



# Annual Report 2018





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RCN Foundation  
Supporting nurses  
improving care





# The RCN Foundation Annual Report and Financial Statements 1 January to 31 December 2018

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### Photographs

Front cover and left: Author and RCN Foundation ambassador  
Christie Watson taking part Vintage's *Walk for Nursing*.





## Introduction

**2018 was an extraordinary year for the Foundation.** We began the year with a very clear vision of what we aimed to achieve. However, we could not have foreseen the unprecedented level of interest and support that the Foundation received.

We continued to provide significant levels of support in our core areas of grant making – hardship, education and nursing-led projects. During 2018, there was a greater focus on how we demonstrate the impact of our grant making. We know that our work makes a positive and direct difference to nurses, midwives and health

care support workers across the UK; and we also know that this support helps to improve care for patients every day, in different settings. However, we recognised that we needed to be better at communicating those improvements.

A starting point for us has been to change how we talk about what we do, moving away from describing our work simply in terms of the grants we make, focusing instead on the outcomes and impact of those grants. This is something we will be developing more fully in 2019, but for now we are much clearer that through our work we support





individual members of the nursing team by making grants for hardship and education; we invest in the nursing profession to improve patient care; and we champion nursing through activities that raise the profile of the profession and strengthen public understanding of its contribution to improving the nation's health.

In 2018, our income from fundraising exceeded the income from our investments for the first time. This was in part down to significant funds raised via the online fundraising platform Omaze, and fronted by the actress and RCN Ambassador Emilia

Clarke. The funds will be used to develop a new programme of education activities which focus on advanced level practice in a specialism.

Our work could not have been possible without the support and guidance of so many individuals and organisations, and we thank them for it. 2018 was Robert Sowney's final full year as Chair of the Foundation. Robert, our first ever Chair, completed his term of office at the end of January 2019. He has been instrumental in establishing and developing the Foundation and we owe him our thanks for his stewardship over the past eight years.



# Report of the Trustees

## for the year ending 31 December 2018

(incorporating the Directors' report)

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2018 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 2018. It is available in hard copy by written request and can be downloaded from the RCN Foundation's website ([www.rcnfoundation.org.uk](http://www.rcnfoundation.org.uk)), where there are further details about the RCN Foundation's work.

## 2018 Objectives

In 2018, the RCN Foundation continued to deliver on key areas of work aimed at meeting our purpose of supporting and strengthening nursing to improve the health and wellbeing of the public. Our objectives for 2018, as listed in the 2017 Annual Report, and the progress made against these objectives, are highlighted in this report.

### 1. Implement our grant-making programme in line with agreed priorities including shaping our programmes on mental health and learning disability nursing, and our innovation work

We made a number of project grants in 2018. Grant making in our priority programme of supporting nursing teams in care home settings continued, with two projects – *Reshaping Care Homes Care* (Queen Margaret University, Edinburgh), and *Transforming Nursing in Care Homes* (University of Dundee) – making good progress. Both projects will report early in 2019.

The ReSPECT project (Recommended Summary Plan for Emergency Care and Treatment) led by UCLPartners, delivered new education materials for use in care homes, developed a web app about the ReSPECT process for use by care home staff and identified care homes to act as test sites for the process. Unfortunately, for a variety of reasons, the project could not be implemented in full. These included a lack of system-wide commitment to the process, competing priorities within the care homes (for example, CQC inspections) and resource constraints, particularly around the additional resources required to implement ReSPECT. However, the project team learned a number of valuable lessons about the challenges inherent in working in the care home sector, including the barriers to treatment escalation planning in care homes, and the role nurses play in this process.

A feasibility study began for a pan-London education and career pathway for registered nurses working in care homes. Led by a team from King's College London, the pathway aims to support the retention and development of nurses through a programme of education, clinical support and mentorship. Recruiting participants proved challenging despite the offer of fully funded places and the feasibility study will continue into 2019.



*Tackling Loneliness and Isolation in Care Homes in Wales*, a care home project developed by the Aneurin Bevan University Health Board, was selected to receive funding following a competitive bidding process. This intergenerational project seeks to improve the mental and physical wellbeing of older people living in nursing and residential homes.

Supporting nursing teams in care homes remains an important priority for the Foundation. During 2018, we encountered some of the stark challenges that exist within the sector which clearly underline the need for continued support. We know that persevering with, and learning from, these projects will lead to new ways of delivering improved care to older people within care homes.

Our new strategy set out two new priority grant-making programmes – mental health nursing and learning disability nursing. The Foundation Board agreed that our initial focus would be on mental health, with particular emphasis on nursing-led interventions to improve children and young people's mental health. A Collaborative Forum on Mental Health was held in June and brought together those from a wide range of backgrounds including nursing, academia, experts by experience, and family members and carers. The purpose of the forum was to identify through debate specific issues and themes as to how nursing can make a difference to the mental health of children and young people. As a result of the discussion, a call was made at the end of the year for proposals to undertake scoping research to identify the available evidence on nurse-led mental health interventions.

While the majority of our work on learning disability nursing is planned for 2019, we did support a project in this area this year. A grant was made to the RCN supporting the production of a film and associated educational resources highlighting the complex needs of a young adult with learning disabilities at the end of life. The film – *Bounce Back Boy* – was developed in partnership with the National Council for Palliative Care and Hospice UK, and was premiered at RCN Congress in May.



Christie Watson

## Our achievements in 2018

1. We directly supported nearly 2,000 nurses, midwives and health care support workers during the year, and many hundreds of others through the projects we funded.
2. We launched our mental health grants programme focusing on nursing-led support aimed at improving children and young people's mental health.
3. We reached the half a million pound milestone in relation to the level of funding spent on our care homes grant programme.
4. We appointed Christie Watson as our first ever Patron.
5. We received our single biggest donation so far as a result of the Omaze campaign.



## Providing a helping hand to those in hardship

### Rachael's story

“After years of financial, emotional and physical abuse, I made the decision to separate from my partner and the father of my two-year-old daughter, in the hope of stabilising not only my life but also my daughter’s.

I managed to find a place of my own, but due to such financial hardship and without any support network I struggled to even make ends meet.

Lamplight provided us with the financial support needed to settle into our new lives. They provided financial support towards our general costs of living, which meant that I could begin to provide for myself and my daughter, all be it in a very basic way, but for the first time in years, I was able to. You simply couldn’t put a price on the invaluable financial and mental wellbeing the Lamplight Support Service has so very generously given us.”

We continue to support projects that seek to increase the profile of nursing. These projects included a public lecture series developed by the RCN’s Library and Archive Service. This series included the RCN Foundation Annual Lecture, which was held in Cardiff and delivered by Sophie Howe, the Future Generations Commissioner for Wales.

*Celebrating Nursing Practice*, a Foundation-funded RCN Centenary project supporting the development of innovative practice by members of the nursing team was the subject of a significant feature article in the May edition of the *Nursing Standard*. Four

projects were selected for further development, and this work will continue in to 2019.

The projects included: the development of a toolkit to support communication with patients who have complex needs; the development of a tool to support enhanced recovery following a Cesarean section; the development of a digital version of the wound checklist; and the development of a booklet for nurses to communicate the importance of sudden infant death prevention and safe sleeping guidelines to parents whose first language is not English.

In 2018, the Foundation awarded £281k in education grants (2017: £257k) to 161 individuals (2017: 149). These grants encompassed postgraduate studies and courses aimed at contributing to continuing professional development. Once again, the courses undertaken were in a variety of topics including diabetes, cancer care and mental health. In addition, we also awarded grants to non-nursing graduates wishing to take up a degree in nursing.

We continued to develop our grant programmes with Leukaemia Care and the Worshipful Company of Needle-makers focussing on blood cancers and on members of the nursing team using needles in their practice. We awarded grants to members of the nursing team at all levels, from health care support workers to senior nurses through both partnerships.

In 2018, we were fortunate to be the beneficiary of significant funds raised via the Omaze fundraising platform. These funds are being used to develop an education grants programme with a particular focus on advanced level practice in a specialism.

We continued to support members of the nursing team facing hardship by funding the Lamplight Support Service (LSS) run by the RCN. LSS provided advice and grants to nurses, midwives and health care support workers facing a wide range of issues including physical and mental ill health, debt, relationship breakdowns and domestic abuse.

In 2018, the Foundation made grants of £247k through LSS (2017: £237k) with 80% of recipients



reporting that they were more financially independent as a result. 1,313 individuals benefited from telephone assessments (2017: 1,722), and were on average £4,000 a year better off as a result of the advice they received.

## 2. Develop an effective programme of income generation activities that support the delivery of our work

2018 was a very positive year for our fundraising activities and we received the single biggest donation since the Foundation was established. The donation was a result of a fundraising campaign run on the Omaze fundraising platform and fronted by the actor and RCN Ambassador Emilia Clarke.

Omaze is an online fundraising platform that raffles once-in-a-lifetime experiences and exclusive merchandise in support of charitable causes. We were delighted that Emilia Clarke chose to donate a visit to the set during filming of the final series of *Game of Thrones*.

We also implemented our first pro-active legacy fundraising campaign, a significant step in our long-term fundraising ambitions. We benefited from a significant number of legacy donations during the year, for which we are extremely grateful.

We developed a successful corporate fundraising partnership with Vintage Publishing, publishers of author Christie Watson's award winning *The Language of Kindness: A Nurse's Story*. One of the highlights of the partnership was the *Walk for Nursing* organised by Vintage. The walk celebrated the 70th anniversary of the NHS and the vital contribution of nurses. Over 50 people, including author Christie Watson, took part in the walk with participants walking 10,000 steps to represent the number of steps walked by a nurse on a single shift.

The year ended with our first ever gala fundraising dinner. *A Night for Nursing* took place at 20 Cavendish Square in aid of the RCN President's campaign to fund student nurse training in Bangladesh working in partnership with the IMPACT Foundation.

### Providing a helping hand to those in hardship

#### Katie's story

"I suffered a subarachnoid haemorrhage in January 2017 and was put on long-term sick leave. As a single mum with two teenage children, this was a really difficult time for me. My situation got even worse when my application for Personal Independence Payment (PIP) was turned down.

The Lamplight Service gave me information and guidance about support services and benefits that I could access. They also gave me some financial assistance and offered to support me with an appeal against the PIP decision.

This support made a massive difference. It took pressure off and took away some of the stress that I was suffering, that I really didn't need. I was starting to panic about my financial situation and the grant was an absolute godsend.

I think Lamplight are absolutely fantastic. I was bowled over by the support on offer and the financial generosity. I think it's amazing!! The lady I was in contact with was friendly and supportive and I felt like she actually cared. It was something that helped me through a really difficult, traumatic period and I will be eternally grateful"



### 3. Put in place a communications plan to support the delivery of our work

Our communication activities focused on informing a wider audience about our grant programmes. Social media is an increasingly important way of engaging with our audience and the number of followers we have on Twitter has grown to nearly 2,500. As a result of our activity on Twitter, the number of applications for Foundation education grants increased by 20% compared to 2017. We will be continuing to prioritise communication activities in 2019.

### 4. Strengthen our relationship with the RCN Group

For the first time, there was an RCN Group stand at RCN Congress. This replaced the individual exhibition stands run by the RCN, RCN Foundation and RCNi at Congress. Being part of a group stand led to increased interest in the Foundation from delegates, and we ran a series of masterclasses for nurses, midwives and health care support workers who attended Congress, to provide advice on making a grant application to the RCN Foundation.

2018 also saw the first RCN Group strategy developed focussing on four priority themes:

- Provision of education and learning.
- Setting clinical standards and supporting practice.
- Active personal and workplace support.
- Shaping policy.

### 5. Ensure that the RCN Foundation operates effectively and efficiently, meeting its aims and objectives

We addressed a number of governance, technological and financial areas which will help us to underpin the delivery of our core work.

Five new trustees with a broad range of experience and skills were recruited, and we held a very successful trustee

#### Supporting nurses through education

#### Sam's story

“A colleague at work advised me of the educational support available through the RCN Foundation.

I had just completed a 6 month breast care nurse (BCN) secondment, and when the post was advertised, I applied and was appointed as a BCN. As a newly appointed BCN I was keen to undertake the Principles of Breast Cancer Care course, but neither my Trust nor I could afford to pay for the course.

The grant I received from the RCN Foundation enabled me to undertake the Principles of Breast Cancer Care module, allowing me to have a greater understanding of breast cancer. As a breast care nurse looking after very vulnerable patients, I have been able to develop a sound knowledge and good understanding of the latest treatment available to the patient, supporting them on their journey as they go through a traumatic and life changing event.

I feel very privileged and extremely grateful to the RCN Foundation for awarding me with the funding.”

development day in the autumn. Two of the new trustees have a nursing background whilst the others are from the finance, investments and charity governance sectors.

The search for a new Chair of Trustees also began towards the end of the year to succeed Robert Sowney, the Foundation's first Chair. Robert's term of office came to an end in January 2019. The current Vice-Chair will take on the role of Acting Chair during the recruitment process.

The development of a CRM (Customer-relationship Management) system for the Foundation continues. Phase 1, which incorporates our income processes was completed early in the year, and phase 2, which will support our grant-making processes, is making good progress and will be completed in 2019.

Development of a new website is also on track. Work began during the autumn and the new site should be live in spring 2019.

Independent consultants were commissioned to undertake a strategic financial review in order to generate ideas and discussion about our future financial direction. Our new financial strategy will be developed during the course of 2019.

Finally, we appointed our first ever Patron, the award-winning author and former nurse Christie Watson. Christie supported the Foundation in various ways during the year, including leading the *Walk for Nursing* and speaking at a number of our events.

## Policies

The Board approved a policy on Fundraising Communications with Vulnerable Supporters in March. Additionally, a number of RCN Group policies were also approved by the Board in September 2018. These policies related to whistleblowing, anti-fraud and declarations of interest.

## Amalgamation of Funds

The process of amalgamating various funds held by the Foundation into two main funds – the Benevolent Fund and the Education Fund – was ongoing in 2018. In 2017, the Charity Commission and the Office of the Scottish Charity Regulator (OSCR) approved the request to the change of objects of the funds and subsequently the revised Memorandum and Articles were drafted, signed and filed with Companies House, the Charity Commission and OSCR. The new objects were approved in 2018.

As a result the new schemes were made by the Charity Commission and are now effective and have the force of law. Resolutions to amalgamate the 19 smaller

funds have been drafted and have been filed with the Charity Commission. These resolutions will take effect after 60 days if the Charity Commission does not object. Following this the funds will be amalgamated. This is likely to happen in the first quarter of 2019.

Alongside the formal amalgamation process, we will also be producing an online publication that will commemorate the contribution and support of the many named individuals who have supported the charitable work of the RCN since its inception.

## Supporting nurses through education

### Sarah's story

"I first heard about the RCN Foundation through the Stroke Clinical Nurse Specialist (CNS) based at my current workplace. I also noticed the educational grant being discussed on Twitter and the tweets reminded me that the application window was still open.

I was awarded funding by the Foundation to begin a long distance part-time Masters course in Advanced Nursing Practice with Edinburgh Napier. Having support from the educational grant has meant I have been able to undertake a module in a topic that I am passionate about and directly relevant to improving patient care.

I feel nurses should have access to a wide range of learning opportunities that fulfil their own personal interests, as well as taking back knowledge to their workplace. Employers are just not able to support nurses in this way. I wouldn't have been able to undertake this kind of module without the financial assistance I received from the RCN Foundation. I am so grateful to them"



## Raising awareness of end-of-life care

### *Bounce Back Boy*

The Foundation funded the production of a short film, *Bounce Back Boy*, on end-of-life care for a young person with complex needs. The film aims to raise awareness of the multiple challenges that can arise when a young person with complex needs is dying; and to contribute towards improving the quality and experience of palliative and end-of-life care for young adults and people with learning difficulties. The project addressed our priority theme of learning disability.

Josh Cawley died a distressing death, despite the support of his adoptive family who fought for all of his short life to get the care he needed. *Bounce Back Boy* is a film that explores the life and the death of 23-year-old Josh following catastrophic injuries inflicted by his birth parents. It explores how his, and his adoptive family's complex needs were inadequately identified, assessed and supported by health and social care professionals.

The original play was written by playwright Brian Daniels, in conjunction with Josh's adoptive mother Lynn Cawley, who had to co-ordinate his care whilst fighting for the system to recognise his needs. Josh's needs were considered too 'complex' for the local hospice.

A question-and-answer session with Josh's adoptive mother, Lynn follows directly on from the main film. She describes some of the things she would like to be done differently and the impact living with Josh had on her life and those of her immediate family.

## Our position on modern-day slavery

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

## Objectives for 2019

The objectives for 2019 are:

1. Implement a strong programme of grant-making that focuses on:
  - supporting individual members of the nursing team through our hardship and education grants. This includes the development of the Advanced Level Practice in a Specialism programme which is being developed using funds raised through the Omaze campaign;
  - investing in the nursing profession to improve patient care, particularly through our priority themes of care homes, children and young people's mental health, and learning disability; supporting nursing-led innovation; and special projects that address current critical priorities;
  - championing nursing by raising the profile of nursing and public understanding of its contribution to improving the nation's health; and focusing on the mental health of the nursing team;
2. Undertake activities that raise the profile of the Foundation and highlight the impact of our work
3. Ensure that income from investments and fundraising performs well and is able to support the delivery of our work
4. Continue to contribute positively to the RCN Group working cohesively to achieve shared objectives
5. Continue to strengthen our own organisational performance, capacity to deliver and impact, including in the areas of governance, finance and technology







## Financial review

### Investments, policy and performance

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

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

The trustees specified that a part of the portfolio should be accessible at relatively short notice. Therefore the investment managers retain a short term fund consisting of cash, short-term deposits and short dated bonds. At 31 December 2018, £1m was held in the short term fund as Money Market Investments and is shown as a current asset on the Balance Sheet (31 December 2017: £1m).

The Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the Foundation's ethical requirements. The fund managers have discretion over the selection of stocks but the contract with Sarasin & Partners stipulates the trustees' requirement for the investments to be managed in a socially responsible manner in line with their values and corporate policies and their wish to avoid any investment in companies that manufacture tobacco products. The trustees have also stated a preference to avoid investments in hedge funds.

In 2018, the RCN Foundation together with the RCN undertook a group review of the investment manager and the individual investment portfolio held by the group through an independent company. Several recommendations were received, including suggestions regarding the strategic allocation of the portfolio. More work will be carried out in 2019

together with the current investment manager, Sarasin, who were re-appointed on a rolling basis.

Movement in the investments resulted in an overall decrease in the market value of the combined portfolio from £33.3m at the start of the year to £31.3 at the end of the year. This decrease in value can mainly be attributed to the unrealised losses of the portfolio as well as foreign exchange losses. The market value of investments are subject to the fluctuation of the open market and are thus exposed to a degree of uncertainty and speculation.

### Review of financial position

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

The statement of financial activities for the year ended 31 December 2018 and the balance sheet as at 31 December 2018 are set out on pages 26 and 27. The statement of financial activities shows that the RCN Foundation had net loss of £1.1m in the year ended 31 December 2018 (31 December 2017: net surplus of £2.1m).

### Income

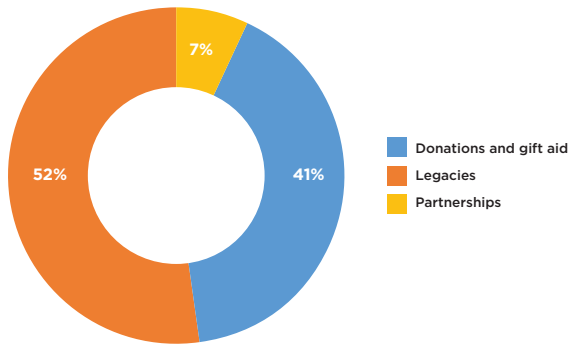
RCN Foundation income is made up of income from donations and legacies, income from trading activities and investment income.

Total income in the year was £2.4m which is 65% higher than the previous year (31 December 2017: £1.4m), £1.5m has been allocated to unrestricted funds (31 December 2017: £955k). The positive difference is due to a major fundraising campaign led by Emilia Clarke on the online fundraising platform Omaze which generated £600k and the legacies received in the year for £577k.

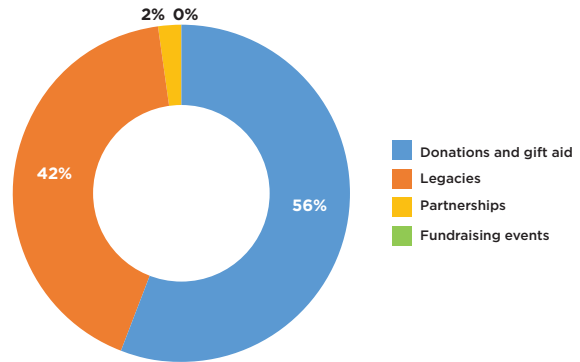
Excluding the grant from Omaze, legacies, donations and gift aid amounted to £762k (31 December 2017:



**Donation and legacy income 2017 – £425k**



**Donation and legacy income 2018 – £1.4m**

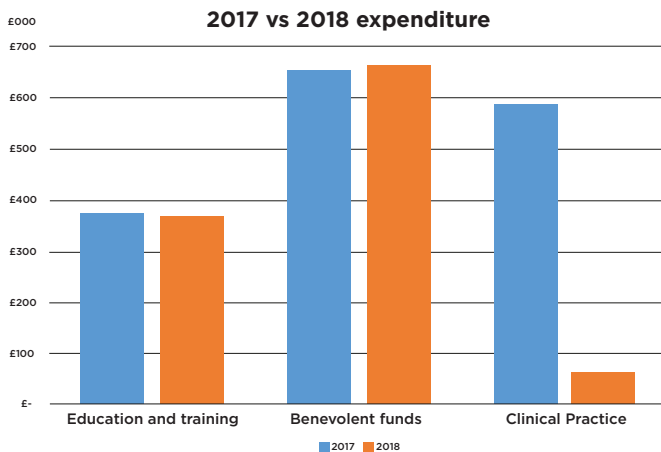


£425k). In 2018, the RCN Foundation received legacies for £577k (31 December 2017: £221k). Of total legacy income received, about 81% is restricted to the RCN Foundation Benevolent funds (£469k). Income earned from other trading activities includes sponsorship income received from LV= (£2k) and income raised for the fundraising event “Night for Nursing” organised by the RCN Foundation (£8k).

Investment income for the year was £984k (31 December 2017: £1m) of which £736k was unrestricted (31 December 2017: £747k). The RCN Foundation investments reported net losses of £2m (31 December 2017: £2.6m gains) mainly due to unrealised losses on the investment portfolio.

## Expenditure

Total expenditure in the year amounted to £1.4m (31 December 2017: £1.9m) of which £854k (31 December 2017: £1.3m) was from unrestricted funds.



In 2018 expenditure saw a 27% decrease compared to 2017, this is due mainly to a decrease in project grants awarded towards the improvement of clinical practice. 2018 has been a busy year in terms of honouring past commitments, few applications for project grants were discussed but the review took longer than anticipated which means that more projects will be awarded in 2019. Contributing to the decrease is also the write-off of the outstanding balance owed to UCLPartners for the ReSPECT project (£63k) due to implementation issues.

In 2018, £528k restricted grants were paid (31 December 2017: £532k), of these £247k relates to benevolent grants awarded through the Lamplight Support Service (31 December 2017: £263k), the remaining are educational bursaries, £281k (31 December 2017: £269k). The RCN Foundation paid £267k to RCN as part of the agreement to run the LSS (31 December 2017: £254k), this expenditure has been charged against unrestricted funds. £2k restricted funds have been used to organise the event “Night for Nursing”.

An annual fee is agreed in advance to meet the cost of the service provided by the RCN for governance, finance, marketing and other services and is included within unrestricted expenditure. This was £376k in the year ended 31 December 2018 (31 December 2017: £375k). The service fee reflects staff costs for those RCN employees working on behalf of the RCN Foundation plus 12% overheads.

In the expenditure note (Note 3 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 £273k, this figure includes investment management fees and a portion of operational and support costs (31 December 2017: £260k) and expenditure on fundraising activities (31 December 2017: £0k). The investment management fee is calculated as a proportion of the value of the portfolio and varies accordingly (31 December 2018: £148k; 31 December 2017: £148k).

In the year trustee expenses of £18,405 were incurred (31 December 2017: £14,707). The increase is mainly due to travel and accommodation costs incurred during Congress 2018 held in Belfast. These costs are treated as unrestricted expenditure.

## Reserves

The RCN Foundation has adopted a reserves policy, currently set at £18.5m, which they consider appropriate to ensure the Foundation can meet its objectives and at the same time manage the expectations of both its potential supporters and beneficiaries.

The level of free reserves at 31 December 2018 was £23.6m (31 December 2017: £25.0m). 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 decrease in reserves is due to the net losses on the investment portfolio partially offset by in year net income.

2018 has been quite an exceptional year for the RCN Foundation and although income raised through donations and legacies has been greater than investment income, the investment and reserves policies reflect the trustees' acknowledgment that the RCN Foundation is largely reliant on reserves and investment income for the furtherance of its charitable objectives for the foreseeable future.

The trustees also acknowledge the inherent risk in holding the majority of its assets within the investment portfolio, namely the fluctuation in market values, this risk is considered when setting the reserves policy. This policy is reviewed annually.

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





# Principal Risks and Uncertainties

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

## Financial

### Appetite for risk: low

There is an ongoing dependency on reserves and investment income. We continue to rely heavily on returns from our investment income to support our activities. Trustees are prioritising the need to diversify sources of income over time, though with a clear understanding that results will not be immediate. During the year we received significant fundraising income from a variety of sources resulting in a strong year for fundraising performance. With the wider economic climate remaining uncertain, including the potential impact of Brexit, both investment and fundraising income will be kept under close review in 2019. Another financial risk which was kept under review by the Board was the decreased expenditure on grant-making. As a result of this identified risk, we commissioned an independent financial review of the Foundation, the results of which will be taken forward in 2019.

## Governance

### Appetite for risk: low

Key risks during the year were to ensure that the Board was able to work well together following the appointment of five new Trustees and that the

Foundation was able to successfully recruit a new Chair. Work to mitigate both of these risks was undertaken and included arranging the first Trustee development day for the Board and ensuring that there was a contingency plan in place in the event that a new Chair was not recruited. The Vice-Chair has agreed to take on the role of Acting Chair whilst a new Chair is recruited.

## Regulatory

### Appetite for risk: low

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

## Operational

### Appetite for risk: medium

A key operational risk for us is that the Foundation is unable to deliver its planned programme of grant-making due to the increased interest in the our work and consequently the increased demand on our resources (both time and staffing). This has the potential to have a negative impact on our reputation. Trustees have mitigated this risk by keeping the programme of work under close review. There has also been a review of current staffing and there are plans in place to recruit additional key staff in 2019.

## External

### Appetite for risk: medium

A key external risk for the Foundation relates to the impact of Brexit on the economic climate and consequently on the capacity to generate income from both investment income and fundraising. Both the Board and Income Generation and Investment Committee will keep this under review. Another risk is the lack of clarity about the role and contribution of the Foundation within the nursing charity sector. The implementation of the Foundation's new strategy has provided greater clarity about our vision, purpose and priorities. This has also been widely communicated.

# Board of Trustees

## Reference and Administrative Details

### Structure, Governance and Management

## Board of Trustees

The trustees who are in office or have been during 2018 are:

**Robert Sowney FRCN** Chair of the Board (retired January 2019)

**Professor Charles Butterworth CBE, FRCN** Vice-Chair and Chair of the Appointments Panel (retired September 2018)

**Christine Perry** Vice-Chair and Chair of the Appointments Panel (from September 2018)

**Gordon Hull** (joined March 2018)

**David Jones** Chair of the Income Generation and Investment Committee

**Denise Llewellyn MBE, FRCN** Chair of the Wales Committee

**Vanessa Martin FRCN** Chair of the Scotland Committee (retired November 2018)

**Ian Norris** Chair of the Grants Committee

**Nicholas Pearson OBE** (retired September 2018)

**Moya Kirmond** (joined March 2018)

**Rachel Lambert-Forsyth** (joined June 2018)

**Charlotte McArdle** (joined June 2018)

**Atul Patel MBE** (joined April 2018)



## Reference and administrative details

### Registered office

20 Cavendish Square, London W1G 0RN  
Telephone 020 7409 3333  
Website: [www.rcnfoundation.org.uk](http://www.rcnfoundation.org.uk)

### Bankers

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

### Independent auditor

Deloitte LLP  
Statutory Auditor  
1 New Street Square, London EC4A 3HQ  
United Kingdom

### Lawyers

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

### Investment managers

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

## Charity and Company registration numbers

**Registered Charity** 1134606  
**Scottish registered charity** SC043663  
**Registered Company** 7026001

The Board of Trustees of the RCN Foundation presents its annual report and financial statements for the year ended 31 December 2018 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 at the end of our seventh year as a registered charity. It is available in hard copy by written request and can be downloaded from the RCN Foundation's website ([www.rcnfoundation.org.uk](http://www.rcnfoundation.org.uk)), where there are further details about the RCN Foundation's work.

## Structure, governance and management

### Constitution

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

The RCN 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 RCN 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 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 dependants of any such persons

## Public benefit statement

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

## Governance

The RCN Foundation's Board of Trustees is independent of the Royal College of Nursing (RCN UK). The Board has provision for up to 14 trustees, four of whom are appointed by RCN Council. At least three of the members of the Board of Trustees must have no previous connection with the RCN. This enables us to retain our strong connections with the RCN whilst maintaining our independence.

The first trustees were appointed by the RCN's Council in 2010 through a public advertisement and interview process designed to identify trustees with as wide a range of different skills, backgrounds and experience as possible to establish the new RCN Foundation. Since then the Appointments Panel of the Board has led the process of appointing a number of independent trustees.

The Board of Trustees normally meets quarterly with the addition of an annual Board away day. 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 strategy to support members of the nursing team in need of assistance as well as the RCN Foundation's project and education grants programme. The Income Generation and Investment Committee is accountable to the Board for the development and delivery of the fundraising, marketing and communications initiatives 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. An induction programme for new trustees was developed and implemented in 2017. In December 2017, the Appointments Panel undertook a recruitment process for new trustees to replace those who had retired in 2017 and who were due to retire in 2018. Appointments arising from this process will be made throughout 2018.

The RCN Foundation also has two country committees, one for Scotland and a second for Wales. The Wales Committee was launched in 2017. Both of these committees monitor and evaluate the RCN Foundation's work in their respective countries. We will be seeking to establish a committee in Northern Ireland over the next twelve months.

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



## Management

The RCN Foundation operates from the RCN's headquarters and is staffed by RCN employees under a Services Agreement, which is kept under regular review. Following the appointment of a new Head in 2016, the staffing structure of the RCN Foundation was re-organised. The staffing complement now comprises the following roles: Head of Foundation; Grants Manager; Fundraising and Communications Manager; Clerk to the Trustees; and Team Administrator. Additionally, the RCN Foundation is supported by a dedicated member of the RCN Finance team.

The RCN Foundation is also supported by Jane Clarke, RCN Group Secretary, and Tim Golbourn, RCN Director of Finance & Business Enablement. Other RCN staff support the RCN Foundation as required.

## Compliance

Our key governance documents, processes and controls are in place to ensure that the RCN

Foundation operates in an efficient and effective way in order to best deliver its charitable objectives. We conduct regular effectiveness reviews of these.

The RCN Foundation has a clear statement of purpose and a set of organisational values. These are described in our new three-year strategy document, *Strategy 2020*, a summary of which is available in hard copy and on the RCN Foundation website.

This document sets out our priorities up until 2020. 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 will be developed more fully in early 2019.

## Conflicts of interest

Our register of interests is available on our website. We have guidance for managing conflicts 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 has supported us during the year. With their vital help, we have been able to continue to achieve our purpose of supporting and strengthening nursing to improve the health and wellbeing of the public.

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

Thank you.



THE  
GUILTY  
FEMINIST



COUNTRY MILE  
Comedy Club



Charlotte's jumping  
To raise money for  
RCN Foundation



Leukaemia Care  
YOUR Blood Cancer Charity

RCN Foundation

RCN Foundation has teamed up with Amazon Smile. Each time you make a purchase through smile.amazon.co.uk Amazon will donate to our charity. Visit smile.amazon.co.uk today. Changing the way you shop could help change someone's life.

amazon smile

I ♥  
NURSING  
I am the future of nursing



STUDENTS COMMITTEE  
PIC-COLLA



Omaze



The Worshipful Company of  
Needlemakers



## 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".

Under company law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 SORP;
- make judgments 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; and
- the trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report on pages 4 to 10 was approved by the Board and signed on its behalf by:



Christine Perry  
Acting Chair of the Board of Trustees  
Date: 21 March 2019

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

### Opinion

#### In our opinion the financial statements:

In our opinion the financial statements of RCN Foundation ('the charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements of RCN Foundation (the 'charitable company') which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the statement of cash flows; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the

UK, including the Financial Reporting Council's ('the FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### Other information

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

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

We have nothing to report in respect of these matters.



## Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 the Companies Act 2006 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the 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 has been prepared in accordance with applicable legal requirements.

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

### Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Reza Motazedi (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 21 March 2019

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.



# Financial statements



## Statement of financial activities 31 December 2018 (Incorporating the income and expenditure account)

	Note	Unrestricted funds		Restricted funds		Endowment funds		31 December 2018	31 December 2017
		2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	£'000	£'000
<b>Income from:</b>									
<b>Income and endowments</b>									
Donations and legacies		739	208	623	217	-	-	1,362	425
<b>Income earned from other activities</b>									
Investment income	2	736	747	248	258	-	-	984	1,005
<b>Income earned from other trading activities</b>									
Income from fundraising events		-	-	8	-	-	-	8	-
Sponsorship income		-	-	2	-	-	-	2	-
<b>Total income</b>		<b>1,475</b>	<b>955</b>	<b>881</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>2,356</b>	<b>1,430</b>
<b>Expenditure</b>									
Cost of raising funds	3	271	260	2	-	-	-	273	260
<b>Expenditure on charitable activities:</b>									
Education and training		97	103	281	269	-	-	378	372
Benevolent funds		422	391	247	263	-	-	669	654
Clinical practice		64	586	-	-	-	-	64	586
<b>Total expenditure</b>	<b>3</b>	<b>854</b>	<b>1,340</b>	<b>530</b>	<b>532</b>	<b>-</b>	<b>-</b>	<b>1,384</b>	<b>1,872</b>
<b>Net income/ (expenditure) before investment (losses)/ gains</b>		<b>621</b>	<b>(385)</b>	<b>351</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>972</b>	<b>(442)</b>
<b>Net (losses)/gains on investments</b>		<b>(1,503)</b>	<b>1,889</b>	<b>(483)</b>	<b>549</b>	<b>(51)</b>	<b>120</b>	<b>(2,037)</b>	<b>2,558</b>
<b>Net (loss)/income for the year</b>		<b>(882)</b>	<b>1,504</b>	<b>(132)</b>	<b>492</b>	<b>(51)</b>	<b>120</b>	<b>(1,065)</b>	<b>2,116</b>
Transfers between funds		-	(5)	473	5	(473)	-	-	-
<b>Net movement in funds</b>	<b>12</b>	<b>(882)</b>	<b>1,499</b>	<b>341</b>	<b>497</b>	<b>(524)</b>	<b>120</b>	<b>(1,065)</b>	<b>2,116</b>
<b>Reconciliation of funds</b>									
Fund balances brought forward at the start of the period	12	25,068	23,569	7,419	6,922	1,208	1,088	33,695	31,579
Fund balances brought forward at the end of the period	12	24,186	25,068	7,760	7,419	684	1,208	32,630	33,695

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing operations. There is no difference between the net income for the periods stated above and the historical cost equivalent.

Notes on pages 29 to 39 form part of these financial statements.

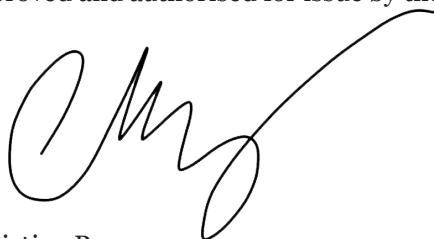


## Balance sheet as at 31 December 2018

	Note	31 December 2018 £'000	31 December 2017 £'000
<b>Fixed assets</b>			
Tangible assets	6	13	15
Long-term investments	7.1	30,287	32,316
<b>Total fixed assets</b>		<b>30,300</b>	<b>32,331</b>
<b>Current assets</b>			
Debtors	8	316	69
Short-term investments	7.2	1,001	1,001
Cash at bank and in hand		1,510	1,099
<b>Total current assets</b>		<b>2,827</b>	<b>2,169</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(478)	(708)
<b>Net current assets</b>		<b>2,349</b>	<b>1,461</b>
<b>Total assets less current liabilities</b>		<b>32,649</b>	<b>33,792</b>
Creditors: amounts falling due after one year	9	(19)	(97)
<b>Total net assets</b>		<b>32,630</b>	<b>33,695</b>
<b>The funds of the charity</b>			
Restricted funds:			
Permanent endowment	12	634	688
Expendable endowment	12	50	520
Restricted income funds	12	7,760	7,419
<b>Total restricted funds</b>		<b>8,444</b>	<b>8,627</b>
Unrestricted funds:			
Revaluation reserve	11	2,732	5,013
General funds		20,848	20,049
Designated funds	12	606	6
<b>Total unrestricted funds</b>	<b>12</b>	<b>24,186</b>	<b>25,068</b>
<b>Total charity funds</b>		<b>32,630</b>	<b>33,695</b>

The RCN Foundation (registered company 7026001) financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board of Trustees on 21 March 2019, and signed on their behalf by:



Christine Perry  
Acting Chair of the Board of Trustees

## Statement of cash flows

	Note	2018 Total funds £'000	2017 Prior year funds £'000
<b>Reconciliation of net movement in funds to net cash flow from operating activities:</b>			
Net movement in funds		(1,065)	2,116
Dividends and interest from investments		(984)	(1,005)
Losses/(gains) from investments		2,037	(2,558)
(Increase)/decrease in debtors	8	(247)	(54)
(Decrease)/increase in creditors	9	(308)	373
<b>Net cash used in operating activities</b>		<b>(567)</b>	<b>(1,128)</b>
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities		(567)	(1,128)
<b>Cash flows from investing activities:</b>			
(Purchase)/sale of fixed assets	6	-	32
Dividends and interest from investments	2	984	1,005
Proceeds from sale of investments	7	11,285	11,080
Purchase of investments	7	(10,668)	(11,153)
<b>Net cash provided by investing activities</b>		<b>1,601</b>	<b>964</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,034</b>	<b>(164)</b>
Opening cash at bank		1,099	1,174
Opening cash in investments		318	266
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1,417</b>	<b>1,440</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>(322)</b>	<b>141</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,129</b>	<b>1,417</b>
Represented by:			
Closing cash at bank		1,510	1,099
Closing cash in investments		619	318



# Notes to the financial statements

## 1. Accounting policies

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 2015) guidance on the application of the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) 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 FRS102 and has therefore taken advantage of disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statement (see note 15). 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 FRS102.

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. With respect to the next reporting period, 2019, the most significant area of uncertainty that affects the carrying value of assets held by the RCN Foundation is 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 prepares and files a consolidated statement of cash flows which includes the cash flows of the RCN Foundation. Under FRS102, a statement of cash flow is incorporated within these financial statements for the year ended 31 December 2018.

### c. Income

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

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

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

### d. Expenditure

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

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

	31 December 2018 %	31 December 2017 %
Cost of raising funds	19	14
Education and training	27	20
Benevolent fund	49	35
Clinical practice	5	31

### Cost of raising funds

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

### Objective 1: Education and training

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

## Objective 2: Benevolent funds

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

## Objective 3: Clinical practice

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

## Objective 4: Research

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

## Grants payable

Grants and bursaries payable are charged to the Statement of Financial Activities in the year in which the grant is awarded and the successful granting is conveyed to the recipient. In cases where the offer is conditional, grants are wholly recognised as expenditure in the year when the conditions attached solely relate to the recipient meeting the conditions of the grant. If there are conditions that are within the control of the RCN Foundation the expenditure is recognised to the extent the conditions are fulfilled. Those grants which are payable in future periods are included in creditors as set out in note 5.

The grant payable to RCN 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 3. Governance costs include all cost of compliance with constitutional and statutory requirements, including legal and audit fees and the cost of trustee meetings and are included within support costs.

## e. Irrecoverable value added tax

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

## f. Tangible assets - software

In 2018 there have been further developments on CRM phase 2. In 2014, RCNF agreed to pay RCN £72k for the development of CRM. So far £48k has been paid. The development of CRM did not follow exactly the original plan and in 2018 it was agreed with the RCN that RCNF will not pay the last instalment.

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 12.

In 2018, the RCN Foundation received a grant for £600k, from CAF America, as a result of a major fundraising campaign led by RCN Ambassador Emilia Clarke on the online fundraising platform Omaze. The grant has been designated by the Trustees for educational purposes and in 2018 there was no expenditure incurred.

#### **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 and work for the RCN Foundation in accordance with the Service Level

Agreement (SLA) they fall within the pension schemes of the RCN.

#### **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.

In 2018, the RCN service fee was allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity. Prior to 2017, the RCN service fee was allocated based on the expenditure incurred under each charitable activity.

#### **o. Going concern**

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. Based on the level of reserves there is no indication that the RCN Foundation would not be able to operate as going concern for the foreseeable future.



## 2. Investment income

	31 December 2018 £'000	31 December 2017 £'000
UK equities	472	518
Overseas equities	286	248
UK fixed interest	215	231
Bank interest	11	8
<b>Total</b>	<b>984</b>	<b>1,005</b>

## 3. Analysis of total expenditure

	Cost of raising funds		Charitable activities		Support costs		Total expenditure	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	31 December 2018 £'000	31 December 2017 £'000
<b>Grants/bursaries:</b>								
– to organisations	–	–	243	727	–	–	243	727
– to individuals	–	–	528	494	–	–	528	494
RCN service fee	75	72	145	144	156	159	376	375
Investment management fee	148	148	–	–	–	–	148	148
Fundraising costs	2	–	–	–	–	–	2	–
Trustee costs	–	–	–	–	22	30	22	30
Audit and tax advice	–	–	–	–	11	12	11	12
Publicity and events	–	–	–	–	7	22	7	22
Professional services	–	–	–	–	31	17	31	17
Travel and subsistence	–	–	–	–	5	5	5	5
IT costs	–	–	–	–	–	33	–	33
Miscellaneous cost	–	–	–	–	11	9	11	9
	<b>225</b>	<b>220</b>	<b>916</b>	<b>1,365</b>	<b>243</b>	<b>287</b>	<b>1,384</b>	<b>1,872</b>
Support costs	48	40	195	247	(243)	(287)	–	–
<b>Total</b>	<b>273</b>	<b>260</b>	<b>1,111</b>	<b>1,612</b>	<b>–</b>	<b>–</b>	<b>1,384</b>	<b>1,872</b>

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

External audit fee – auditor services of £11,200 including VAT are included in these financial statements (31 December 2017: £11,000).

## Expenditure on charitable activities

	Education and training		Benevolent funds		Clinical practice		Total charitable activities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	31 December 2018 £'000	31 December 2017 £'000
<b>Grants/bursaries (note 5):</b>								
– to organisations	(24)	3	267	280	-	444	243	727
– to individuals	281	257	247	237	-	-	528	494
RCN service fee	55	55	37	37	53	52	145	144
	<b>312</b>	<b>315</b>	<b>551</b>	<b>554</b>	<b>53</b>	<b>496</b>	<b>916</b>	<b>1,365</b>
Support costs	66	57	118	100	11	90	195	247
<b>Total</b>	<b>378</b>	<b>372</b>	<b>669</b>	<b>654</b>	<b>64</b>	<b>586</b>	<b>1,111</b>	<b>1,612</b>

In 2018, the RCN service fee is allocated to charitable activities according to the time spent by the RCN Foundation staff on each activity.

### Staff costs

The RCN Foundation does not employ any staff directly. A service level agreement is in place between RCN UK and RCN Foundation for the provision of services to RCN Foundation (RCN service fee). Under the agreement there are six employees who work for RCN Foundation (31 December 2017: seven employees), one of whom earns between £70,000 - £80,000 per annum. Pension payments made with regard to this individual amounted to £5,758 (31 December 2017: £5,446).

	31 December 2018 £'000	31 December 2017 £'000
Wages and salaries	271	247
Social security costs	30	24
Other pension costs	27	28
<b>Total</b>	<b>328</b>	<b>299</b>

## 4. Taxation

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

## 5. Grants payable

	Unrestricted funds		Restricted funds		Total grants payable	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	31 December 2018 £'000	31 December 2017 £'000
<b>Balance brought forward at start of period</b>	<b>387</b>	<b>181</b>	<b>293</b>	<b>195</b>	<b>680</b>	<b>376</b>
<b>Awarded in the period:</b>						
Grants and bursaries	266	747	529	535	795	1,282
Unused awards written back	(24)	(57)	-	(4)	(24)	(61)
<b>Charge to SOFA (note 3)</b>	<b>242</b>	<b>690</b>	<b>529</b>	<b>531</b>	<b>771</b>	<b>1,221</b>
Paid in period	(448)	(484)	(569)	(433)	(1,017)	(917)
<b>Balance carried forward at the end of the period</b>	<b>181</b>	<b>387</b>	<b>253</b>	<b>293</b>	<b>434</b>	<b>680</b>
Falling due within one year	162	290	253	293	415	583
Falling due after one year	19	97	-	-	19	97

Grants were awarded as follows:

	31 December 2018 £'000	31 December 2017 £'000
<b>Grants to individuals:</b>		
Educational bursaries	281	257
Benevolent grants	247	241
Write-backs	-	(4)
<b>Total grants to individuals</b>	<b>528</b>	<b>494</b>
<b>Grants to organisations</b>		
RCN Public Lecture Series	19	16
UCLPartners	(63)	185
LampLight Support Service (LSS)	267	254
Florence Nightingale Foundation	19	19
Queen Margaret University	-	26
RCN Centenary Project (Educational)	-	(21)
RCN Bounce Back Boy	1	-
University of Dundee	-	22
C3 Collaborating for Health	-	20
QNI Scotland	-	16
King's College London	-	193
RCN Dignity in Dementia	-	(3)
<b>Total grants to organisations</b>	<b>243</b>	<b>727</b>

In the year the RCN Foundation awarded educational bursaries to 161 individuals and benevolent grants to 362 individuals.

## 6. Tangible assets

	Note	Computer software £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>				
Balance at 1 January 2018		9	7	16
Additions		-	-	-
Disposals	1.f	-	-	-
<b>Balance at 31 December 2018</b>		<b>9</b>	<b>7</b>	<b>16</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2018		1	-	1
Charge for the year		2	-	2
Disposals		-	-	-
<b>Balance at 31 December 2018</b>		<b>3</b>	<b>-</b>	<b>3</b>
<b>Net book value at 31 December 2018</b>		<b>6</b>	<b>7</b>	<b>13</b>
<b>Net book value at 31 December 2017</b>		<b>8</b>	<b>7</b>	<b>15</b>



## 7. Investments

### 7.1. Long-term investments

	31 December 2018 £'000	31 December 2017 £'000
Market value at the start of the year	31,998	29,507
Additions at cost	6,668	7,153
Disposals at carrying value	(7,227)	(7,043)
Redemptions	(57)	(37)
Realised gain	567	1,065
Unrealised (loss)/gain	(2,281)	1,353
<b>Investments at market value at the end of the year</b>	<b>29,668</b>	<b>31,998</b>
Cash held for reinvestment	619	318
<b>Market value at the end of the year</b>	<b>30,287</b>	<b>32,316</b>
<b>Historic cost at the end of the year</b>	<b>27,555</b>	<b>27,303</b>

Investments at market value comprise:

	31 December 2018 £'000	31 December 2017 £'000
<b>Listed investments</b>		
Fixed interest (Government securities and bonds)	5,520	5,789
UK equities	9,993	10,248
Global equities	10,318	10,840
Alternative assets	2,133	2,299
Property	1,706	1,718
Liquid assets in long-term fund	617	1,422
<b>Total</b>	<b>30,287</b>	<b>32,316</b>

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

#### Holdings over 5%

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

### 7.2. Short-term investments

	31 December 2018 £'000	31 December 2017 £'000
Market value at the start of the year	1,001	1,001
Additions at cost	4,000	4,000
Redemptions	(4,000)	(4,000)
<b>Investments at market value at year end</b>	<b>1,001</b>	<b>1,001</b>
Cash held for reinvestment	-	-
<b>Market value at the end of the year</b>	<b>1,001</b>	<b>1,001</b>
<b>Historic cost at end of the year</b>	<b>1,000</b>	<b>1,000</b>

## 8. Debtors

	31 December 2018 £'000	31 December 2017 £'000
Prepayments and accrued income	303	26
Due from RCN UK	13	43
<b>Total</b>	<b>316</b>	<b>69</b>

## 9. Creditors

	31 December 2018 £'000	31 December 2017 £'000
<b>Amounts falling due within one year</b>		
Trade Creditors	3	-
Grants payable (note 5)	415	583
Accruals	60	49
Due to RCN UK	-	76
<b>Total</b>	<b>478</b>	<b>708</b>
<b>Amounts falling due after one year</b>		
Grants payable (note 5)	19	97
<b>Total</b>	<b>19</b>	<b>97</b>

## 10. Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	31 December 2018 £'000	31 December 2017 £'000
<b>Fund balances at the end of the period are represented by:</b>								
Software	13	15	-	-	-	-	13	15
Investments	24,594	25,735	5,009	5,373	684	1,208	30,287	32,316
Current assets	(207)	(197)	3,034	2,366	-	-	2,827	2,169
- Current liabilities and provisions	(195)	(388)	(283)	(320)	-	-	(478)	(708)
- Non current liabilities	(19)	(97)	-	-	-	-	(19)	(97)
<b>Total net assets</b>	<b>24,186</b>	<b>25,068</b>	<b>7,760</b>	<b>7,419</b>	<b>684</b>	<b>1,208</b>	<b>32,630</b>	<b>33,695</b>

## 11. Revaluation reserve

	31 December 2017 £'000	Investment Unrealised (Loss) £'000	31 December 2018 £'000
Revaluation Reserve	5,013	(2,281)	2,732
<b>Total</b>	<b>5,013</b>	<b>(2,281)</b>	<b>2,732</b>

In 2018 the revaluation reserve related to the investment portfolio has decreased by the value of the unrealised loss for the year.

## 12. Movement in funds year end 31 December 2018

	31 December 2017 £'000	Income £'000	Expenditure £'000	Net investment (losses) £'000	Transfers between Funds £'000	31 December 2018 £'000
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	179	-	-	(14)	-	165
Research fund – Daphne Heald R&D Fund	509	-	-	(40)	-	469
<b>Expendable</b>						
Educational funds	41	-	-	(3)	-	38
Benevolent funds	466	-	-	7	(473)	-
Other funds	13	-	-	(1)	-	12
<b>Total endowment funds</b>	<b>1,208</b>	<b>-</b>	<b>-</b>	<b>(51)</b>	<b>(473)</b>	<b>684</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
England & Wales Edu. fund	1,913	33	(87)	27	(1,886)	-
RCNF Professional Edu. Funds	-	21	(91)	(164)	1,883	1,649
Trevor Clay Scholarship fund	424	12	-	(25)	-	411
John Colyer fund	211	6	(58)	(24)	-	135
Cowdray Scholarship fund	255	8	5	(14)	-	254
Other educational funds	670	63	(52)	(29)	3	655
<b>Total educational funds</b>	<b>3,473</b>	<b>143</b>	<b>(283)</b>	<b>(229)</b>	<b>-</b>	<b>3,104</b>
<b>Benevolent funds</b>						
RCN Benevolent fund	341	90	(138)	1	(294)	-
RCNF Benevolent funds	-	538	(109)	(220)	3,137	3,346
RCN Housing fund	2,089	36	-	26	(2,151)	-
Other Benevolent funds	1,080	47	-	(46)	(219)	862
<b>Total benevolent funds</b>	<b>3,510</b>	<b>711</b>	<b>(247)</b>	<b>(239)</b>	<b>473</b>	<b>4,208</b>
<b>Research funds</b>	<b>436</b>	<b>27</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>448</b>
<b>Total restricted funds</b>	<b>7,419</b>	<b>881</b>	<b>(530)</b>	<b>(483)</b>	<b>473</b>	<b>7,760</b>
<b>Unrestricted funds</b>						
<b>General funds</b>	<b>25,062</b>	<b>875</b>	<b>(854)</b>	<b>(1,503)</b>	<b>-</b>	<b>23,580</b>
<b>Designated funds</b>						
Omaze	-	600	-	-	-	600
Other designated funds	6	-	-	-	-	6
<b>Total designated funds</b>	<b>6</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606</b>
<b>Total unrestricted funds</b>	<b>25,068</b>	<b>1,475</b>	<b>(854)</b>	<b>(1,503)</b>	<b>-</b>	<b>24,186</b>
<b>Total funds</b>	<b>33,695</b>	<b>2,356</b>	<b>(1,384)</b>	<b>(2,037)</b>	<b>-</b>	<b>32,630</b>



## Movement in funds year end 31 December 2017

	31 December 2016 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers between Funds £'000	31 December 2017 £'000
<b>Endowment funds</b>						
<b>Permanent</b>						
Educational funds	161	-	-	18	-	179
Research fund – Daphne Heald R&D Fund	458	-	-	51	-	509
<b>Expendable</b>						
Educational funds	37	-	-	4	-	41
Benevolent funds	420	-	-	46	-	466
Other funds	12	-	-	1	-	13
<b>Total endowment funds</b>	<b>1,088</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>1,208</b>
<b>Restricted income funds</b>						
<b>Educational funds</b>						
England & Wales Edu. fund	1,869	76	(198)	171	(5)	1,913
Trevor Clay Scholarship fund	369	12	12	31	-	424
John Colyer fund	241	8	(68)	30	-	211
Cowdray Scholarship fund	226	8	4	17	-	255
Other educational funds	582	55	(14)	37	10	670
<b>Total educational funds</b>	<b>3,287</b>	<b>159</b>	<b>(264)</b>	<b>286</b>	<b>5</b>	<b>3,473</b>
<b>Benevolent funds</b>						
RCN Benevolent fund	424	174	(266)	9	-	341
RCN Housing fund	1,872	61	-	156	-	2,089
Other Benevolent funds	949	53	-	78	-	1,080
<b>Total benevolent funds</b>	<b>3,245</b>	<b>288</b>	<b>(266)</b>	<b>243</b>	<b>-</b>	<b>3,510</b>
<b>Research funds</b>	<b>390</b>	<b>27</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>436</b>
<b>Total restricted funds</b>	<b>6,922</b>	<b>474</b>	<b>(530)</b>	<b>548</b>	<b>5</b>	<b>7,419</b>
<b>Unrestricted funds</b>						
General funds	23,563	956	(1,342)	1,890	(5)	25,062
Designated funds	6	-	-	-	-	6
<b>Total funds</b>	<b>31,579</b>	<b>1,430</b>	<b>(1,872)</b>	<b>2,558</b>	<b>-</b>	<b>33,695</b>

The funds we hold are for the following purposes:

#### **Educational funds**

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

#### **Benevolent funds**

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

#### **Research funds**

To fund a research and development unit within the RCN and to provide funds to undertake research projects. In 2018 there has been no expenditure of research funds.

#### **Transfers between funds**

In August 2018, the RCN Foundation received an order from the Charity Commission to amalgamate the RCN Benevolent Fund, Sick Nurses' Fund and the RCN Housing Fund in the newly created RCN Foundation Benevolent Funds. The England and Wales Education fund has been transferred into the RCN Foundation Professional Education Fund. The amalgamation also included any existing endowment for the above funds.

As shown in note 13, a transfer of £473,000 has been made from the RCN Benevolent Endowment Fund into the RCN Benevolent Restricted Fund.

This is the first phase of the amalgamation. The RCN Foundation is waiting for further instructions to amalgamate smaller funds.

### **13. Related party transactions**

During the year a service charge of £376,230 was paid by the RCN Foundation to RCN UK based upon the agreed service level agreement (31 December 2017: £374,587).

In 2018, a total of £267,324 (31 December 2017: £253,957) has been paid to RCN UK for the LampLight Support Service (LSS). A repayment of LSS unused grant of £2,536 from RCN UK remains outstanding at year end.

Since 2015, the RCN Foundation has granted the RCN UK funding of £75,900 towards the Public Lecture Series project. This is aimed at inspiring learning and debate on issues that concern nursing for the benefit of all. In 2018, £19,280 was paid to RCN UK for this project.

The RCN Foundation in 2018 also funded £2,000 to the RCN project Bounce Back Boy. A repayment of £561 will be returned to the RCN Foundation in 2019.

### **14. Remuneration**

None of the trustees received remuneration. Costs incurred by the RCN Foundation trustees while carrying out trustee duties amounted to £18,405 in the period (31 December 2017: £14,707). These expenses related to £7,152 in accommodation and meals and £11,253 in travel. These costs relate to 8 trustees and are made up of both out of pocket expenses reimbursed as well as those paid directly to a third party.

### **15. Ultimate controlling party**

The RCN is the sole company law 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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