b>	<b>24,186</b>	<b>1,178</b>	<b>(1,124)</b>	<b>3,567</b>	<b>(40)</b>	<b>27,767</b>
<b>Total funds</b>	<b>32,630</b>	<b>1,598</b>	<b>(1,776)</b>	<b>4,832</b>	<b>–</b>	<b>37,284</b>

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.







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[rcnfoundation.rcn.org.uk](http://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



## 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

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# 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.

# 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 and 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.



# 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.

# 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.

# 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

# 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.





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