

Group Annual Report 2021



The RCN Foundation Group Annual Report and Financial Statements 1 January to 31 December 2021

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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 RCN Foundation Chair and Director

The RCN Foundation Group Annual Report shares highlights from our work in 2021 and sets out our plans for 2022. It also contains our financial statements for 2021.

As the pandemic continued across the UK and beyond, our work to support and strengthen the health and social care nursing and midwifery teams remained our top priority. Having quickly reorientated our work in 2020 so that we could provide emergency assistance to those in the professions hardest hit by the pandemic, we hoped that 2021 would become a year of trying to rebalance our work. It quickly became clear that this was not to be the case.

Alongside our ambition to deliver on our long-term priorities, we realised that we would need to 'flex and pivot' in order to address the ongoing challenges posed by the pandemic, not only for nursing and midwifery, but also for our own organisation. We faced a number of challenges brought on by the pandemic that had an impact on our programmes, operations and finances at a time when nursing and midwifery staff most needed us. These included fewer community fundraising events leading to less income in this area and slower delivery of some of our projects due to staff shortages.

However, our firm commitment to nursing and midwifery, to the health and care sectors, and to patients, those who needed support and their families, did not falter. We continued to provide a safety net through our benevolent grants, increased clinical skills and expertise through our education grants, and funded projects that will not only advance our knowledge of the impact of the pandemic on nursing practice, but also improve the care of some of society's most vulnerable individuals. Our annual report sets out what we have achieved in 2021 as well as the challenges that we faced.

During 2021, the work of our subsidiary charity, the COVID-19 Healthcare Support Appeal, continued to deliver tangible benefit and impact for wider health and care staff affected by the pandemic. The charity, set up following a £5m donation from TikTok, allocated the majority of its funding in grants to organisations working in health and social care. In 2021, the charity made grants totalling nearly £1.7m to 20 organisations. Since the start of the pandemic, over 9,000 individuals have been supported. Having fulfilled the purpose for which it was established, the charity intends to close at the end of 2022.

There is no doubt that it has been a tough 12 months for everyone involved in health and care and that it will continue to be so for the foreseeable future. We will continue to support collective efforts to build the longer-term recovery and resilience of the health and care sectors which is so vitally needed through the work that we do. It has never been more important to work together, and we can only look to the future with hope by doing so.

To all those who supported us this year, and made our work possible, we say a huge thank you. Your commitment and faith in us have once again enabled us to deliver real benefit for nursing and midwifery across the UK. Finally, we would also like to thank all those we were able to support in some way over the last year – thank you for allowing us to be part of your journey.

Professor Jane Cummings CBE RN
Chair

Deepa Korea
Director

Report of the Trustees for the year ending 31 December 2021

(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation Group (comprising the RCN Foundation and the COVID-19 Healthcare Support Appeal) presents its annual report and financial statements for the year ended 31 December 2021 in accordance with Generally Accepted Accounting Practice in the United Kingdom (UK GAAP), the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), the Charities Act 2011 and the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

This document is a summary of our activities and finances in 2021. It can be downloaded from the Foundation's website (rcnfoundation.rcn.org.uk), where there are further details about the Foundation's work and that of its subsidiary, the COVID-19 Healthcare Support Appeal.

Objectives

Throughout 2021, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. Despite the challenges presented by the pandemic, we carried out a robust programme of activity with a focus on achieving positive outcomes for nursing and midwifery staff, and the public. Our objectives for 2021, as listed in the 2020 Annual Report and Accounts, and the progress made against these objectives, are set out below.

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

During the year, we continued to support members of the nursing and midwifery team who were facing hardship by funding the Lamplight Support Service (LSS) which was administered by the Royal College of Nursing. LSS provided advice and grants to nurses, midwives and nursing support workers who were facing financial hardship because of a wide range of issues including physical and mental ill health, debt, relationship breakdowns, caring responsibilities, and domestic abuse. The majority of grants were for cost-of-living expenses. Support to nurses, midwives and nursing support workers affected by COVID-19 reduced significantly in 2021, although this was continually monitored throughout the year.

In 2021, the Foundation made grants to the value of £206,000 through LSS (2020: £225,000), with 76% of grant recipients reporting that they were more financially independent as a result of the grant they received. 961 individuals benefited from telephone assessments (2020: 1,088) and were, on average £6,000 (2020: £5,800) better off as a result of the advice they received.

During 2020 and early 2021, the Foundation engaged in discussions with the RCN about the future delivery of the benevolent service, given that the agreement to provide hardship support through the LSS was due to end on 31 December 2021. A proposal setting out the Foundation's expectations about the future service was formally submitted to the RCN at the beginning of 2021. The RCN decided not to take the proposal forward and the board therefore agreed that the Foundation would instead deliver the benevolent service from January 2022 onward.

From April 2021, the Foundation began planning for the development and implementation of the new service. The service would encompass grant-making and signposting, with technology playing a greater role in its delivery. Staff and processes were put in place for the service to be launched on 4 January 2022. Alongside the delivery of this new service in 2022, the Foundation also plans to undertake a comprehensive review of the current landscape in relation to modern benevolent support for the professions.

Hardship case study

"I will be forever grateful for the help I was given."

Hannah*, Nursing Support Worker

Hannah had been a nursing support worker for a number of years before she became pregnant at the height of the pandemic. As she was on the frontline, she soon had to stop working to keep both her and her baby safe. She was terrified about how she would be able to pay the bills and provide for her child, without putting themselves at risk.

After contacting our hardship service, Hannah had a phone interview and was awarded a Hardship Grant of £1,000 to pay for items required for her baby. She says "The support was unbelievable; it means the whole world. I was given help when I needed it the most."

*Different name used for anonymity

We continued to support those seeking to improve their clinical skills and expertise through education and training. In 2021, the Foundation awarded £149,000 in education grants (2020: £150,000) to 97 individuals (2020: 70). These grants were for a broad range of activities encompassing postgraduate studies and courses aimed at contributing to continuing professional development. Once again, the courses being undertaken were in a variety of topics including respiratory care, diabetes, and mental health. In addition, we also awarded grants to those with a first non-nursing degree wishing to take up a degree in nursing.

The Monica Baly award for the history of nursing was awarded to a team of researchers from Edinburgh Napier University for a project entitled *Witches' stories – accused and persecuted for helping others: documentary analysis of early midwives and nurses/healers as reported within the Scottish Witchcraft Survey database (1536-1746)*. The research team investigated the stories of these individual nurses and midwives, documented who they were, and reflected on their practices from today's health care perspective.

Following a review of the funding landscape for undergraduate nursing and midwifery students entering university, our partnership grants programme with the Leathersellers' Company Charitable Fund to fund these students came to an end. Keen to continue the successful partnership, Leathersellers made a further financial commitment to the Foundation towards an education programme aimed at non-specialist nurses to train in early interventions to support children and young people's mental health and emotional wellbeing. The Foundation will provide match funding towards this grant. Our successful joint grant-making partnership with the Worshipful Company of Needle-makers, for nurses and midwives using needles in their work, continued for another year.

After analysis of the reach of the Foundation's Professional Bursary Scheme, the board agreed to reduce the maximum grant available under the Scheme to £1,600 which took effect from the autumn round of applications. This will enable the Foundation to increase the number of grants it is able to award, without compromising applicants' ability to access continuing professional development opportunities.

The Foundation funded The University of Edinburgh to develop and deliver a Postgraduate Certificate in Neurological Rehabilitation and Care. This programme was undertaken in partnership with the brain injury charity SameYou and was delivered using funds raised through the Omaze fundraising initiative in 2018. Thirty two students commenced the programme in May 2021. Three students withdrew due to changes in their clinical practice and a further two withdrew due to personal circumstances. 27 nurses remain enrolled on the programme. An important outcome of this course has been the positive impact on students' personal and professional development, clinical knowledge, and patient experience demonstrated through their reflective assignments.

A number of initiatives were undertaken during the year to boost the quality and quantity of applications for education grants. A pilot webinar was developed which set out the elements of a good grant application. The event was live and recorded. Feedback was positive and the webinar will be held again in 2022. Anecdotal feedback from grant reviewers suggested that they had seen an increase in the quality of grant applications. Conversion rates for applications to grants also increased.

The Foundation also piloted a new Helping Hands scheme, whereby Foundation alumni (previous successful education grant recipients) supported applicants through the grant application process. Evaluation of the scheme demonstrated that one in two of those who received this support were successful in their application for a grant. Importantly, the scheme also demonstrated a positive impact in terms of increasing successful applications from ethnic minority applicants. This initiative will be rolled out fully in 2022.

Education case study

“The bursary has enhanced my practice as a midwife and provided a crucial step in my progression towards becoming an independent researcher.”

Layla, Research Midwife

Layla was granted £1,975 towards the completion of “The Practice of Evidence-Based Health Care” – a Master’s level module undertaken through the University of Oxford’s Continuing Education Department. This course enabled Layla to learn how to evaluate the quality of different types of research studies in a systematic way and apply this knowledge to clinical scenarios and decision-making.

Since completing the module Layla has presented at several study days run by the charity Action on Pre-eclampsia. The knowledge she gained from the evidence-based practice module was crucial in helping her to develop these presentations.

Layla was able to secure funding to undertake a full Master’s degree. The award gave her the confidence to apply for a pre-doctoral fellowship. She has been encouraged to apply for a doctoral fellowship with the National Institute for Health Research (NIHR). The course motivated Layla to pursue further academic study and to take on greater responsibility as a researcher.

“The RCN Foundation grant enabled me to obtain a Master’s degree and proved a catalyst for further opportunities. I would strongly encourage anyone thinking of applying to go for it.”

Layla went on to win the Trevor Clay Professional Bursary Scheme Award which was presented at the RCN Foundation Virtual Impact Awards 2020 by Professor Jacqueline Dunkley-Bent OBE, Chief Midwifery Officer for NHS England and a trustee of the RCN Foundation.



Education case study

“It will give me a sense of accomplishment and pride to forever have my name associated with the RCN Foundation.”

James, Nurse

James was awarded a grant of £7,500 over three years to undertake an MA in Adult Nursing at the University of Salford. Having previously worked in the music industry, James decided to pursue a career in nursing after a life-changing experience volunteering at a government hospital in Sierra Leone.

During the clinical placements on his course, he was exposed to a wide variety of nursing specialities and developed a greater understanding of the nursing process. James received a Distinction upon completion of his course and now works in the Acute Medical Unit at St George’s Hospital, London.

James hopes eventually to become a nurse consultant in emergency medicine. In the future, he would like to undertake a Master’s degree in Advanced Clinical Practice, having already worked as a charge nurse.

“The bursary has greatly alleviated some of the financial pressure of returning to education. Once you’re a nurse, you’re a nurse all day, every day. I can’t imagine not being that.”

Dr Ruth May, Chief Nursing Officer for England presented James with the Margaret Parkinson Award at the RCN Foundation Virtual Impact Awards 2020 for outstanding achievement in student nursing.



A number of nursing-led projects were supported during the year. A proportion of these projects, which had been funded over multiple years, were completed during the year. All of our funded projects continued to be affected to varying degrees by the pandemic. Our approach during this period was therefore to offer support and flexibility to enable funded projects to continue.

Four projects were completed during 2021:

- Aneurin Bevan University Health Board – this project aimed to tackle loneliness and isolation in care homes in Wales.
- University of West London – this was scoping research to understand the contribution of nurses to improving the health and wellbeing of children, adults and older people with learning disabilities now and for the future.

- Institute of Health Visitors – this project was supported in direct response to the pandemic. Funding was for the provision of emotional wellbeing at work support to health visiting teams during the pandemic.
- RCN – the England pilot of the RCN Prince of Wales Nursing Cadet Scheme.

In 2021, the Foundation funded five new projects. In response to the pandemic, the Foundation undertook its own review to identify the gaps in COVID-19 related research taking place. The aim of the review was to ascertain where the Foundation might best direct any funding relating to nursing-led COVID-19 research. This review led to two projects being funded through open calls.

The first of these was the EMPATH study carried out by Northumbria University and the University of the Highlands and Islands, which sought to identify the current evidence on the effectiveness, acceptability and feasibility of Psychological First Aid (PFA) for nursing teams working in care home settings. The research looked at where in the UK PFA was being used and how it was being implemented. Through a UK-wide web-based, cross-sectional survey, the project compared levels of safety, calmness, self and community efficacy, connectedness and hope, stress, resilience and coping in care home staff working in settings that had or had not implemented PFA. Qualitative data relating to the lived experience of PFA in a care home setting was obtained through a further questionnaire. The project will be completed in 2022.

The second project was the COVID-19 leadership study, carried out by Queen Margaret University in Scotland. The aim of the project was to explore nurses' and midwives' perspectives and experiences of effective leadership strategies during the pandemic; make recommendations for how healthy practices could be incorporated into future leadership strategies within nursing and midwifery beyond the pandemic; and identify any convergence, divergence and silence in nurses and midwives' experiences of effective leadership strategies across the four nations during the pandemic. The project will be completed in 2022.

An urgent priority identified by the Foundation during the pandemic was the disproportionately high numbers of people with learning disabilities (also referred to as people with intellectual disabilities) who were dying from COVID-19. To address this, the Foundation funded the CAREVIS study, a partnership project between the University of Hertfordshire and the charity Beyond Words. The aim of the project was to develop a picture story book to provide information in pictures about having the COVID-19 vaccine.

As the book was being developed, people with learning disabilities and people who care for them were asked for their input. The picture book is being widely distributed to people with learning disabilities and those who care for them, including family and friends, paid carers, nurses, social workers, and other professionals who support them. The book has been published and is freely available on the Beyond Words website. The project team will also evaluate the impact that the picture book has had. The project will be completed in 2022.

In 2021, the Foundation developed a three-year grants programme focused on its key priority of nursing-led interventions to support children and young people's mental health and emotional wellbeing. The first call under this programme was launched during the year. The University of Huddersfield was awarded a grant to develop a limited data set of assessment tools for children and young people's mental health and emotional wellbeing. The project aims to understand which assessment tools enhance and complement the therapeutic relationship between the young person and the nurse. It will develop a web-based app holding a dataset of evidence-based assessment tools for non-specialist nurses to use in a variety of educational, health and social care settings. The project will be completed in 2022.

Finally, the Foundation awarded funding to the RCN for a project entitled the *Mary Abbott Archive – Sharing nurses' life stories through their archives*. This project will highlight how the personal collections of the late Mary Abbott are an exemplar of how historical papers, images, biography and oral history interview recordings can be linked together to improve online accessibility and promote knowledge about the achievements of individual nurses. This will be done in two phases, working with Mary Abbott's own collection and then selecting other individuals from the RCN's own collections who have had a similar impact and creating the same ease of access to their stories. The project will be completed in 2023.

A number of other projects remained ongoing throughout the year. These were: *Inside the Black Box: An Ethnographic Examination of Nurses' Professional Judgement in Nurse Staffing Systems in England and Wales* led by the University of Cardiff; an exploration and evaluation of Band 5 nurses' leadership development and practice led by the University of Northumbria; QNI's Care Home Nurses' Network; and the IMPACT Foundation project to support nursing students in Bangladesh.

As part of our objective to raise the profile and public understanding of the professions, the Foundation continued its partnership with the Chief Nursing Officers (CNOs) of England, Northern Ireland, Republic of Ireland, Scotland and Wales on a joint project to raise the status and profile of nursing and midwifery.

Work on the project began in earnest during the year to create a digital media campaign to demonstrate the breadth of the nursing and midwifery professions. The campaign will be aimed at the general public, practitioners and policy makers. A creative agency, Salt Thinking, worked on the development of the campaign and collating the material for it. Seven case studies will be featured, with individuals from different parts of the professions and from across the five countries.

In November, the Foundation held its annual lecture, entitled *Folk Healers and Midwives Accused of Witchcraft in Scotland 1563-1736*. Dr Nicola Ring, Nessa McHugh and Rachel Davidson-Welch from Edinburgh Napier University discussed their investigation of the stories of individual nurses and midwives who had been accused of witchcraft and reflected on their practices from today's health care perspective. The lecture attracted over 400 attendees and was the RCN Foundation's most popular annual lecture to date.

The Foundation's charitable expenditure during the year was 80% of its total expenditure incurred in the year.



St. George's Hospital
Alan Daniels
Registered Nurse

Project case study

Witches' Stories - righting a historical wrong

To celebrate the International Year of the Nurse and Midwife, the RCN Foundation awarded a Monica Baly fund grant to an Edinburgh Napier University research team exploring the links between witchcraft, folk healing and modern nursing and midwifery. Using archival documents, the team found that among 3,200 people accused of witchcraft in Scotland between 1563 and 1736, a portion practiced folk healing to tend to the sick and to support women during childbirth.

The team collated its research to write biographies of these individuals, deepening understanding of specific midwifery and healing practices of the time. Thanks to this research, and the grant that funded it, the names of some early nurses and midwives accused of witchcraft are now known.



Project case study

Institute of Health Visiting: Emotional Wellbeing at Work Programme project

When the pandemic began, upheavals to how health visitors work rapidly affected their psychological wellbeing. The Institute of Health Visiting (iHV) proposed that better mental health support could sustain health visitors as they redeployed into unfamiliar roles or took on challenging caseloads. The iHV proposed the creation of an Emotional Wellbeing at Work Programme (EWW) for health visitors across England, Northern Ireland, Scotland and Wales.

The Foundation awarded £48,300 to fund the project. A total of 58 health visitors participated in online sessions where facilitators focused on sharing restorative supervision practices. All participants reported that their coping skills around chronic stress improved. They also valued having a safe space to talk over challenges and get support from peers. The Journal of Health Visiting published a report on the programme, and outcomes have been presented at both the iHV evidence-based conference in September 2021 and the iHV leadership conference in December 2020. As a result of the programme's success, iHV has secured further funding to train programme champions to use the model and roll it out in their workplace.

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

In 2021, the Foundation took an increasingly proactive and targeted approach to increase the reach, visibility and media coverage around the impact and outcome of funded projects. A number of projects received media publicity during the year.

This included the launch communications for the Monica Baly History of Nursing research project awarded to Edinburgh Napier University. The story was featured by a number of news and broadcast outlets, including *STV*, *the Scottish Metro*, *Mail and Sun*, *Nursing Standard* and *Nursing Times*.

There was also coverage of another Foundation funded project led by the University of Hertfordshire in conjunction with the charity Beyond Words, which aimed to create and evaluate a visual resource to help people with intellectual disabilities give their consent to receiving the COVID-19 vaccine. Coverage included a news piece in *Nursing Standard*.

Finally, we received online coverage of a research project, led by Northumbria University, and the University of Highlands and Islands in Scotland, which investigated the importance of psychological first aid training as a tool to support the mental health and emotional wellbeing of nurses working in care homes during the pandemic. The story was featured on the Healthcare Newsdesk and Psychreg shared sites.

At the end of the year, the Foundation's Grants Committee reviewed a proposed new impact framework model for the Foundation. This will be reviewed by the board in 2022.

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

In 2021, the Foundation worked alongside creative marketing agency, Salt Thinking, who gave up their time on a pro bono basis to undertake a brand review for the charity. Work on the brand review has received input from the board and remains ongoing.

As part of a series of measures designed to deliver a more cohesive donor engagement experience for the Foundation's supporters the *2020 Impact Report* was, for the first time, sent via post to more than 5,000 donors. This approach also included the implementation of a quarterly supporter e-newsletter, with news and updates on the Foundation's work and impact. This resulted in more than 250 supporters increasing their engagement with the Foundation by updating their details, expressing further interest in fundraising and legacy initiatives, or volunteering to share their story with the Foundation.

The Foundation's 2021 Impact Awards took place virtually in October. More than 170 people registered to attend the event, which shone a spotlight on the awardees and their achievements. It was also an opportunity to highlight the 2020 Impact Award recipients, following the cancellation of the 2020 awards due to COVID-19. Guest presenters of the awards included the Chief Nursing Officers of England and Northern Ireland, and England's Chief Midwifery Officer. The virtual nature of the event meant that the Foundation was able to connect with people across the UK who would have been unable to join an in-person event. LV= sponsored the event with a contribution of £4,000 for which we are very grateful.

Throughout 2021, the Foundation increased its visibility across social media platforms including Facebook, Twitter and Instagram. Community giving initiatives such as the Song Club series of concerts and The Sizzle Show delivered via Instagram Live introduced the Foundation to new audiences.

As the Foundation's social media presence grew, there were strong levels of engagement across different channels for initiatives such as the Virtual Impact Awards, Annual Lecture, educational grants rounds and Nurses' Day.

4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Develop a clear and measurable fundraising strategy for the Foundation.

Against the backdrop of the ongoing pandemic, income from investments and fundraising performed relatively well during the year, in line with budgets and forecasts. In 2021, the value of the combined portfolio was £41.1m (2020: £38.6m).

In July, the Board of Trustees approved a new Fundraising Strategy. The strategy identified opportunities to maximise engagement and philanthropic support for the Foundation and to develop a long-term and sustainable fundraising programme, which aimed to develop diversified income streams.

During the year, the Foundation continued with its telephone fundraising upgrade campaign achieving a 23% participation rate against a target of 20%. A first reactivation and conversion campaign was also implemented which resulted in a 34% participation rate against a target of 20%.

The Foundation received a number of notable donations during the year. The UK-based online food delivery business, Deliveroo, made a £300,000 donation to support educational grants for nursing and midwifery staff across the UK working within the NHS. This donation was made up of donations from customers and suppliers in response to COVID-19 towards Deliveroo's *Supporting the NHS* campaign.

A donation of £22,500 was also received from the Apax Foundation which consisted of an individual donation matched by the Apax Foundation.

A donation of £20,000 was also received from the family of a deceased nurse who wished to establish an education grant in her name, to be called the Olufunke Adeyeye RCN Foundation Education Grant. This scheme will provide education grants for nurses, midwives and health care support workers from ethnic minority backgrounds.

For the third consecutive year, the Foundation received a donation from the Privy Purse Charitable Trust. In 2021, the donation was made at an increased level to that made in previous years in recognition of the ongoing challenges facing charities and the nursing and midwifery professions during the pandemic.

The Foundation was the beneficiary of a number of community fundraising initiatives during the year. A key initiative was led by singer/songwriter and Squeeze co-founder Chris Difford who, following his support of the Foundation through The Song Club album in 2020, curated a series of Zoom concerts in the first half of 2021, including in celebration of Nurses' Day.

Eleven runners took part in the Virtual London Marathon and Royal Parks Half Marathon events, collectively raising more than £5,500. Runners included RCN staff members, friends and family of Foundation staff members, members of the public and nursing staff.

Finally, RCN staff member and artist, Carl Bevan ran an art raffle to raise funds for the RCN Foundation and homeless charity, Llamau. This initiative raised £1,275 for the Foundation.

Work took place during the year on the Foundation's approach to ethical investments. As part of the first phase of this approach, the Board of Trustees agreed to exclude a number of areas from the Foundation's investment portfolio including cluster bombs and landmines, adult entertainment, alcohol, armaments, civilian firearms, gambling, tobacco, extraction of thermal coal, and production of oil tar sands. In 2022, the Foundation will further review its portfolio to identify any other potential areas for exclusions.

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

The Foundation continued to be involved with RCN Group initiatives during the year. In 2021, RCN Congress activities included an online education programme, as part of which the Foundation organised a panel event entitled *The Courage of Compassion: giving nurses a voice to lead*. This event highlighted the King's Fund report *The Courage of Compassion* and its impact on leadership within nursing and midwifery. The event was viewed by 191 people at its peak which compared to an average audience of 93 for other events within the programme.

The Foundation also continued to work closely with the RCN's Corporate Relations Team to explore joint opportunities to work together.

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

During the year, the Foundation appointed four new trustees to the board and six new advisers to its Committees. Trustees and advisers came from a broad range of backgrounds including finance, fundraising, marketing and communications, nursing and midwifery, grant-making and benevolence. As a result of these appointments, the Foundation's governance was significantly strengthened.

The development of the Foundation's Benevolent Service throughout the year was a key activity under this objective. Opening in 2022, the new service will, for the first time, be delivered using a digital platform to enable applicants to experience a smoother application process. Plans have also been put in place to support those without access to digital platforms. Two new roles within the Foundation were created to deliver this service and both roles were successfully filled before the end of the year.

The pandemic continued to bring increased focus on the work of the Foundation. As a result, the Foundation increased its communication capacity with the addition of a digital marketing and communications role to the team.

Work was undertaken on the Foundation's approach to equality, diversity and inclusion. The board underlined its firm commitment to ensuring that principles of equality, diversity and inclusion underpinned all aspects of its work by agreeing an Equality, Diversity and Inclusion Statement. Alongside the Statement, the board also agreed a set of guiding principles and goals designed to support the delivery of its approach.

Equality, Diversity and Inclusion at the RCN Foundation – Our Ambition

The RCN Foundation will be a champion of equality, diversity, inclusion and human rights, and recognises the value of being a diverse, fair and inclusive employer.

As a charity and grant-giver, the RCN Foundation aspires to work towards creating an inclusive culture within which our beneficiaries and the wider public can participate, contribute and thrive without fear of discrimination, barriers and exclusion.

We recognise that there is a profound relationship between inequality and health. Through our work and the way in which we operate, we aim to respond to, and positively address, the impact of health inequalities and their adverse effect on individuals and communities.

7. Ensure that the RCN Foundation has put in place the financial and operational steps needed to address the impact of the COVID-19 pandemic on the charity and our ability to continue to support the nursing and midwifery professions. This includes supporting the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal.

The final grants from the Foundation's COVID-19 Support Fund were made at the beginning of 2021 to support nursing and midwifery staff affected by the pandemic, following which the fund was closed. Despite this, the Foundation continued to closely monitor any potential impact of the pandemic on nursing and midwifery staff facing hardship throughout the year to ascertain whether the fund would need to reopen.

A number of COVID-19 projects were funded during the year which have been highlighted in earlier sections of this report. There were also various COVID-19-related fundraising initiatives during the early part of the year which again have been highlighted above.

The Foundation continued to operate and monitor a COVID-19 risk register to flag any potential risks caused by the ongoing pandemic on its governance, finances and operations. As new variants of the disease continue to emerge, the board has agreed that the COVID-19 risk register will remain in place in 2022.

The Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA), continued to make grants to health and care organisations whose beneficiaries had been affected by the pandemic. Grant-making fell into three priority areas – emergency aid and hardship; psychological support; and recovery and resilience.

In 2021, the CHSA Board of Trustees agreed grants to 20 organisations totalling £1,681,275. Further details about CHSA and its work is set out in its [annual report and accounts](#).

Policies

During 2021, the board approved the following policies: Donations Acceptance Policy, Conflicts of Interest Policy, Trustee and External Adviser Recruitment Policy, and the RCN Group Risk Policy.

Our position on modern slavery

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

Objectives for 2022

- 1. Implement a strong programme of grant-making that focuses on the Foundation's core areas of funding: hardship; education; nursing-led projects that support children and young people's mental health and wellbeing; learning disability nursing; supporting the mental health and wellbeing of the nursing and midwifery team in all settings; and raising the profile of the professions.**
- 2. Ensure that the impact of funded projects is effectively measured and that outcomes from projects are widely disseminated so that they reach appropriate audiences through a variety of channels.**
- 3. Implement a programme of targeted communications to raise the profile of the work of the Foundation. This will encompass messaging across the Foundation's various digital and other communication platforms.**
- 4. Ensure that income from investments and fundraising meets budgeted targets and is able to support the delivery of our work. Implement key aspects of the fundraising strategy agreed in 2021.**
- 5. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology.**
- 6. Support and deliver the work of the RCN Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal. Evaluate the impact of the subsidiary charity's grant-making. Close the subsidiary charity at the end of 2022, ensuring that all funds have been effectively expended in line with charitable objectives.**
- 7. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives.**

Treatment Room 1



Financial review

Investments, policy and performance

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

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

The Trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short-term fund consisting of cash, short-term deposits and short-dated bonds. During 2021, £500,000 was withdrawn from the short-term fund for cashflow purposes. At 31 December 2021, £500,000 was held in the short-term fund as Money Market Investments and is shown as a current asset on the balance sheet (31 December 2020: £1m).

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

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

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

2021 showed an improvement compared to 2020 for the Group's investments both in terms of income generated and increase in the value of the portfolio. The gross investment income in the year ended 31 December 2021 was £809,000 (associated investment management fees of £169,000) which was 3.3% higher compared to the gross income received in 2020 (£783,000). The movement in the investments resulted in a significant increase in the market value of the combined portfolio from £38.6m at the start of the year to £41.6m at the end of the year.

This increase in value can mainly be attributed to a higher return on equities, properties and alternative investments. The market value of investments is subject to the fluctuation of the open market and are thus exposed to a degree of uncertainty and speculation.

We are working closely with Sarasin & Partners to monitor our portfolio and the expected income arising from it to best inform our operational activities as we expect 2022 to also be an unusual year, given the ongoing COVID-19 pandemic.

Review of financial position

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

The statement of financial activities for the year ended 31 December 2021 and the balance sheet as at 31 December 2021 are set out on pages 40 and 42. The statement of financial activities shows that the RCN Foundation Group had a net surplus of £2.8m in the year ended 31 December 2021 (31 December 2020: net surplus of £1.7m).

Income

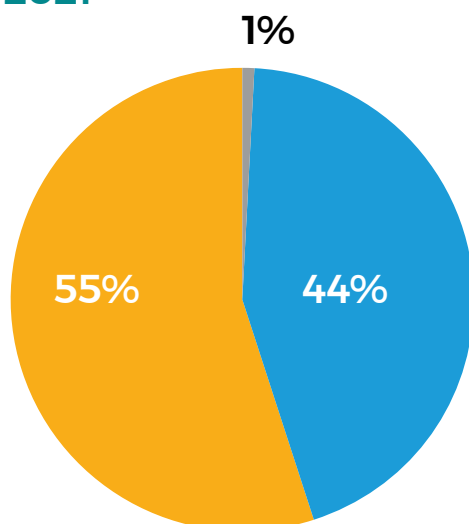
The RCN Foundation income is made up of income from donations and legacies, income from trading activities and investment income.

Total income in the year was £1.465m which is 359% lower than the previous year (31 December 2020: £6.722m). The negative variance is attributable to the exceptional one-off donation received from TikTok in 2020 which resulted in the creation of the subsidiary charity – the COVID-19 Healthcare Support Appeal (CHSA). The income received in 2021 is broadly in line with the income received in 2019 (£1.598m).

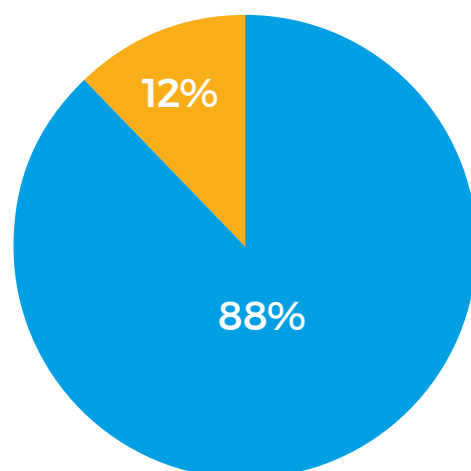
Legacies, donations and gift aid amounted to £648,000 (31 December 2020: £5.909m). Income earned from other trading activities includes licence income of £5,000 (31 December 2020: £30,000) and sponsorship income of £3,000 (31 December 2020: £nil).

Investment income for the year was £809,000 (31 December 2020: £783,000) of which £609,000 was unrestricted (31 December 2020: £602,000). The RCN Foundation Group investments reported net gains of £3.534m (31 December 2020: £2.486m gains) mainly due to unrealised gains on the investment portfolio.

2021



2020



■ Donations and Gift Aid
 ■ Investment income
 ■ Other trading activities

Expenditure

Total expenditure in the year amounted to £3.877m (31 December 2020: £5.718m) of which £3.237m (31 December 2020: £3.579m) was from unrestricted funds.

In 2021 expenditure decreased by 32% compared to 2020. The variance is due to the high amount of benevolent grants awarded in response to the COVID-19 pandemic in 2020 (as shown in the table below). In 2021 the support to the pandemic continued and has focused on awarding grants to organisations through the CHSA subsidiary.

2021 vs 2020 expenditure

	Education and training £'000	Benevolent £'000	Clinical practice £'000	Research £'000
2020	£354	£4,752	£144	£104
2021	£321	£2,541	£186	£425

In 2021, £2.861m in grants were paid (31 December 2020: £4.894m). Of these, £340,000 was paid to individuals - £206,000 relates to benevolent grants awarded through the Lamplight Support Service (31 December 2020: £239,000), £149,000 to educational bursaries (31 December 2020: £169,000). The Foundation Group paid £22,000 to individuals for COVID-19 grants (31 December 2020: £1,489).

£2.521m was paid by the RCN Foundation Group to 33 organisations – of which £1.750m was paid to 21 organisations for COVID-19 specific grants. £350,000 was paid to RCN UK as part of the agreement to run the Lamplight Support Services (which administered benevolent grants to individuals) (31 December 2020: £279,000) – this expenditure has been charged against unrestricted funds.

A fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing, and other services and is included within unrestricted expenditure. This was £626,000 in the year ended 31 December 2021 (31 December 2020: £571,000). The fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation Group plus 12% overheads for RCN Foundation staff and 20% VAT for CHSA staff. The increase in fee is due to the recruitment of two new roles, Digital Marketing and Communications Officer and the Benevolent Grants Manager.

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

The total cost of raising funds in the year was £433,000, this figure includes investment management fees, the portion of management fees allocated to this activity as well as a share of support costs (31 December 2020: £364,000). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2021: £169,000; 31 December 2020: £158,000).

In the year Trustee expenses of £1,101 were incurred (31 December 2020: £1,197). The negative variance is due to Trustees not incurring travel or subsistence costs due to the COVID-19 pandemic restrictions. These costs are treated as unrestricted expenditure.

Reserves

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

The level of free reserves at 31 December 2021 was £30.496m (31 December 2020: £30.337m). This excludes those unrestricted funds that have been earmarked for particular purposes by the Trustees and are shown as designated funds on the balance sheet, and excludes tangible fixed assets. The increase in reserves is due to the net gains on the investment portfolio.

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

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



Principle risks and uncertainties

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

Financial

Appetite for risk: low



There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees have continued to prioritise the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. A new fundraising strategy was agreed by the board in 2021 which will be deployed from 2022 onwards. The strategy will focus on particular areas of voluntary income which have greater potential for a positive return for the Foundation. The COVID-19 pandemic continued to impact on both voluntary and investment income, with steps put in place to mitigate the risk to income returns.

Governance

Appetite for risk: low



There were a number of governance risks that were kept under review during the year. These included: the ability to recruit new Trustees and Advisers with the skills and experience required to fill existing vacancies; the potential for board and committee meetings to be inquorate due to the demands of the pandemic on Trustees who worked clinically; and the need to conduct a governance review. A programme of work to mitigate these risks was implemented including using an external agency to support the recruitment of new Trustees and Advisers; and contacting Trustees prior to all meetings to confirm attendance and ensure quoracy.

Regulatory

Appetite for risk: low



The Foundation's appetite for regulatory risk is low. Consequently, we keep under review a number of regulatory frameworks and ensure that processes are in place to address any regulatory issues. Members of the Foundation's senior management team review briefings setting out any changes to regulator frameworks, including those from the Charity Commission and Fundraising Regulator.

Operational

Appetite for risk: medium



The ability to deliver our ambitious grant-making plans continued to feature as a key risk. In 2021, this continued to be exacerbated by the constraints to public life caused by the pandemic. In this context, the key risks that were monitored during the year included: the ability of projects to deliver to time and within budget; and the uptake of education grants by frontline staff who were overwhelmed by the pandemic. Other operational risks that were monitored during the year included the development of the new Benevolent Service, and the impact of the pandemic on staff health, wellbeing and morale. These risks were mitigated in a number of ways. An organised programme of regular contact with projects was undertaken in order to provide ongoing support during the pandemic. Additional marketing activities were undertaken to ensure the uptake of education grants, and a clear project plan was drawn up and implemented in relation to the Benevolent Service. Finally, all senior managers were tasked with supporting staff wellbeing throughout the year.

External

Appetite for risk: medium



As in 2020, the key external risk for the Foundation during 2021 remained the impact of the pandemic on the Foundation's finances and operations. This was kept under review by the board through the COVID-19 risk register. A key risk that was discussed during the year was the relatively low profile and visibility of the Foundation, and how this could be mitigated. The Foundation received pro bono support and services from a communications agency to begin work on profile and visibility. This work will continue into 2022.



Board of Trustees

External Advisers; Reference and Administrative Details; Structure, Governance and Management

Board of Trustees

The Trustees who are in office or have been during 2021 are:

Professor Jane Cummings RN, CBE, Chair of the Board

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

Elizabeth Jane Cantrell (from 1 September 2021), Chair of the Scotland Committee

Catherine Deakin (from 1 September 2021)

Gregory Dix (from 1 September 2021), Chair of the Wales Committee

Professor Jacqueline Dunkley-Bent OBE

Gordon Hull

David Jones, Chair of the Income Generation and Investment Committee

Moya Kirmond

Rachel Lambert-Forsyth, Chair of the Grants Committee

Professor Charlotte McArdle

Anthony Osijo (from 1 September 2021)

Atul Patel MBE (resigned 31 August 2021)

External Advisers

Nichola Ashby (Grants Committee) (resigned 9 September 2021)

Victoria Bennett (Income Generation and Investment Committee) (from 1 September 2021)

Professor Michael Brown (Scotland Committee)

Ann Gow (Grants Committee) (from 1 September 2021)

Joanne Griffin (Income Generation and Investment Committee)

Alison Hoad (Income Generation and Investment Committee) (from 1 September 2021)

Professor Angela Hopkins (Wales Committee) (resigned 8 June 2021)

Dawn Jackson (Grants Committee) (from 1 September 2021)

Mickella Lewis-Purvis (Grants Committee) (from 1 September 2021)

Yvette Lloyd (Income Generation and Investment Committee)

Professor Donna Mead OBE (Wales Committee)

Jane Miles (Grants Committee)

Dr Susan Morgan (Wales Committee) (retired 26 September 2021)

Tanya Strange MBE (Wales Committee)

Sian Thomas (Wales Committee)

Vivien Waterfield (Income Generation and Investment Committee) (from 1 September 2021)

Jayne Young (Appointments Panel) (resigned 24 May 2021)

Reference and administrative details

Registered office

20 Cavendish Square, London W1G 0RN

Telephone 020 7409 3333

Website: rcnfoundation.rcn.org.uk

Bankers

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

Independent auditors

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

Lawyers

Bates Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Taylor Vinters LLP
Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ

Investment managers

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

Charity and Company registration numbers

Registered Charity: 1134606

Scottish registered charity SC043663

Registered Company: 7026001



Structure, governance and management

Constitution

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

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

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

Objects

The objects of the RCN Foundation are to:

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

In referring to nursing within its objects, the Foundation also provides support to midwives and health care support workers.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have regard to the Charity Commission's guidance on Charities and Public Benefit.

Governance

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

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

The Grants Committee is accountable to the board for the development and implementation of the grant-making strategy which spans grant-making for hardship and education, nursing-led practice development and research projects; and activities that raise the profile of the professions. The Income Generation and Investment Committee is accountable to the board for the development and delivery of the fundraising, marketing and communications strategy, as well as keeping the investment strategy under regular review and monitoring the performance of the investment manager.

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

The Appointments Panel oversees the recruitment and appointment of Trustees, Chair and Vice Chair elections, and committee appointments on behalf of the board. It also oversees Trustees' induction, development programmes and performance review.

The Foundation also has two country committees, one for Scotland and a second for Wales. The role of these committees is to raise the profile of the Foundation's work in their respective countries; bring knowledge of the key country-specific issues affecting nursing, midwifery and health care to the attention of the Foundation; and aim to raise funds for the Foundation's work. Country committees are chaired by a trustee from the relevant country.

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

Management

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

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

Compliance

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

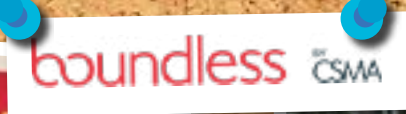
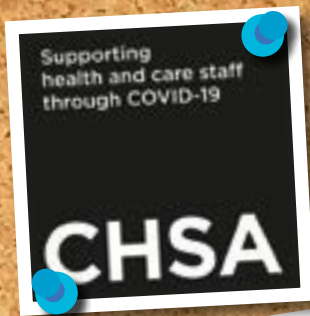
The Foundation has a clear statement of purpose and a set of organisational values which are described in our strategy document, a summary of which will be made available on the website in 2022.

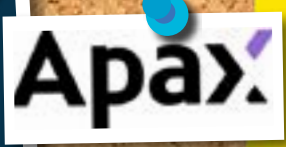
We review our strategy each year and we have an annual plan against which our activities and achievements for that year are monitored. A financial strategy was developed in 2019.

Conflicts of interest

We have a register of interests which is updated regularly. We have guidance for managing conflicts which was reviewed and updated in 2021 and we ask Trustees and advisers to identify any conflicts at the beginning of each meeting.

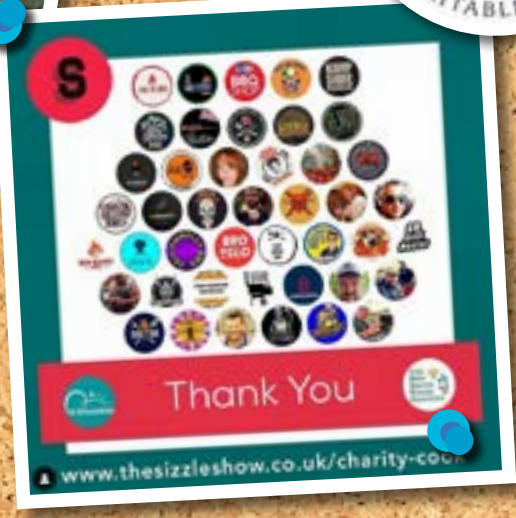






Thank you to all our supporters

We are extraordinarily grateful to each and every individual, team and organisation who have supported us during the year. With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. This year in particular has been like no other; and so we also want to thank the many new donors who have helped us to support frontline staff during the COVID-19 pandemic. Every donation we receive, whether big or small, makes a real difference to the lives of hundreds of nurses, midwives and health care practitioners, and through them patients and families.
Thank you.



Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- the Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report on pages 4 to 18 was approved by the board and signed on its behalf by:



Professor Jane Cummings RN, CBE
Chair of the Board of Trustees
Date: 26 April 2022

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

Opinion

We have audited the financial statements of RCN Foundation ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of responsibilities set out on page 34, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 12 May 2022

Financial statements



Statement of financial activities 31 December 2021 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds		RCNF 31 December 2021 £'000	RCNF Group 31 December 2021 £'000
		RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000	RCNF 2021 £'000	RCNF Group 2021 £'000		
Income from:									
Income and endowments									
Donations and legacies	2	96	124	524	524	-	-	620	648
Income earned from other activities									
Investment income	3	609	609	200	200	-	-	809	809
Income earned from other trading activities									
Sponsorship income		3	3	-	-	-	-	3	3
Licence income		-	-	5	5	-	-	5	5
Total income		708	736	729	729	-	-	1,437	1,465
Expenditure									
Cost of raising funds	4	433	433	-	-	-	-	433	433
Expenditure on charitable activities:									
Education and training		140	140	181	181	-	-	321	321
Benevolent fund		524	2,270	245	245	-	-	769	2,515
Clinical practice and promoting the profession		184	184	-	-	-	-	184	184
Research		209	209	215	215	-	-	424	424
Total expenditure	4	1,490	3,236	641	641	-	-	2,131	3,877
Net income/(expenditure) before investment gains/(losses)		(782)	(2,500)	88	88	-	-	(694)	(2,412)
Net gains on investments	13	2,611	2,611	841	841	82	82	3,534	3,534
Net income for the year		1,829	111	929	929	82	82	2,840	1,122
Transfers between funds	13	(68)	(68)	70	70	(2)	(2)	-	-
Net movement in funds	13	1,761	43	999	999	80	80	2,840	1,122
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	29,170	30,919	9,152	9,152	703	703	39,025	40,774
Fund balances carried forward at the end of the period	12	30,931	30,962	10,151	10,151	783	783	41,865	41,896

Notes on pages 44 to 66 form part of these financial statements.

Statement of financial activities 31 December 2020 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds		RCNF 31 December 2020 £'000	RCNF Group 31 December 2020 £'000
		RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000	RCNF 2020 £'000	RCNF Group 2020 £'000		
Income from:									
Income and endowments									
Donations and legacies	2	113	4,260	1,649	1,649	-	-	1,762	5,909
Income earned from other activities									
Investment income	3	602	602	181	181	-	-	783	783
Income earned from other trading activities									
Sponsorship income		-	-	-	-	-	-	-	-
Licence income		30	30	-	-	-	-	30	30
Total income		745	4,892	1,830	1,830	-	-	2,575	6,722
Expenditure									
Cost of raising funds	4	364	364	-	-	-	-	364	364
Expenditure on charitable activities:									
Education and training		164	164	190	190	-	-	354	354
Benevolent fund		555	2,953	1,773	1,773	-	-	2,328	4,726
Clinical practice and promoting the profession		65	65	-	-	-	-	65	65
Research		33	33	176	176	-	-	209	209
Total expenditure	4	1,181	3,579	2,139	2,139	-	-	3,320	5,718
Net income/(expenditure) before investment gains/(losses)		(436)	1,313	(309)	(309)	-	-	(745)	1,004
Net gains on investments	13	1,839	1,839	593	593	54	54	2,486	2,486
Net income for the year		1,403	3,152	284	284	54	54	1,741	3,490
Transfers between funds		-	-	17	17	(17)	(17)	-	-
Net movement in funds	13	1,403	3,152	301	301	37	37	1,741	3,490
Reconciliation of funds									
Fund balances brought forward at the start of the period	13	27,767	27,767	8,851	8,851	666	666	37,284	37,284
Fund balances carried forward at the end of the period	12	29,170	30,919	9,152	9,152	703	703	39,025	40,774

Balance sheet as at 31 December 2021

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		£'000	as restated £'000	£'000	as restated £'000
Fixed assets					
Tangible assets	6	2	4	2	4
Long-term investments	8.1	41,134	37,596	41,134	37,596
Total fixed assets		41,136	37,600	41,136	37,600
Current assets					
Debtors	9	135	84	131	84
Short-term investments	8.2	500	1,000	500	1,000
Cash at bank and in hand		724	752	1,474	3,810
Total current assets		1,359	1,836	2,105	4,894
Liabilities					
Creditors: amounts falling due within one year	10	(592)	(411)	(1,308)	(1,720)
Net current assets		767	1,425	797	3,174
Total assets less current liabilities		41,903	39,025	41,933	40,774
Creditors: amounts falling due after one year	10	(38)	-	(38)	
Total net assets		41,865	39,025	41,895	40,774
The funds of the charity					
Restricted funds:					
Permanent endowment	13	765	685	765	685
Expendable endowment	13	18	18	18	18
Restricted income funds	13	10,151	9,152	10,151	9,152
Total restricted funds		10,934	9,855	10,934	9,855
Unrestricted funds:					
Revaluation reserve	12	8,991	7,901	8,991	7,901
General funds		21,474	20,689	21,505	22,438
Designated funds	13	466	580	466	580
Total unrestricted funds	13	30,931	29,170	30,962	30,919
Total charity funds		41,865	39,025	41,896	40,774

Approved and authorised for issue by the Board of Trustees on 26 April 2022 and signed on their behalf by:



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

Statement of cash flows

	Note	RCN Foundation		RCN Foundation Group	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		£'000	as restated £'000	£'000	as restated £'000
Reconciliation of net movement in funds to net cash flow from operating activities:					
Net movement in funds		2,840	1,741	1,121	3,490
Dividends and interest from investments		(809)	(783)	(809)	(783)
(Gains) from investments		(3,534)	(2,486)	(3,534)	(2,486)
(Increase)/decrease in debtors	9	(51)	41	(47)	41
Increase/(decrease) in creditors	10	219	(198)	(374)	1,110
Net cash (used)/generated in operating activities		(1,335)	(1,685)	(3,643)	1,372
Cash flows from investing activities:					
Dividends and interest from investments	3	809	783	809	783
Proceeds from sale of investments	8.1	10,144	11,254	10,144	11,254
Purchase of investments	8.1	(10,118)	(12,238)	(10,118)	(12,238)
Net cash provided by/(used by) investing activities		835	(201)	835	(201)
Change in cash and cash equivalents in the reporting period		(500)	(1,886)	(2,808)	1,171
Opening cash at bank		752	1,627	3,810	1,627
Opening cash in investments		1,320	2,330	1,320	2,330
Cash and cash equivalents at the beginning of the reporting period		2,072	3,957	5,130	3,957
Change in cash and cash equivalents due to exchange rate movements		8	1	8	1
Cash and cash equivalents at the end of the reporting period		1,586	2,072	2,336	5,130
Represented by:					
Closing cash at bank		724	752	1,474	3,810
Closing cash held in investment portfolio		362	320	362	320
Closing cash in short-term investment		500	1,000	500	1,000

Please see note 16 for further information regarding the restatement of 2020 comparatives.

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated statement of financial activities, balance sheet and the statement of cash flows of the RCN Foundation Group for the year ended 31 December 2021.

The RCN Foundation Group financial statements consolidate the accounts of the RCN Foundation and its subsidiary, COVID-19 Healthcare Support Appeal.

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

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

a. Accounting convention

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

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

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

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

b. Statement of cash flows

The RCN UK prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS 102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2021.

c. Income

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

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

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

d. Expenditure

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

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

	31 December 2021 %	31 December 2020 %
Cost of raising funds	20	9
Education and training	15	11
Benevolent fund	36	73
Clinical practice	9	4
Research	20	3

Cost of raising funds

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

Objective 1: Education and training

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

Objective 2: Benevolent funds

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

Objective 3: Clinical practice

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

Objective 4: Research

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

Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions have been satisfied by the recipient. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 10.

The grant payable to RCN UK for the LampLight Support Service is recognised on a yearly basis for the duration of the grant due to the terms of the agreement, which aligns the grant payable to the cost of providing the service in the year.

Support costs

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

e. Irrecoverable value added tax

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

f. Tangible assets - software

The only asset held by the RCN Foundation is a customer relationship management database. The database depreciates over five years using straight line depreciation after deducting any residual value at the end of the useful life of the database.

g. Investments

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

h. Endowments

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

i. Restricted income funds

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

j. Unrestricted funds

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

k. Designated funds

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

In 2019, the RCN Foundation received the final instalment of £134,000 from CAF America, as a result of a the fundraising campaign led by RCN UK Ambassador Emilia Clarke on the online fundraising platform Omaze in 2018. The grant has been designated by the Trustees for educational purposes and in 2021 £100,635 (2020: £45,000) have been spent on the ongoing advanced practice education programme in the specialism of neuro rehabilitation. The RCN Foundation is planning to spend the remaining funds in the next two years.

l. Financial instruments

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

m. Pensions

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

n. Critical accounting judgements

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

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

o. Going concern

A detailed forecast was prepared to assess organisational financial resilience during the COVID-19 pandemic. The assessment anticipates net movement in the funds for the next 12 months from the date of signing off the financial statements.

The RCN Foundation's Income, Generation and Investment Committee has reviewed and approved the assessment of the RCN Foundation's financial resources. The assessment includes a thorough review of the RCN Foundation's cash flow forecast, investment income and donations pledged.

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

2. Donations and legacies

RCN Foundation

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Regular giving	11	10	97	97	108	107
Major donors	24	3	21	1,208	45	1,211
Legacies	(34)	59	69	5	35	64
Corporate income and partnership	57	12	320	238	377	250
Other donations	37	21	7	99	44	120
Gift aid	1	8	10	2	11	10
Total	96	113	524	1,649	620	1,762

The negative amount in legacies for 2021 relates to a legacy incorrectly accounted for in 2020.

RCN Foundation Group

	Unrestricted		Restricted		Total donations and legacies	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Regular giving	11	10	97	97	108	107
Major donors	24	4,123	21	1,208	45	5,331
Legacies	(34)	59	69	5	35	64
Corporate income and partnership	57	12	320	238	377	250
Other donations	65	48	7	99	72	147
Gift aid	1	8	10	2	11	10
Total	124	4,260	524	1,649	648	5,909

3. Investment income

	31 December 2021 £'000	31 December 2020 £'000
UK equities	337	279
Overseas equities	310	301
UK fixed interest	162	174
Bank interest	-	5
Overseas fixed interest	-	24
Total	809	783

All investments are owned solely by the RCN Foundation.

4. Analysis of total expenditure

4.1. RCN Foundation

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries:								
– to organisations	-	-	840	625	-	-	840	625
– to individuals	-	-	340	1,907	-	-	340	1,907
RCN UK service fee	179	179	264	206	183	159	626	544
Investment management fee	169	158	-	-	-	-	169	158
Fundraising costs	21	-	-	-	-	-	21	-
Trustee costs	-	-	-	-	47	1	47	1
Audit and tax advice	-	-	-	-	14	13	14	13
Publicity and events	-	-	-	-	32	21	32	21
Professional services	-	-	-	-	30	40	30	40
Travel and subsistence	-	-	-	-	-	2	-	2
IT costs	-	-	-	-	-	2	-	2
Miscellaneous cost	-	-	-	-	12	7	12	7
	369	337	1,444	2,738	318	245	2,131	3,320
Support costs	64	27	254	218	(318)	(245)	-	-
Total	433	364	1,698	2,956	-	-	2,131	3,320

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

External audit fee – auditor services of £13,830 including VAT are included in these financial statements (31 December 2020: £12,600).

4.2. RCN Foundation Group

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries:								
– to organisations	-	-	2,521	2,963	-	-	2,521	2,963
– to individuals	-	-	340	1,907	-	-	340	1,907
RCN UK service fee	179	179	264	231	183	160	626	570
Investment management fee	169	158	-	-	-	-	169	158
Fundraising costs	21	-	-	-	-	-	21	-
Trustee costs	-	-	-	-	47	1	47	1
Audit and tax advice	-	-	-	-	23	22	23	22
Publicity and events	-	-	-	-	36	20	36	20
Professional services	-	-	-	-	82	65	82	65
Travel and subsistence	-	-	-	-	-	2	-	2
IT costs	-	-	-	-	-	2	-	2
Miscellaneous cost	-	-	-	-	12	8	12	8
	369	337	3,125	5,101	383	280	3,877	5,718
Support costs	64	27	319	253	(383)	(280)	-	-
Total	433	364	3,444	5,354	-	-	3,877	5,718

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

External audit fee – auditor services of £22,830 including VAT are included in these financial statements (31 December 2020: £21,600). This includes £13,830 for the RCN Foundation (31 December 2020: £12,600) and £9,000 for CHSA (31 December 2020: £9,000).

4.3. Expenditure on charitable activities – RCN Foundation

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	31 December	31 December
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	2021	2020
Grants/bursaries (note 5):												
– to organisations	70	80	350	385	68	106	330	74	22	(29)	840	616
– to individuals	111	166	229	1,728	-	-	-	-	-	-	340	1,894
RCN UK service fee	92	75	75	54	66	55	31	22	-	-	264	206
RCNF funding projects	-	1	-	-	-	-	-	-	-	1	-	2
Care home summit	-	-	-	-	-	-	-	-	-	-	-	-
Specialist nursing programme consultancy fees	-	7	-	-	-	-	-	-	-	-	-	7
LSS evaluation costs	-	-	-	-	-	-	-	-	-	-	-	-
Fees (agency and Just Giving)	-	-	-	13	-	-	-	-	-	-	-	13
	273	329	654	2,180	134	161	361	96	22	(28)	1,444	2,738
Support costs	48	25	115	174	24	13	63	8	4	(2)	254	218
Total	321	354	769	2,354	158	174	424	104	26	(30)	1,698	2,956

In 2021, the RCN UK service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

Staff costs – RCN Foundation

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee). Under these arrangements there are ten employees who work for RCN Foundation (31 December 2020: seven employees), three of whom fall into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,002 (31 December 2020: £9,594).

	31 December 2021	31 December 2020
	£'000	£'000
Wages and salaries	463	348
Social security costs	51	39
Other pension costs	52	38
Total	566	425

4.4. Expenditure on charitable activities – RCN Foundation Group

	Education and training		Benevolent funds		Clinical practice		Research		Promoting the profession		Total charitable activities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries (note 5):												
– to organisations	70	80	2,031	2,722	68	106	330	74	22	(29)	2,521	2,953
– to individuals	111	166	229	1,728	-	-	-	-	-	-	340	1,894
RCN UK service fee	92	75	75	80	66	55	31	22	-	-	264	232
RCNF funding projects	-	1	-	-	-	-	-	-	-	1	-	2
Care home summit	-	-	-	-	-	-	-	-	-	-	-	-
Specialist nursing programme consultancy fees	-	7	-	-	-	-	-	-	-	-	-	7
LSS evaluation costs	-	-	-	-	-	-	-	-	-	-	-	-
Fees (agency and Just Giving)	-	-	-	13	-	-	-	-	-	-	-	13
	273	329	2,335	4,543	134	161	361	96	22	(28)	3,125	5,101
Support costs	48	25	180	209	24	13	63	8	4	(2)	319	253
Total	321	354	2,515	4,752	158	174	424	104	26	(30)	3,444	5,354

Staff costs – RCN Foundation Group

The RCN Foundation Group does not employ any staff directly. A service level agreement is in place between RCN UK and the RCN Foundation for the provision of services to the RCN Foundation (RCN service fee) and an arrangement is in place between RCN UK and CHSA for the provision of services to CHSA. Under these arrangements there are ten employees who work for RCN Foundation (31 December 2020: seven employees), three of whom fall into the banding of £60,000 – £70,000 per annum and one falls into the banding of £80,000 – £90,000 per annum. Pension payments made with regard to the highest paid individual amounted to £10,002 (31 December 2020: £9,594). There is one employee who worked for CHSA (2020: one) and they did not earn more than £50,000 in 2021.

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	490	363
Social security costs	54	41
Other pension costs	55	40
Total	599	444

5. Grants payable

Grants payable – RCN Foundation

	Unrestricted funds		Restricted funds		Total grants payable	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance brought forward at start of period	19	92	186	272	205	364
Awarded in the period:						
Grants and bursaries	539	421	678	2,170	1,217	2,591
Unused awards written back	-	(29)	(37)	(30)	(37)	(59)
Charge to SOFA	539	392	641	2,140	1,180	2,532
Paid in period	(558)	(465)	(661)	(2,226)	(1,219)	(2,691)
Balance carried forward at the end of the period	-	19	166	186	166	205
Falling due within one year	-	19	128	186	128	205
Falling due after one year	-	-	38	-	38	-

Grants payable – RCN Foundation Group

	Unrestricted funds		Restricted funds		Total grants payable	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance brought forward at start of period	1,310	92	186	272	1,496	364
Awarded in the period:						
Grants and bursaries	2,220	2,749	678	2,205	2,898	4,954
Unused awards written back	-	(29)	(37)	(30)	(37)	(59)
Charge to SOFA	2,220	2,720	641	2,175	2,861	4,895
Paid in period	(2,830)	(1,502)	(661)	(2,261)	(3,491)	(3,763)
Balance carried forward at the end of the period	700	1,310	166	186	866	1,496
Falling due within one year	700	1,310	128	186	828	1,496
Falling due after one year	-	-	38	-	38	-

Grants were awarded as follows:

	RCN Foundation		RCN Foundation Group	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£'000	£'000	£'000	£'000
Grants/bursaries to organisations:				
Aneurin Bevan University	10	-	10	-
British Association of Social Workers (BASW)	-	-	90	90
Body & Soul	-	-	98	98
Books Beyond Words	-	10	-	10
British Medical Association	-	-	-	84
Cardiff University	150	70	150	70
Care Workers Charity	-	-	150	615
Cavell Nurses' Trust	-	-	-	50
Central and North West London NHS Foundation Trust	-	-	30	-
Chartered Society of Physiotherapists	-	-	-	35
COVID-19 Healthcare Support Appeal (CHSA)	-	21	-	-
College of Paramedics	-	-	-	150
Doctors in Distress	-	-	80	-
Edinburgh Napier University	7	-	7	-
Frontline 19	-	-	175	-
Impact Foundation	13	6	13	6
Hospice UK	-	-	140	-
Hospital Consultants and Specialists Association (HCSA)	-	-	24	-
Institute of Health Visitors	16	33	66	33
Intensive Care Society	-	-	170	172
King's Fund	-	48	-	48
Lamplight Support Services (LSS)	350	279	350	279
Listen Up Storytelling	-	-	19	-
London School of Economics (LSE)	-	1	-	1
Northumbria University	20	4	20	4
Nurse Lifeline	-	-	50	50
Pharmacist Support	-	-	32	44
Prison Officers Association (POA) Welfare	-	-	-	47
Queen Mary University	19	-	19	-
Queen's Nursing Institute (QNI)	38	-	168	48
Queen's Nursing Institute Scotland (QNIS)	-	-	59	-
RCN	-	(29)	123	(29)
RCN - Prince of Wales Cadet Scheme	50	25	50	25
RCN - Sharing nurses' life stories	4	-	4	-
Royal College of General Practitioners	-	-	-	60
Royal College of Occupational Therapists	-	-	-	32
Royal Medical Benevolent Fund	-	-	-	25

Continued on page 56

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries to organisations:				
Continued from page 55				
Salt Thinking	22	-	22	-
Sheffield Hallam University	-	5	-	5
Society and College of Radiographers	-	-	11	-
Society of Occupational Medicine	-	5	-	5
South Tyneside and Sunderland Charity	-	-	120	-
TASC (The Ambulance Staff Charity)	-	-	130	128
There for you (UNISON Welfare)	-	-	-	630
University of Edinburgh	101	118	101	118
University of West London (UWL)	10	20	10	20
University of Huddersfield	10	-	10	-
University of Hertfordshire	20	-	20	-
Total grants to organisations	840	616	2,521	2,953

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Grants/bursaries to individuals:				
Educational bursaries	149	169	-	169
Educational bursaries write backs	(37)	(3)	-	(3)
Benevolent grants	206	239	-	239
COVID-19 related benevolent grants	22	1,489	-	1,489
Total grants to individuals	340	1,894	-	1,894

In the year the RCN Foundation Group awarded educational bursaries to 95 individuals (2020: 70) and benevolent grants to 378 individuals (2020: 372). Additionally RCN Foundation Group awarded COVID-19 related grants to 33 individuals (2020: 3,318) and 20 organisations (2020: 19). For the full list of the grants awarded to organisations please refer to CHSA Annual Report.

In the year the RCN Foundation awarded educational bursaries to 95 individuals (2020: 70) and benevolent grants to 378 individuals (2020: 372). Additionally RCN Foundation awarded COVID-19 related grants to 33 individuals (2020: 3,318).

6. Tangible assets

Note	Computer software £'000	Assets under construction £'000	Total £'000
Cost or valuation			
Balance at 1 January 2021	14	-	14
Disposals	-	-	-
Balance at 31 December 2021	14	-	14
Accumulated depreciation			
Balance at 1 January 2021	10	-	10
Charge for the year	2	-	2
Balance at 31 December 2021	12	-	12
Net book value at 31 December 2021	2	-	2
Net book value at 31 December 2020	4	-	4

All fixed assets are owned by the RCN Foundation.

7. Taxation

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

8. Investments

8.1. Long-term investments

	31 December 2021 £'000	31 December 2020 as restated £'000
Market value at the start of the year	37,273	33,802
Additions at cost	10,118	12,238
Disposals at carrying value	(9,960)	(11,241)
Redemptions	(184)	(13)
Realised gain	2,435	622
Unrealised gain	1,090	1,866
Investments at market value at the end of the year	40,772	37,273
Cash held for reinvestment	362	322
Market value at the end of the year	41,134	37,596
Historic cost at the end of the year	32,143	29,694

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

	31 December 2021 £'000	31 December 2020 £'000
Listed investments		
Fixed interest (Government securities and bonds)	5,384	6,258
UK equities	8,756	7,494
Global equities	21,901	19,977
Alternative assets	2,883	2,094
Property	1,710	1,334
Liquid assets in long-term fund	1,001	1,438
Total	41,635	38,595

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

Holdings over 5%

None of the investments represented holdings in excess of 5% of the investment portfolio at the start or the end of the period.

8.2. Short-term investments

	31 December 2021 £'000	31 December 2020 '000
Market value at the start of the year	1,000	1,001
Additions at cost	1,000	4,000
Redemptions	(2,000)	(4,000)
Investments at market value at year end	-	1,001
Cash held for reinvestment	500	-
Market value at the end of the year	500	1,000
Historic cost at end of the year	500	1,000

All investments are owned solely by the RCN Foundation.

9. Debtors

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Prepayments and accrued income	127	56	127	56
Trade debtors	3	-	3	-
Due from RCN UK	-	28	-	28
Due from CHSA	4	-	-	-
Sundry debtor	1	-	1	-
Total	135	84	131	84

10. Creditors

	RCN Foundation		RCN Foundation Group	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Amounts falling due within one year				
Trade creditors	77	-	77	-
Grants payable (note 5)	127	205	828	1,496
Accruals	115	59	123	68
Due to RCN UK	273	146	280	155
Other creditors	-	1	-	1
Total	592	411	1,308	1,720
Amounts falling due after one year				
Grants payable (note 5)	38	-	38	-
Total	630	-	1,346	-

11. Analysis of net assets between funds

RCN Foundation

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021	2020	2021	2020	2021	2020	31 December 2021	31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at the end of the period are represented by:								
Software	2	4	-	-	-	-	2	4
Investments	30,136	28,068	10,215	8,820	783	698	41,134	37,586
Current assets	1,257	1,276	101	565	-	5	1,358	1,846
- Current liabilities and provisions	(464)	(178)	(127)	(233)	-	-	(591)	(411)
- Non current liabilities	-	-	(38)	-	-	-	(38)	-
Total net assets	30,931	29,170	10,151	9,152	783	703	41,865	39,025

RCN Foundation Group

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021	2020	2021	2020	2021	2020	31 December 2021	31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at the end of the period are represented by:								
Software	2	4	-	-	-	-	2	4
Investments	30,136	28,116	10,215	8,820	783	698	41,134	37,634
Current assets	2,009	4,334	101	565	-	5	2,110	4,904
- Current liabilities and provisions	(1,185)	(1,535)	(127)	(233)	-	-	(1,312)	(1,768)
- Non current liabilities	-	-	(38)	-	-	-	(38)	-
Total net assets	30,962	30,919	10,151	9,152	783	703	41,896	40,774

12. Revaluation reserve

	31 December 2020 as restated £'000	Investment unrealised gain £'000	31 December 2021 £'000
Revaluation Reserve	7,901	1,090	8,991
Total	7,901	1,090	8,991

In 2021, the revaluation reserve related to the investment portfolio has increased by the value of the unrealised gain for the year.

Only the RCN Foundation has a revaluation reserve.

13. Movement in funds

13.1. RCN Foundation year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	88	-	-	10	-	98
Research fund – Daphne Heald R&D Fund	597	-	-	70	-	667
Expendable						
Educational funds	2	-	-	-	(2)	-
Benevolent funds	-	-	-	-	-	-
Other funds	16	-	-	2	-	18
Total endowment funds	703	-	-	82	(2)	783
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	3,239	68	(31)	313	-	3,589
Trevor Clay Scholarship Fund	336	7	(65)	44	(30)	292
John Colyer Fund	172	4	(15)	41	-	202
Cowdray Scholarship Fund	-	-	-	-	-	-
Other educational funds	271	424	(71)	16	20	660
Total educational funds	4,018	503	(182)	414	(10)	4,743
Benevolent funds						
RCNF benevolent funds	3,904	179	(206)	323	-	4,200
Other benevolent funds	997	29	(39)	78	-	1,065
Total benevolent funds	4,901	208	(245)	401	-	5,265
Research funds	233	18	(214)	26	80	143
Total restricted funds	9,152	729	(641)	841	70	10,151
Unrestricted funds						
General funds	28,590	708	(1,390)	2,611	(54)	30,465
Designated funds						
Omaze	512	-	(100)	-	54	466
Other designated funds	68	-	-	-	(68)	-
Total designated funds	580	-	(100)	-	(14)	466
Total unrestricted funds	29,170	708	(1,490)	2,611	(68)	30,931
Total funds	39,025	1,437	(2,131)	3,534	-	41,865

13.2. RCN Foundation year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	81	-	-	7	-	88
Research fund – Daphne Heald R&D Fund	548	-	-	49	-	597
Expendable						
Educational funds	22	-	-	(3)	(17)	2
Benevolent funds	-	-	-	-	-	-
Other funds	15	-	-	1	-	16
Total endowment funds	666	-	-	54	(17)	703
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	2,976	60	(18)	221	-	3,239
Trevor Clay Scholarship Fund	348	6	(49)	31	-	336
John Colyer Fund	157	3	(17)	29	-	172
Cowdray Scholarship Fund	-	-	-	-	-	-
Other educational funds	232	117	(106)	11	17	271
Total educational funds	3,713	186	(190)	292	17	4,018
Benevolent funds						
RCNF benevolent Funds	3,966	198	(239)	228	(249)	3,904
Other benevolent funds	798	1,429	(1,534)	55	249	997
Total benevolent funds	4,764	1,627	(1,773)	283	-	4,901
Research funds	374	17	(176)	18	-	233
Total restricted funds	8,851	1,830	(2,139)	593	17	9,152
Unrestricted funds						
General funds	27,074	745	(1,068)	1,839	-	28,590
Designated funds						
Omaze	557	-	(45)	-	-	512
Other designated funds	136	-	(68)	-	-	68
Total designated funds	693	-	(113)	-	-	580
Total unrestricted funds	27,767	745	(1,181)	1,839	-	29,170
Total funds	37,284	2,575	(3,320)	2,486	-	39,025

13.3. RCN Foundation Group year end 31 December 2021

	31 December 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2021 £'000
Endowment funds						
Permanent						
Educational funds	88	-	-	10	-	98
Research fund – Daphne Heald R&D Fund	597	-	-	70	-	667
Expendable						
Educational funds	2	-	-	-	(2)	-
Benevolent funds	-	-	-	-	-	-
Other funds	16	-	-	2	-	18
Total endowment funds	703	-	-	82	(2)	783
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	3,239	68	(31)	313	-	3,589
Trevor Clay Scholarship Fund	336	7	(65)	44	(30)	292
John Colyer Fund	172	4	(15)	41	-	202
Cowdray Scholarship Fund	-	-	-	-	-	-
Other educational funds	271	424	(71)	16	20	660
Total educational funds	4,018	503	(182)	414	(10)	4,743
Benevolent funds						
RCNF benevolent funds	3,904	179	(206)	323	-	4,200
Other benevolent funds	997	29	(39)	78	-	1,065
Total benevolent funds	4,901	208	(245)	401	-	5,265
Research funds	233	18	(214)	26	80	143
Total restricted funds	9,152	729	(641)	841	70	10,151
Unrestricted funds						
General funds	30,339	736	(3,136)	2,611	(54)	30,496
Designated funds						
Omaze	512	-	(100)	-	54	466
Other designated funds	68	-	-	-	(68)	-
Total designated funds	580	-	(100)	-	(14)	466
Total unrestricted funds	30,919	736	(3,236)	2,611	(68)	30,962
Total funds	40,774	1,465	(3,877)	3,534	-	41,896

13.4. RCN Foundation Group year end 31 December 2020

	31 December 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2020 £'000
Endowment funds						
Permanent						
Educational funds	81	-	-	7	-	88
Research fund – Daphne Heald R&D Fund	548	-	-	49	-	597
Expendable						
Educational funds	22	-	-	(3)	(17)	2
Benevolent funds	-	-	-	-	-	-
Other funds	15	-	-	1	-	16
Total endowment funds	666	-	-	54	(17)	703
Restricted income funds						
Educational funds						
RCNF Professional Education Funds	2,976	60	(18)	221	-	3,239
Trevor Clay Scholarship Fund	348	6	(49)	31	-	336
John Colyer Fund	157	3	(17)	29	-	172
Cowdray Scholarship Fund	-	-	-	-	-	-
Other educational funds	232	117	(106)	11	17	271
Total educational funds	3,713	186	(190)	292	17	4,018
Benevolent funds						
RCNF benevolent funds	3,966	198	(239)	228	(249)	3,904
Other benevolent funds	798	1,429	(1,534)	55	249	997
Total benevolent funds	4,764	1,627	(1,773)	283	-	4,901
Research funds	374	17	(176)	18	-	233
Total restricted funds	8,851	1,830	(2,139)	593	17	9,152
Unrestricted funds						
General funds	27,074	4,892	(3,466)	1,839	-	30,339
Designated funds						
Omaze	557	-	(45)	-	-	512
Other designated funds	136	-	(68)	-	-	68
Total designated funds	693	-	(113)	-	-	580
Total unrestricted funds	27,767	4,892	(3,579)	1,839	-	30,919
Total funds	37,284	6,722	(5,718)	2,486	-	40,774

The funds we hold are for the following purposes:

Educational funds

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

Benevolent funds

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

Research funds

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

Transfers between funds - RCN Foundation

The transfer of £2,000 out of expendable endowments was processed after the Trustees decided to use the expendable endowment to support RCN Foundation educational activities.

The net £70,000 transfer in restricted funds relates to the transfer from expendable endowments to restricted funds for £2,000 and a transfer from unrestricted funds to restricted for £68,000. This last transfer was processed to cover for costs that should have been funded by designated funds instead of restricted funds.

14. Related party transactions

During the year a service charge of £625,982 was incurred by the RCN Foundation Group to RCN based upon the agreed service level agreement to provide staff (31 December 2020: £570,549). As at 31 December 2021, £321,152 is outstanding from RCN Foundation Group to RCN for this service level agreement and arrangement to provide staff.

In 2021, a total of £349,639 (31 December 2020: £279,219) has been paid to the RCN for the LampLight Support Service (LSS). The amount includes redundancy costs for one LSS member of staff. As at 31 December 2021, £54,018 is outstanding from the RCN Foundation Group to RCN (31 December 2020: £10,524 due from RCN).

Moreover, in the year the RCN Foundation awarded RCN two grants to run the Prince of Wales Cadet Scheme (£50,000) and the project "Sharing nurses' life stories through their archives" (£4,000). No balance is outstanding at the end of the year relating to these transactions.

15. Remuneration

None of the Trustees received remuneration. Costs incurred by the RCN Foundation Trustees while carrying out trustee duties amounted to £1,101 in the year (31 December 2020: £1,197). These expenses related to £58 in accommodation and meals and £1,042 in travel. These costs relate to 10 trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

16. Prior period adjustments

Balance sheet

The Balance sheet for 2020 has been restated to correct the value of the revaluation reserves at the end of December 2020. The calculation of 2020 movement in the revaluation reserves did not take into account the full value of the net unrealised gains, £579,000 instead of the restated figure of £1.866m. As a result of the adjustment, the value of general funds available to the charity has decreased to £21.474m. Anyway, the overall value of the unrestricted funds held by the charity has not changed. To correctly reflect the above adjustment, note 8.1 Long-term investments, has been restated.

Statement of cashflow

The Statement of Cashflow for 2020 has been restated to reflect the correct allocation of cash between cash at bank and cash held in the investment portfolio. The closing balance of cash held in investments in 2020 did not include the cash held by the investment manager Sarasin, £322,091 (see note 8.1), while it was included in the opening balance of 2020. This resulted in a difference in cash which was incorrectly attributed to change in cash due to exchange rate movements.

17. Ultimate controlling party

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



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