

ANNUAL REPORT

**Combined group annual
report and consolidated
accounts for the nine months
to 31 December 2013**

**Comprising the Royal College of Nursing of the United
Kingdom, its trading subsidiaries, and the RCN Foundation.**

Combined group annual report and consolidated financial statements for the nine months ended 31 December 2013

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and the RCN Foundation.**

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Introduction

Message from the Chair of Council

Over the past year, a climate of criticism and cutbacks has once again seen you, our members, required to deliver quality care in the face of fewer staff, diminished services and increasing patient numbers.

This is a situation which cannot continue, and one we have been fighting in the workplace, with policy makers and in the media as we support our members and demonstrate the value of nurses and nursing in health care.

We have been working harder than ever to defend you. In 2013, RCN stewards and officers opened more than 14,000 new representation cases in 12,000 workplaces. We depend enormously on the support of our accredited representatives and I am only too aware of just what a tough time they have had and are still having. I would like to express my sincere thanks to them on all our members' behalf.

Our legal team has also been fighting for a record number of members. Across the UK, we secured £8,842,479 in compensation for RCN members last year – a combination of employment tribunal and personal injury compensation.

We also supported 1,288 members through the Nursing and Midwifery Council (NMC) procedures. With our assistance, in more than 70 per cent of cases, the nurse had no case to answer, or received no sanction from the NMC.

In the national arena, the Francis report and other post-Francis reviews highlighted many issues that have been long-term concerns of the RCN – staffing levels, workforce planning, leadership, education, regulation of health care support workers and more.

We responded robustly to both the report and the subsequent reviews. The report included a recommendation that the College should review its dual role as a professional union. This was discussed at Congress 2013, and we have continued work in this important area, but we know the duality makes us stronger, and I want to see the gap between the RCN's professional and trade union functions close further. The annual report details much of the enormous amount of work we have and are continuing to do on all of these issues.

Perhaps most encouragingly, there are signs that the tide of negativity towards nursing has begun to turn. At last, we are beginning to see the government and media discussing issues such as unsafe staffing and skill mix instead of simply blaming nursing for the problems.

It is an important shift, and I believe that our *This is nursing* initiative, which aims to educate the public and indeed our critics about the realities of nursing, and our *Frontline First* campaign, which spells out the cuts to nursing posts and services, have helped to bring this change to bear. Together, the websites for the two areas of work received almost 100,000 visitors from April to December 2013.

Our forums and networks continue to lead the way on professional and clinical issues. This report details some of the innovative work they have been engaged with during the year, and the contribution they have made to improvements in patient care and knowledge sharing across health care. Between April and December 2013, the forums produced or updated 42 professional publications, ensuring that the RCN continues to provide a wide range of quality guidance, competences and research.

The RCN also invited the public to share in one of our most valuable professional resources in August, as the Royal College of Nursing Library and Heritage Centre opened its doors. The centre is home to the most extensive nursing specific collection in Europe and has already begun engaging visitors through exhibitions and a range of events. The first three months saw footfall increase four fold, welcoming 45,000 people into the space. Our e-resources prove more popular every year, with more than half a million visits to our online books, journals and databases.

We continue to meet our challenges head on and this year's annual report highlights some of our biggest tests over the past nine months and some of our most robust responses to them. It is important to me, and the whole of RCN Council, that we understand our members' views so that we can continue to address the issues that matter most to you in the right way. There are many ways you can be heard, not least by attending our annual Congress or by becoming involved in your branch. Visit our website to find out more at www.rcn.org.uk

It just remains for me to thank those Council members who retired from Council this year: Tim Coupland, Sue Fern, Hamish Kemp, David Miller, Ann Marie O'Neill and Gary Stockwell and, in particular, Kathleen McCourt for her wise leadership of Council and Andrew McGovern who was our Honorary Treasurer until the end of October last year. I know he would want to join me in thanking our members for the confidence you have placed in Council by allowing us to set the membership subscription for the next five years.

I look forward to working for you over the coming year and to continuing to lead the work to improve communication between Council and all of you.



Michael Brown
Chair of Council

The report of Council

The Royal College of Nursing works to protect and improve the quality and standard of nursing, patient care and the patient experience. We do this by promoting excellent and innovative practice and by identifying causes of poor care and how these can be remedied. We also promote the interests of nurses, health care assistants, health care support workers, assistant practitioners, patients and communities. We do this by working closely with UK, European and international agencies, including trade unions, professional membership associations and voluntary organisations, helping to shape health policy in the interests of the public, patients and our members.

Change in accounting year end

In 2011 the membership agreed the recommendation of Council to combine the annual general meeting (AGM) with Congress. From 2014 the two events will take place in June each year.

This change also required the RCN to move its accounting year end to 31 December. To this end, the RCN had a nine month accounting period from April 2013 to December 2013. The accounting year from now on will run from January to December.

For continuity, Council prepared its plans and budgets for 2013 and 2014 based on a 21 month period from April 2013 to December 2014.

This report covers the first nine months of that 21 month plan.

Our five year strategy 2013-2018

The RCN strategic plan covers the period from April 2013 to December 2017 and is set out under the five key areas of our activities:

- promoting excellence in practice
- nursing development and education
- shaping health policies
- representing nurses and nursing
- an effective, value for money organisation.

Our priorities for 2013 to 2014

Under the strategic plan's key areas of activity, Council has agreed 10 priorities for the 21 month period from April 2013 to December 2014. These priorities also provide the framework for Council to report its achievements and successes in the annual report and the progress we have made on these in 2013 is set out below.

The 10 priorities are grouped into three headings: being a professional organisation; being a trade union; and being a cost effective value for money organisation. These are independent and not in order of importance.

1. Being a professional organisation

A. Strategic plan key area: Promoting excellence in practice

i) Council priority: The positioning and reputation of nursing

• The importance of nurse leadership

Our executive nurse network has established itself over the past 12 months and is playing a vital role in supporting and helping to shape nurse leadership by providing a safe environment for senior members of the profession to share examples of best practice and develop ideas and solutions.

We have examined the evidence about what makes a good nurse leader and what works in developing nursing leadership skills. This will inform the future direction of RCN activity to support new and established nursing leaders.

• Safe staffing levels

In light of a growing body of evidence linking staffing levels and skills mix to standards of patient care the RCN has been pressing the case for safe nurse staffing levels since 2010 when we published our guidance. Since March 2012 we have been putting the case for moving to a system of mandated safe staffing.

In 2013 the Francis report and subsequent high profile reviews, including those produced by Professor Don Berwick and Professor Sir Bruce Keogh, also linked nurse staffing levels and skill mix to patient safety and quality of care and there are now indications that trusts are attempting to increase their nursing establishment but are encountering serious nursing shortages.

In November 2013, the RCN's *Frontline First* campaign called for action on the following five urgent priorities to achieve safe staffing in all practice settings and called for long-term planning to secure a workforce fit for the needs of tomorrow:

- a mandatory legislated requirement for safe staffing
- the mandatory use of validated workforce planning tools
- robust systems of review supported by reliable workforce data
- an end to boom and bust nursing workforce planning
- investment in the education and working conditions of the current nursing workforce.

As part of its *Time to Care* campaign, the RCN in Wales has continued to lobby the country's political parties about the need for appropriate nursing staffing levels across the NHS, in order to support safe, high quality health care. We secured the support of the Liberal Democrats to attempt to seek Welsh legislation on minimum staffing levels for the NHS. They were successful in securing a debate at the National Assembly for Wales, which may lead to the development of such legislation. The RCN in Wales continues to work with the Welsh Government and opposition parties to achieve this.

In Scotland, the RCN has worked with the NHS to develop a suite of nursing and midwifery workforce and workload tools. The tools have been nationally validated and cover around 95 per cent of practice settings. Each of the tools form part of a triangulated approach to incorporate professional judgement and quality measures which enable flexibility in decision making on staffing needs at local level. The RCN in Scotland called for health boards to use planning tools in all settings, and for the use of these tools to be mandated to ensure that they are embedded in the workforce planning processes of every health board in the country. Following extensive lobbying it has now been announced that all the nursing tools are to be mandated in Scotland. Our three key priorities related to areas of applicability; frequency of

application, and benchmarking and monitoring across Scotland have been fully addressed in the mandating process.

In Northern Ireland, the RCN has been influencing through its *Frontline First* member group and with nurse leaders to address a range of nursing workforce issues, including the absence of workforce planning, the role of specialist nurses, skill mix, use of bank and agency staff, and an Agenda for Change pay audit. Further to a meeting with the Minister in June 2013, a series of workstreams was announced by the DHSSPS to address these issues. The RCN continued to work in partnership with the DHSSPS towards the introduction of a normative staffing framework initially covering adult medical and surgical care settings.

• Regulation and development of the health care support worker role

Our campaign for regulation and development of the health care support worker role continues, and this need was made explicit in the RCN's response to the Francis report and our input into the Cavendish review.

Since the Government's formal response to these reports, Health Education England has been tasked with developing a care certificate with support from the sector skills councils and other stakeholders, including the RCN where our Health Practitioner Committee will be leading the work.

Regulation will continue to be a key priority for the RCN but the move towards a consistent and mandatory standard of education for support workers is seen as an initial important step forward.

In Northern Ireland, the RCN continued to highlight the inequities deriving from the enforced registration with the Northern Ireland Social Care Council of health care assistants working within nursing teams.

• Our clinical priorities

We are continuing to work to secure increased member involvement in setting our clinical priorities and to ensure that national guidance addresses priority issues for patients and capitalises on the value of nursing interventions. For example, more than 2,000 members worked with the RCN last year on in excess of 250 NICE guidelines.

The following four examples of the work of our forums over the past nine months demonstrate how we draw on the expertise of networks of members with clinical, educational and research

expertise and the impact this work has on the ground to improve patient care.

• **Emergency Care Association summits**

The Emergency Care Association held a series of summits across the UK to provide solutions to pressures in urgent and emergency care for members. They provided a platform for members to speak to key partners in the College of Emergency Medicine and UK government health departments. Subjects included: innovative models of care, staffing, and specialist training.

In England, the summit was used to gather views for the third stage of the national review of urgent and emergency care that will commence shortly. As a result, the RCN is the lead nursing contributor to the English National Review and, since the summits, is also the nursing lead for the ambulatory emergency care delivery network.

The summit in Scotland was used to work on next steps in the urgent care workstreams of the Scottish Government. The Northern Ireland summit is scheduled for February 2014 and arrangements were being made as the year came to a close.

• **Nursing on the move**

With the reconfiguration of health services into fewer, larger specialist centres, the need to transfer patients over longer distances and between facilities is increasing. There is currently no academic course and career pathway for nurses who travel with these patients so the RCN Critical Care and In-flight Nurses Forum has developed *Nursing on the move*. This publication outlines the various roles and competency requirements of nurses who transfer patients by road and air and is being used by the NHS, defence and the independent sectors.

As a result, the RCN has taken a seat for the first time on the inter-collegiate board for pre-hospital medicine.

• **Inflammatory bowel disease standards**

The RCN Gastrointestinal Nursing Forum collaborated with national multidisciplinary stakeholders to update the national standards for inflammatory bowel disease (IBD). The forum represented the RCN on the project board and demonstrated as part of this work the difference IBD specialist nurses make in improving services and care for patients with IBD.

• **Imaging road shows**

In 2013, a significant year for imaging nurses, radiology obtained admission rights to the Royal College of Radiologists as a specialty and expanded its services to cater for the newly evolving trauma networks. Interventional radiology is required 24/7 for any centre becoming a major trauma centre. The imaging road shows supported members in developing innovative workforce and service models to help meet the demands of a rapidly expanding specialty. As a result, we are now working with the Royal College of Radiologists on a series of guidance documents.

• **Defence nursing**

During the latter half of 2013, RCN members who serve in the army reserve were deployed with 203 Field Hospital to active service in Afghanistan. They made a significant contribution, not only to military intervention but also towards humanitarian support for local people.

In Northern Ireland an RCN Defence Nurses network is in the process of being established.

ii) Council priority: An authoritative body of professional knowledge

• **Royal College of Nursing Library and Heritage Centre**

Our new library and heritage centre opened in August 2013 at RCN Headquarters. In the first three months nearly 45,000 people visited the new centre – a four-fold increase on the previous year.

We have the largest specialist nursing collection in Europe and we hope that the new space and latest technology will provide simpler, faster access for members and support their learning as well as inspire and contribute to the public's knowledge about health, care and nursing. The collection and our services can be accessed directly within the new space or virtually through extensive e-resources and a virtual enquiry service. We also offer postal and interlibrary loans for members.

The strength of the new library and archives service is that it integrates with the RCN's wider standards, knowledge and innovation work. Our aim is to maximise the RCN's contribution to the full range of nursing activity by improving the way in which knowledge and evidence is used in decision making, ensuring that health care is safe, effective and person-centred.

• Knowledge and innovation

The nursing workforce faces major challenges in making decisions and acting to ensure that health and social care is effective, safe and person centred. As the professional body for nursing, the RCN has a clear role in helping its members and staff use knowledge to reach that goal.

The Nursing Practice and Policy Committee (NPPC), therefore, commissioned the Research and Development Governance Group (RDGG) to develop an updated action plan. The Knowledge and Innovation Action Plan sets out what the College will do over the next four years to help nurses and health care support workers use professional knowledge to transform care. Signed off by NPPC in December, the plan describes actions to build quality assurance and sharing of knowledge by the College and its partners.

By contributing to and maintaining a knowledge base for nursing (and identifying and helping to fill gaps in standards, guidance and knowledge resources) we can connect members to the knowledge they need to improve quality of care. We also provide the tools and help people develop the skills and confidence to ask questions, innovate and adapt in response to changing needs.

• RCN standards, guidelines, briefings and communications

RCN standards, guidelines, briefings and communications are quality assured and derived from a sound evidence-base. We work closely with partners such as our research alliance, the RCN Research Institute at the University of Warwick to build the nursing evidence base.

The RCN continues to work as part of Healthcare Quality Improvement Partnership (HQIP) and this year has been significant with NHS England awarding us a new three-year contract.

Our response to the Francis report made the evidence base explicit. In addition, our rapid reviews of evidence have been used as the evidence base for: the Willis commission review of pre-registration nursing; action planning by the *This is nursing* professional attitudes and behaviours workstream; informing our position on the registration of health care support workers; and to underpin refreshing our research and development strategy.

During 2013, we continued to take steps to ensure that national guidance addresses priority issues for patients and capitalises on the value of nursing

interventions. For example, we secured nursing expert contribution on 250 guidance products and consultations. We have involved more than 2,000 RCN members in the development of guidance and standards since March 2012. We also contribute to the development of clinical guidance in Scotland, as a member of the Scottish Intercollegiate Guidelines Council, and using the RCN's Quality Framework, we endorse the national guidance developed by other organisations and professional bodies, ensuring it is accessible to our members.

Working with the NMC, other royal colleges and key think tank organisations working in health and social care, the College works with a variety of organisations and partners to drive forward nursing. For example we:

- are working with the RCN Research Institute at Warwick University on a study to explore the role and impact of supervisory ward leaders on the ward culture
- are collaborating with partners on the Dementia Nursing Research Taskforce to develop a number of key nursing research projects in the field of dementia care. This is in response to the Prime Minister's Challenge on Dementia
- worked with the Care Quality Commission to contribute to the preparation of the Fundamental Standards recommended by the Francis report
- actively contributed to the review of bureaucracy and regulatory reporting in England (led by the NHS Confederation) looking at the data burden from the perspective of frontline staff, particularly nursing
- collaborated with the Royal College of Physicians Health Informatics Unit, Royal College of General Practitioners and other partners on work to promote the use of structured records, enabling information technology systems and patient online access to records.

Additionally, the RCN is working with the NMC on revalidation, and the Academy of Medical Royal Colleges and the NHS Confederation on an expected Decisions of Value project group funded by the Department of Health Francis Implementation Team. The group will look at developing support for individuals and organisations on how to balance financial and quality of service implications of decisions, and identify and manage the risk.

The RCN continued to work closely with MPs and peers of all parties and maintains a high profile in Parliament. We provided 20 parliamentary briefings; gave written evidence to seven select committee enquiries (including one oral evidence session) on topics as wide ranging as the management of long-term conditions and the annual accountability hearing of the NMC. Our policies and briefings were widely quoted in both Houses and the RCN was mentioned in Hansard on 53 occasions between April and December 2013. We met regularly with health ministers and held a series of successful breakfast briefings during the Westminster party conference season. The RCN in Wales, Scotland and Northern Ireland attended all their major party conferences as well as working to influence the policy agenda of the devolved governments.

We are also continuing to work alongside other medical colleges on activities that meet joint requirements, for example, the Royal College of Physicians Future Hospital project.

The RCN in Scotland was a key partner with the Royal College of Physicians of Edinburgh (RCPE) when it organised a two-day UK-wide consensus conference in Edinburgh in November. Patient Flow in Acute Medicine focused on improving the quality of care through effective patient flow. The conference produced a final consensus statement and we achieved national agreement that senior decision makers, including nurses and assistant health practitioners with the right skills, must be available 24/7. It was also agreed that the multidisciplinary team will include a senior nurse responsible for the overall co-ordination of ward activity. This role will be recognised as supervisory.

B. Strategic plan key area: Nursing development and education

i) Council priority: Nursing education

• Standards of learning

Through our new accreditation of university courses, we ensure standards of practice are being met and that students will be fit to practise in the workplace. Additionally, our learning representatives contribute to ensuring standards of practice are being achieved in workplaces.

We continue to accredit advanced practice, provide workplace training and deliver professional development programmes, mentorship and post registration education through our consultancy service and in partnership with third parties such as the Office for Public Management.

We have gathered intelligence on the position of nursing education across the UK and are using the findings from the Willis Commission on pre-registration education to investigate on the status of CPD and post-registration education. The report, when published, will include a literature review, standards for effective mentorship and preceptorship, and evidence of any underlying problems.

• Providing opportunities

The RCN also supports self-directed online learning through peer-reviewed educational resources and through conferences, seminars and workshops.

In Northern Ireland in particular, the College has a growing reputation as a provider of excellent professional development programmes for nurses and nursing and the wider health and social care workforce.

C. Strategic plan key area: Shaping health policy

i) Council priority: Campaigning on key health care issues

• Our response to the Francis report

Our response made frequent reference to the RCN Principles of Nursing Practice. We will continue to promote the use of these to help nurses explore and reflect on the quality of their practice and the factors, including culture that can affect it.

As part of this work we have also developed resources on raising concerns, including presentations, handouts, quizzes and the films 'Real stories, real nurses'. We are working to make these available more widely.

• This is nursing

Seven work-streams were put in place in advance of the Francis report. They were: education; safe staffing; training and regulation of health practitioners; professional attitudes and behaviours; quality and the principles of nursing practice; leadership; and paperwork and administration.

Our *This is nursing* website and associated email and social media activity continue to promote awareness of and showcasing the RCN's professional work.

• Frontline First

The data gathered and analysed through the *Frontline First* campaign has been a vital tool. Our report on cuts to nursing posts achieved strong

coverage at Congress 2013 and was vital evidence for inquiries such as the Keogh review.

In July, we surveyed members of the Emergency Care Association to gauge the pressures in A&E. The figures were used for media and lobbying work, but also helped inform our official response to the Government consultation. We also used the statistics to support *This is nursing* work in terms of safe staffing.

In Northern Ireland, a staff/member partnership, forged through a regional *Frontline First* group, completed a significant position paper outlining issues relating to nurses and nursing. It has been used to influence and secure investment and support for nurses and nursing. There was also strong member engagement across Northern Ireland to shape a robust policy submission on the Transforming Your Care acute to community shift.

• Health visitors for Scotland campaign

A consensus on the future of health visiting was developed in Scotland following a round table discussion with professionals, academics, parents and voluntary sector partners. In 2013, these stakeholders and others from the children's health sector joined the RCN in Scotland to campaign on the key issues for health visitors through the passage of the Children and Young People (Scotland) Bill. A campaign website and e-petition were developed, which attracted significant support from professionals and the public alike. The handover of the e-petition, with 1,500 signatures, to the Cabinet Secretary for Children and Young People Aileen Campbell MSP, attracted cross-party support and media interest. The RCN in Scotland also undertook significant parliamentary activity, submitting written evidence to three parliamentary committees taking evidence on the bill and giving oral evidence to two of those committees. As a result of this campaign and related activity, health visitors for Scotland helped to deliver our key aim in secondary legislation for the Children and Young People (Scotland) Bill; that the health visitor should be the named person for under fives. It also raised the profile of health visitors and the Government is now taking forward work around capacity in the system to deliver the change.

• NHS Time for action

In July, *The Herald* newspaper – launched its NHS *Time for action* campaign, asking whether Scotland has enough beds and staff to cope with rising strains within our NHS. In an exclusive, the RCN in Scotland shared the results from its survey of

members working in acute services with *The Herald* and received widespread coverage across the Scottish media on our position on the issues raised by the campaign. Since July, NHS *Time for action* has continued to campaign on the pressures facing all NHS services, and the RCN in Scotland has continued to support it. The results of the survey are now required reading within Government and by other key influencers. Our position on the issues it has raised is continually reinforced in the columns of *The Herald*.

Related to the campaign, the RCN attended a campaign summit meeting with a cross-section of leaders involved in Scotland's health sector, including among others, BMA Scotland, Age Scotland, Royal College of Physicians and Surgeons of Glasgow, Convention of Scottish Local Authorities, Royal College of General Practitioners Scotland and the Association of Directors of Social Work. The Shadow Cabinet Secretary for Health Neil Findlay MSP and the Scottish Liberal Democrats health spokesperson Jim Hume MSP were also at the summit. Seven priorities for looking after our ageing population were drawn up and widely publicised in *The Herald*, including comment from the RCN in Scotland, highlighting what more needs to be done in the future.

2. Being a trade union

A. Strategic plan activity area: Representing nursing and nurses

i) Council priority: Partnership working in the current political and economic climate

• Protecting our members

The RCN has continued to build relationships with stakeholders to ensure effective pay and benefits negotiations.

In England, we have represented more members than ever before. We have challenged employers' attempts to change members' terms and conditions and protected members' interests and jobs as reorganisation takes place across the NHS and the independent sector in England. Last year, the RCN represented more than 14,000 members in 12,000 workplaces and secured compensation for members in excess of £8 million across the UK. We won a notable Employment Tribunal sex discrimination claim against the Ministry of Defence on behalf of a senior RAF nurse, disadvantaged because of her gender. In total, 1,288 members were represented before the NMC

by our legal services. We have also been working with our members and activists to increase our scrutiny of patient care and to take action where we believe poor staffing levels or other factors prejudice patient care.

A further key activity was preparing our evidence to the NHS Pay Review Body for the 2014 pay round. It was particularly important to develop robust evidence that allows us to shape outcomes in light of the public pay policy limiting pay rises to one per cent and to prepare for a policy change as the economy begins to pick up.

In June, for the first time in history, a major redundancy consultation relating to the NHS was launched in Wales. The jobs at risk included 219 nursing and midwifery posts. The RCN in Wales took a lead role in negotiations with NHS management during the consultation. The outcome of the consultation was that no nurses were made redundant. We continue to engage with both NHS Wales managers and Welsh Government officials to prevent further redundancy proposals arising during very challenging times for the NHS in Wales.

The NHS in Wales continued to undertake significant and ongoing service reconfiguration. The RCN has played a prominent role in responding to a range of consultations on these changes and was successful in preventing changes that have no benefit for patients or are likely to be detrimental to our members. An example of such a success related to plans to cease providing neonatal services in North Wales, with an intention to outsource the provision beyond North Wales. By forming a strategic alliance with the BMA in Wales and the Royal College of Midwives, the RCN in Wales led a campaign to prevent this proposed change. Its action led to a review of the proposals commissioned by the First Minister in Wales. The outcome of the review, which was undertaken by the Royal College of Paediatrics and Child Health, reversed the local health board's plans. Work is now progressing to develop sustainable neonatal services in North Wales in the medium and long term.

• **Protecting our members in Scotland**

In the last year, the RCN in Scotland led the joint trade unions in negotiating with the Scottish Government and NHS employers on the vetting and barring scheme registration fee. Being a member of the scheme is mandatory for staff to work with vulnerable children and adults.

This resulted in a u-turn on a previous decision, which led to an agreement that employers would bear the £79 cost for every registered nurse and support worker in NHS Scotland.

The RCN took a lead in negotiating a new national on-call policy, which ensured all staff who work on-call will receive pay protection should their earnings be reduced due to on-call payment changes. The protection will ensure no financial detriment to members.

The RCN represented 10 members at three separate fatal accident inquiries, resulting in no significant criticism of them or their nursing practice.

ii) Council priority: Broaden our focus beyond the NHS

• **Building new relationships**

Employment and workforce challenges continue across the independent sector, and we have represented members individually and collectively on proposed changes to their terms and conditions.

Significant progress has been made developing relationships nationally within the independent sector, and we have supported recognition agreements with national independent sector employers such as Sue Ryder Care, Choice Support, Marie Curie Cancer Care and Hallmark.

The RCN and Volunteer Now joined forces to launch a charter promoting volunteering in health and social care in Northern Ireland. The charter sets out the principles on which volunteering is organised and how good relations between paid health and social care staff and volunteers are built.

Work to increase member and representative recruitment has continued and England regions are making a huge effort to sign more recognition agreements as well as increase membership.

The RCN is working with Serco on a three-point plan to improve health and wellbeing for their staff, which includes reviewing employment policies and procedures.

Eight of the nine England regions show a continuing increase in membership. For example, RCN membership in Four Seasons care homes has increased by more than 20 per cent to 300 members. Increasing the number of accredited representatives in England is proving hard work, but the numbers are slowly increasing.

In Wales, there has been increased active involvement of independent sector members in governance and branch activity with members

bringing a wide range of roles and a broad range of knowledge and experience. Partnership engagement with independent sector employers is increasing. The RCN in Wales is continuing its work in the development of excellence in practice in the independent sector.

In Scotland, the key focus of member recruitment is through the Four Seasons care homes. Significant success has been achieved through the *Supporting better care* programme and in engagement with Scottish Care, specifically in driving for improved working relationships around the recruitment of nurses. Recruitment of accredited representatives is focusing on learning representatives through its relationship with Four Seasons care homes.

Independent sector membership substantially increased in Northern Ireland, partly through the establishment of a successful partnership arrangement with Four Seasons Health. Nursing staff are engaged through the delivery of funded programmes, for example, on nutrition and through infection control and pressure area care programmes that reached 2,000 health care assistants. Additionally, 1,000 registered nurses have been targeted through a programme on recognising the deteriorating patient. All the programmes sustained a high level of positive evaluation.

iii) Council priority: Valuing accredited representatives and demonstrating the benefits of accredited representatives to employers

• Supporting our representatives

The RCN works incredibly hard to represent and support members seeking professional advice or experiencing employment difficulties.

During 2013, 14,922 employment relations cases were opened across the UK when members required the provision of representation and support. A total of 83 per cent of members represented reported satisfaction with the way in which their case was handled and we have identified areas for learning and improvement from any dissatisfaction expressed.

The RCN values greatly the enormous contribution accredited representatives make to this work and has made significant investment to ensure that RCN representatives receive adequate training, development, supervision and support; including the provision of a case management system and IT support for RCN accredited stewards.

We provided case management training to 655 accredited representatives last year with very positive feedback about the training and the impact that the system will have on our representatives' ability to manage cases.

Information from the case management system will support the on-going work of the College in representing nurses and nursing, promoting excellence in nursing practice and shaping health policy.

In April 2013, the learning and development team, which supports our activists to be effective representatives for nurses and nursing in England, became part of the RCN's Employment Relations Department.

Considered one of the best in the trade union sector, the learning and development pathway for stewards, safety representatives and learning representatives was reviewed. Improvements were made to the curriculum throughout the year to include issues highlighted by the Francis report and feedback from representatives and the Open College Network, which is the RCN's external accreditation partner for the pathway.

Over the past 12 months, across the UK, 192 stewards, safety representatives and learning representatives have graduated from the pathway and an additional 471 are currently progressing through it. The team has also delivered 16 continuing learning and development (CL&D) workshops in England and eight advanced workshops for stewards (which were designed based on an agreed set of eight CL&D standards) to 318 experienced representatives.

The Union Learn project team, as part of learning and development, had a successful year. It has:

- secured eight learning agreements, both in the NHS and the independent sector
- worked with employers to provide information and advice and resources to support 78 new nursing apprentices
- worked at a strategic and practical level to support the Social Partnership Forum's Learning for Life campaign, which was launched in the summer.

Additional external funding has also been secured from the Union Learn Fund (ULF) to support the work of RCN learning representatives throughout 2014. We have also seen the review of board and branch development programmes; both are now ready for implementation in 2014. Additionally,

the team has worked with an external partner, the Office for Public Management, to provide an independent evaluation of the impact the pathway has on RCN representatives and the work they do.

In Scotland, we have in place a joint statement signed by all trade unions, setting out to employers the benefits of accredited representatives.

In Northern Ireland, the RCN is working in partnership with the Northern Ireland Executive Department for Employment and Learning (DEL) and the Irish Congress of Trade Unions to implement the ULF initiative. The project has succeeded in promoting the role of RCN accredited learning representatives, scoping the learning needs of health care assistants in non-unionised environments such as nursing homes, and promoting essential skills training. The RCN has signed a formal learning agreement with a major care home provider to enhance life-long learning for nurses and health care assistants in order to benefit their own professional development and the service they provide to patients.

Increased support is being offered to student information officers (SIOs) to help enhance our representation of students. Wales now has a dedicated staff member as the link for all SIO contact and Scotland has had significant success, with 77 SIOs in place covering all 10 universities. In Northern Ireland, an SIO network meets at least four times per year, facilitating a two-way exchange of information between the students and the RCN. Support in England is provided through the local representation team and the RCN Students Committee is currently reviewing how we can further strengthen links with local universities.

iv) Council priority: An organisation that thinks and acts globally

• Increasing our presence

The International Committee has reviewed its long-term strategy to increase the RCN's international presence by supporting the capacity building of other national associations.

We continue to be active in our work with the European Federation of Nurses Associations (EFN) and European Federation of Public Service Unions (EPSU). Dr Peter Carter is a member of the EFN executive committee, and chairs the EFN workforce committee. We are helping to shape the EFN strategic plan and their European elections manifesto for 2014, and have provided significant input to their work on the draft directive on mutual recognition of professional qualifications (due to be agreed by European Parliament in October). We

have also represented EFN on initial discussions for EU member-state-led joint action on improving health workforce planning. The RCN has developed a strong bilateral relationship with the Irish Nurses and Midwives Organisation.

Janet Davies continues as an EPSU executive committee member and we provide representation on EPSU's key health and social services committee. We have promoted UK work on the transposing sharps directive for preventing needle-stick injury at key events with trade unions and employers. With Unison, we have taken a lead in a first draft of priorities for EU social dialogue negotiations in the hospital sector and in formulating EPSU future priorities on education, skills and qualifications. The RCN position on the EU's health and safety at work strategy has been taken up in EPSU's response to the consultation.

The RCN left its membership of ICN in December 2013 after a membership vote at an extraordinary general meeting held at Congress in April.

3. An effective value for money organisation

A. Strategic plan activity area: An effective value for money organisation

i) Council priority: Ensuring a financially viable and stable organisation

• Membership subscriptions

The membership delegated responsibility to Council to set annual membership subscriptions for the coming five years.

• Membership retention and growth

Retention and growth figures are monitored monthly and targets/actuals are subject to regular review. Our outcomes were ahead of target in 2013 and our membership is at its highest level ever.

In a series of short films produced in 2013, health care support workers explained how getting involved with the College has helped them and their colleagues.

• Replacing our new membership information system

Significant progress has been made with replacing our current membership database. A contract now signed with a new provider and the implementation started, with planned completion in December 2014.

• Improving our membership communications

The first phase of this work is in progress. A new member consultation process has been developed and is being rolled out by RCN Council to ensure that members' views inform our priorities and decision making. We are also in the process of securing a new provider for our email communications with members. We are increasingly using social media channels and have introduced live chats on Twitter and Facebook. We have 50,000 followers on both Twitter and Facebook, better than any other trade union.

The communications directorate and the information systems (IS) department were restructured in 2013 to ensure the best deployment of developer expertise within IS and to create a dedicated focus within communications on web content creation. This provided the necessary platform to redevelop the RCN website and a dedicated programme board was created in December to take this work forward in consultation with members.

The *RCN Bulletin* continues to be the RCN's flagship printed publication for all members. It provides updates on current nursing issues and RCN services, carries features on the work of RCN forums and showcases members' innovative work and commitment to excellent nursing care.

• Developing our trading activities

We now have a commercial workstream group and structures are being put in place to address new opportunities for income generation, including the potential income arising from the new library space and facilities.

We have de-registered RCN Licensing and RCN Membership Services Limited and merged their activities back into the RCN. RCN Publishing Limited is continuing as a wholly owned subsidiary but its remit has been reviewed and it now has an independent board of directors in line with governance best practice.

ii) Council priority: The RCN as a first class modern progressive employer

• A place to work and stay

The RCN was named 21st best company to work for in the UK in the not for profit sector in 2013 and we are proud of our Investors in People Gold standard accreditation.

As part of our organisational development priorities, we carry out regular best practice visits to external organisations that are recognised for their excellence. These visits allow productive networking opportunities and collaborative relationships to be developed.

Our learning at work day embeds the positive, can-do, creative atmosphere we hope to instil and provides an opportunity for staff to explore new ideas and thinking. Our cultural change programme is in place, looking at customer service. Actions from our staff and stress surveys have been taken forward. In addition, a revised core competency framework has been agreed.

Our health and wellbeing programme was rolled out with advocates put in place across the organisation, and the actions agreed from our corporate social responsibility (CSR) project are being implemented. Priorities include: introducing sustainable impact assessments; improving staff training and awareness; sustainable procurement and the improved management of our properties from a corporate social responsibility perspective.

Our learning and development programmes and projects have focused on priorities including: management development, talent management, coaching, customer service, corporate social responsibility and health and wellbeing.

In partnership with our own trade union GMB, we successfully implemented essential changes to our staff pension scheme in November 2013 to ensure staff interests are looked after.

Summary of our future plans

Our key activities are aligned with the organisation's five-year strategy, Council's priorities and our key performance indicators. In addition, the activities will reflect our planning framework: being a professional organisation; being a trade union; and being a value for money organisation.

Our focus will be on driving up the quality of patient care by rigorously promoting and implementing our quality standards, and working tirelessly to safeguard members' jobs, pay and terms and conditions.

Being a professional organisation

We will:

- be publishing a report on nurse education across the UK, addressing standards for effective mentorship and preceptorship, and evidence of any underlying problems
- continue to use our *Future Nurse, Future Workforce* workstream as the commissioning body for guidelines, standards, good practice and patient/public engagement
- continue to campaign actively for regulation and development of the health care support worker role
- continue to promote the professionalism and reputation of nursing and celebrate excellence
- continue to promote our new library and heritage centre to members and launch our new programme of public lectures
- commemorate the First World War through a range of activities being co-ordinated with the RCN Defence Nursing Forum
- start work to develop our plans for marking our centenary in 2016.

Being a trade union

We will:

- support members on employment relations issues and be seen to lead on activity that ensures jobs, pay and conditions are defended across all sectors; national pay and benefits are maintained and attacks on NHS pensions are resisted
- continue to expose health cuts and waste, and share innovative practice through our *Frontline First* campaign
- continue to develop relationships with private, independent sector and local authority employers
- continue to support our accredited representatives; ensuring they are recognised in the workplace
- continue to build our learning and development programme for RCN accredited representatives to develop their competence and confidence in their roles
- implement our new international strategy.

An effective value for money organisation

We will:

- continue to focus on member recruitment and retention
- continue to review our processes for member communication and deliver a new website
- deliver our new membership information system and continue to develop and roll out our case management system
- implement our new commercial strategy
- champion diversity, equality and human rights by promoting equity and challenging inequity
- ensure the organisation remains a first-class, modern and progressive employer with long-term financial viability and stability
- continue to expand our environmental and corporate social responsibilities.

Thank you to our supporters

The following are all companies who, during the nine months from 1 April 2013 – 31 December 2013 supported projects over £5,000:

3M Healthcare Ltd
 Ascom
 AstraZeneca UK Ltd
 AstraZeneca/BMS Diabetes Alliance
 Baxter Healthcare Ltd
 Belvita Breakfast Biscuits
 Benecol
 Bio-Oil/Keyline Brands Ltd
 Care UK
 Chiesi Ltd
 Cook Medical
 Danone
 Elsevier Clinical Skills
 Excel Recruitment
 HC-One Ltd
 ID Medical
 Laerdal Medical Ltd
 LV=
 Magnum Boots

Medsis
Napp Pharmaceuticals Ltd
NHS Blood & Transplant
NHS Improving Quality
NHS National Genetics Education & Development
NHS Professionals
Norgine Pharmaceuticals Limited
Ontex Healthcare UK Ltd
The Princess Grace Hospital
RCN Foundation
Royal Air Force
Saudi Aramco
States of Jersey – Health and Social Services
Stryker UK Ltd
The Open University
Thornbury Nursing
University of Liverpool
Vauxhall Motors Ltd
Your World Healthcare

Reference and administrative details

Registered office

The main educational centre, library and central administrative office of the Royal College of Nursing of the United Kingdom (RCN) is:

20 Cavendish Square, London W1G 0RN.

The RCN also has two offices in Scotland, three in Wales and one in Northern Ireland, as well as 10 regional offices located in England.

Bankers

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

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside, London SE1 2RT.

Lawyers

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

Chief Executive & General Secretary

Dr Peter Carter OBE

Structure, governance and management

Legal structure – history

The Royal College of Nursing of the United Kingdom was established in 1916. It was incorporated by Royal Charter in 1928 and became a charity in 1963.

In 1977, the RCN was registered as a special register trade union under the Trade Union and Labour Relations (Consolidation) Act and the Royal College of Nursing, as a whole, was removed from the register of charities. Its property and income were registered as a charity and a declaration of trust was executed over the property held by the charter body at that time and the Royal College of Nursing Charitable Trust created with the RCN Council as corporate trustees.

In 2010, the RCN Charitable Trust and the RCN Property & Income Charity were removed from the Charity Commission register and an independent RCN Foundation (charity number 1134606) was established. A Charity Commission order provided for the assets of the RCN Group to be divided between the College and the new registered charity (RCN Foundation).

Current legal structure

The RCN remains a Royal College set up by Royal Charter and a special register trade union established under the Trade Union and Labour Relations (Consolidation) Act 1992.

The RCN has one trading subsidiary, RCN Publishing Company Limited. RCN Licensing Limited and RCN Membership Services Limited were placed in members' voluntary (solvent) liquidation in May 2013, as they no longer served a function.

The RCN Foundation is registered as a company limited by guarantee and the RCN is the sole

member. The RCN Foundation is an independent registered charity, which forms part of the RCN Group.

Governance Council

RCN Council is responsible for the overall governance of the RCN and ensures it meets its statutory purposes. It sets the strategic direction of the organisation and has ultimate responsibility for its long-term financial sustainability.

There are currently 31 members of RCN Council, with two members each from Scotland, Wales, Northern Ireland and each of the nine English regions. They are directly elected by members in their region or country. RCN Council also includes the President and Deputy President, the Chair of RCN Congress, two student members and two health practitioner members.

Council committees

Two Council committees assist Council with policy development covering the trade union and professional sides of the College. Both committees are made up of Council members. They are:

RCN Membership and Representation Committee (MRC): this committee supports, oversees and takes decisions on behalf of Council on matters affecting the RCN membership and member representation. This includes pay, terms and conditions, health and safety, and workforce planning.

RCN Nursing Practice and Policy Committee (NPPC): this committee supports, oversees and takes decisions on behalf of Council in relation to professional nursing issues and health policy. This includes promoting best practice and influencing the health and social care agenda.

Students and health practitioner members are represented through the following:

RCN Students Committee: considers issues of importance to nursing and midwifery students, promotes activities to help students and influences policy. Members of the committee are elected by RCN student members.

RCN Health Practitioner Committee: considers issues of importance to health care assistants and assistant practitioners, promotes their role in the College and influences policy. Members of the committee are elected by RCN health practitioner members.

Council sub-committees

There are also four Council sub-committees that assist Council with policy development and carry out work delegated by Council. Members of the Diversity, Ethics and International committees are appointed by Council based on their experience and skills. The Agenda Committee is elected by voting members at RCN Congress. The four sub-committees are:

RCN Agenda Committee: recommends the agenda for Congress week to Council and acts as a source of advice for members about the business of Congress.

RCN Diversity Committee: is working to help the RCN achieve its goal of being a world-class champion of diversity, equality and human rights in the health and social care sector by mainstreaming good diversity practice across the College.

RCN Ethics Committee: advises Council on all ethical issues.

RCN International Committee: advises Council on issues that affect nurses around the world, as well as reviewing the RCN's work with international organisations.

Governance committees

There are four governance committees to assist Council with particular responsibilities. Each committee is made up of Council members and external advisers who bring professional expertise. They are:

RCN Audit Committee: reviews the RCN's financial and risk management arrangements, making sure that things are run efficiently, and making recommendations to Council on the appointment and work of external and internal auditors.

RCN Business Committee: advises Council on the development of its financial and business strategies.

RCN Remuneration Committee: is appointed by Council to assist it in discharging its responsibilities for RCN staff. It advises Council on the pay and other terms and conditions for RCN staff, as well as agreeing the remuneration of the RCN Chief Executive & General Secretary.

RCN Governance Support Committee: champions good governance practice across the organisation, making sure that the RCN's ways of working and governance policies are effective. The committee also oversees the current Legal and Governance Review.

Governance groups

These groups advise MRC and NPPC about the governance of the RCN's representative committees. The membership varies from group to group to meet their individual needs.

Reporting to Membership and Representation Committee:

RCN Students Governance Group: acts as a regulatory mechanism for the RCN Students Committee and ensures that student issues are embraced and promoted by the rest of the organisation and that the work of the RCN Students Committee helps the RCN meet its strategic objectives.

RCN Trade Union Governance Group: acts as a regulatory mechanism for the UK committees (the UK Stewards', Learning Representatives' and Safety Representatives' Committees), making sure that good governance practices are adhered to and that the work of the committees helps the RCN meet its strategic objectives.

Reporting to Nursing Practice and Policy Committee:

Forums Governance Group: acts as a regulatory mechanism for RCN forums, making sure that good governance practices are adhered to and that the work of the forums helps the RCN meet its strategic objectives.

RCN Research and Development Governance Group: ensures good governance of all research activity in the RCN, allocating funds and making sure that research is effective and helps the RCN meet its strategic objectives.

Representative committees

These committees provide a network for feedback of information and influence policy. They contain members from across the UK or across the range of nursing specialisms to represent their part of the RCN's membership.

Reporting into Nursing Practice and Policy Committee:

RCN Forum Chairs Committee: promotes the work of forums (UK-wide groups of RCN members working in a similar nursing specialty) and ensures they work together to inform RCN practice and policy. It is made up of the chair of each forum.

Reporting into Membership and Representation Committee:

RCN UK Stewards' Committee: provides a network for the feedback of information to boards and local stewards, and advises on the RCN's employment policies. It also provides a means for boards and local representatives to feed their concerns and priorities into the Trade Union Governance Group and MRC.

RCN UK Learning Representatives' Committee: provides a network for the feedback of information to boards and local learning representatives, and advises on the development of RCN policy on lifelong learning. It also provides a means for boards and local representatives to feed their concerns and priorities into the Trade Union Governance Group and MRC.

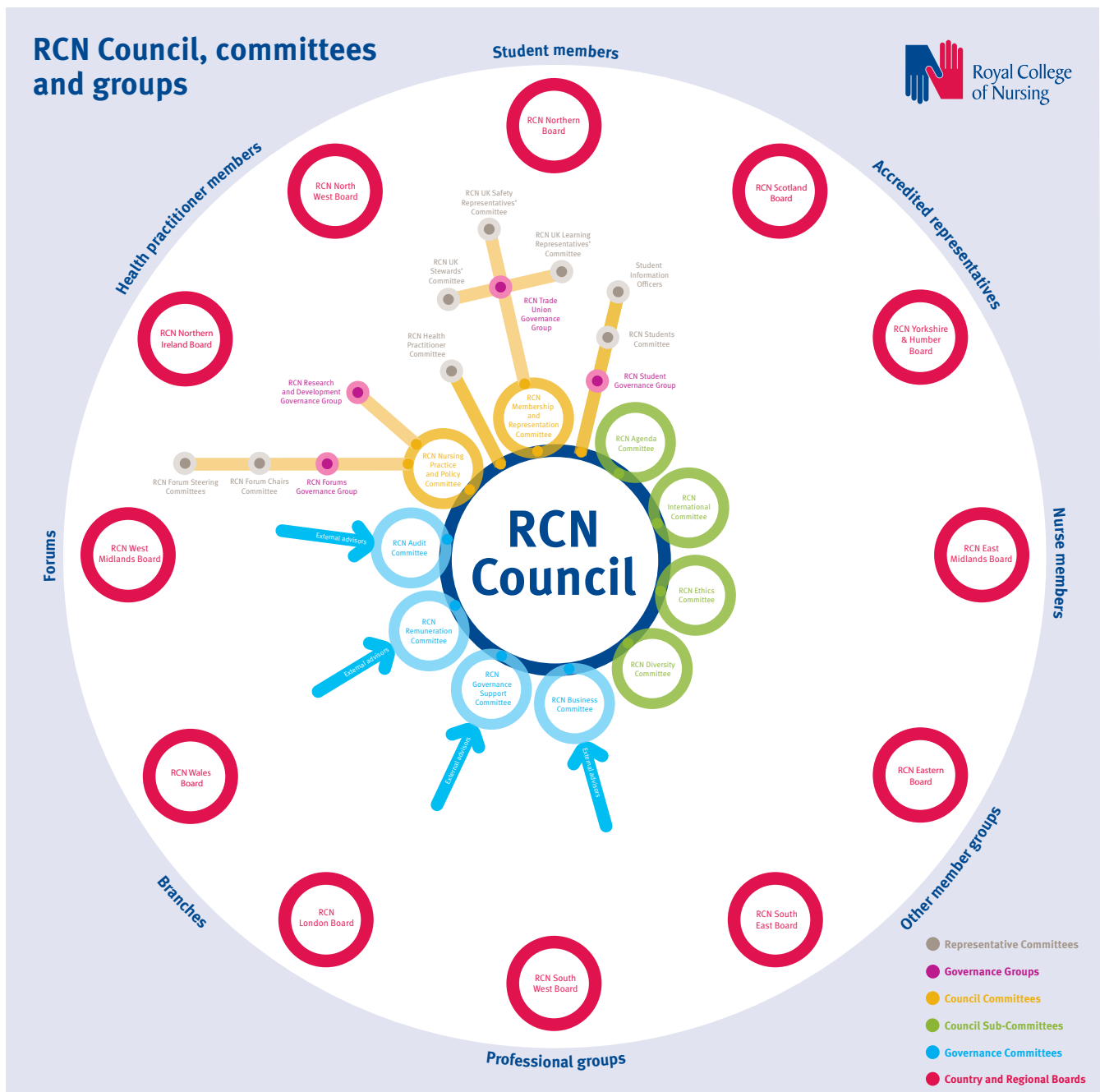
RCN UK Safety Representatives' Committee: provides a network for the feedback of information to boards and local safety representatives, and advises on the RCN policy on workplace health and safety issues. It also provides a means for boards and local representatives to feed their concerns and priorities into the Trade Union Governance Group and MRC.

Country and regional boards

There are three country and nine regional boards. Boards are responsible for the governance of the country or region. Boards also carry out work delegated to them by Council. They are accountable to members for the actions taken in the country or region, and for involving members in these decisions and keeping them well informed.

Working together

The diagram below shows our governance and representative structure.



There is a reporting and decision-making framework based on a scheme of delegation that sets out where decisions are made and by whom. It aims to ensure that:

- decision making is informed by members' views, concerns and expertise
- there is good two-way communication between Council members, the committees, RCN boards and the representative committees.

Our ways of working ensure that the membership of Council and its committees and groups reflect as broad a range of our members and their skills and experience as possible.

Elections and appointments

The core principles followed in all elections and appointments are that members are encouraged to participate, that our election materials are as informative as possible, and that our systems and processes are objective, fair, equitable and

transparent. All these systems and processes are being reviewed and documented as part of the Legal and Governance Review.

Induction and development

The RCN has an induction and development programme for all Council, board and committee members focused on ensuring that members have ongoing training and development opportunities to help them develop the skills they require to fulfil their various roles in the RCN.

Members' disciplinary policy

The RCN has a members' disciplinary policy that was launched in 2011 and is built on the work of the dignity charter launched the previous year.

Membership and communications

General meetings

A general meeting of the members of the College is held at least once every calendar year and is the main opportunity in the year for an open, two-way discussion between Council and members. Its business is to receive the annual report and financial statements, and to discuss matters of professional importance to the interests of the members. In November 2011, RCN Council agreed to alter the timing of the AGM to ensure that from 2014 it can be held at the same time as RCN Congress. This will be in June from 2014 to fit with the new financial year end.

RCN Congress

RCN Congress meets annually and is the delegate body of the organisation. It is where members inform the RCN's agenda and influence nursing and health and social care policies through debate. RCN members also meet to learn, develop professionally and share examples of excellence in nursing practice.

Membership of the Council, governance and Council committees, and country and regional boards

Council

Michael Brown (Scotland) Chair of Council from October 2013 and Vice Chair of Council until October 2013
Professor Kathleen McCourt CBE FRCN (Northern) Chair of Council until October 2013

Lorrae Allford (South West) Vice Chair of Council from October 2013
Andrea Spyropoulos, RCN President
Cecilia Anim, RCN Deputy President
Kevin Bell (Northern Ireland)
Tracey Budding (West Midlands) from October 2013
David Cardwell, Health Practitioner member of Council
Gill Cort (East Midlands) from October 2013
Tim Coupland (South West) until October 2013
Fiona Devlin (Northern Ireland) from October 2013
Carol Evans (Eastern)
Sue Fern (West Midlands) until October 2013
Rachel Greaves (South East)
David Harding-Price (East Midlands) Honorary Treasurer from October 2013
Claire Jeeves, Student member of Council
Gaynor Jones (Wales)
Hamish Kemp (North West) until October 2013
Anne Kennedy (Yorkshire and Humber)
Joanne Kerr (North West) from October 2013
Gordon Lees (Northern) from October 2013
Andrew McGovern (London) Honorary Treasurer until October 2013
Brenda McIlmurray, Health Practitioner member of Council
David Miller (East Midlands) until October 2013
Ian Norris (London)
Ann Marie O'Neill (Northern Ireland) until October 2013
Andrew Patrick (Scotland)
Christopher Piercy (Northern)
Sylvia Simmons (South East)
Gary Stockwell, Student member of Council
Christine Thomas (Wales)
Professor Rod Thomson FRCN, Chair of Congress
Roy Tomlinson (Yorkshire and Humber)
Mike Travis (North West)
Peter Walsh (London) from October 2013
Sue Warner (West Midlands)
Anne Wells (Eastern)

Governance committees

Audit Committee

Ian Norris, Vice Chair
Lorrae Allford until October 2013
Tracey Budding from October 2013
David Cardwell until December 2013
Carol Evans from October 2013
Sue Fern until October 2013
Claire Jeeves
Gaynor Jones until October 2013
Gordon Lees from October 2013
Ann Marie O'Neill until October 2013
Andrew Patrick until October 2013

Sylvia Simmons from October 2013
Sue Warner from October 2013

External advisers

Paul Rees, Chair
Sophia Bhatti
Geraldine Walters until November 2013
Mike Weaver

Observers

David Harding-Price, Honorary Treasurer from October 2013
Andrew McGovern, Honorary Treasurer until October 2013

Remuneration Committee

Anne Wells, Chair
Michael Brown until October 2013
Anne Kennedy from October 2013
Christine Thomas

External adviser

Ann Smart

Observers

David Harding-Price, Honorary Treasurer from October 2013
Andrew McGovern, Honorary Treasurer until October 2013

Governance Support Committee

Kevin Bell, Chair
Gill Cort, Vice Chair from November 2013
Tim Coupland, Vice Chair until October 2013
Michael Brown
Fiona Devlin from October 2013
Andrew McGovern until October 2013
Andrew Patrick
Christopher Piercy
Andrea Spyropoulos
Mike Travis

External advisers

Frank McKenna
Jon Walsh from May 2013

Business Committee

David Harding-Price, Chair from October 2013, Vice Chair until October 2013
Andrew McGovern, Chair until October 2013
Rachel Greaves, Vice Chair from October 2013
Lorrae Allford from October 2013
Gaynor Jones from October 2013
Hamish Kemp until October 2013
Anne Kennedy until October 2013
Brenda McIlmurray

Ian Norris
Andrea Spyropoulos
Gary Stockwell
Roy Tomlinson from October 2013
Peter Walsh from October 2013

External advisers

Bernard Crotty
Shona Brown
Simon Ellen
Paul Rees

Council committees

Nursing Practice and Policy Committee

Ian Norris, Chair
Rachel Greaves, Vice Chair from October 2013
Carol Evans, Vice Chair until October 2013
Lorrae Allford from October 2013
Cecilia Anim
Tim Coupland until October 2013
Sue Fern until October 2013
David Harding-Price from October 2013
Claire Jeeves
Hamish Kemp until October 2013
Joanne Kerr from October 2013
Andrew McGovern until October 2013
Brenda McIlmurray
Andrew Patrick
Christopher Piercy
Andrea Spyropoulos
Roy Tomlinson from October 2013
Peter Walsh from October 2013
Sue Warner

Membership and Representation Committee

Anne Wells, Chair
Tracey Budding, Vice Chair from October 2013
David Miller, Vice Chair until October 2013
Lorrae Allford until October 2013
Cecilia Anim
Kevin Bell
Michael Brown until October 2013
Gill Cort from October 2013
Fiona Devlin from October 2013
David Harding-Price until October 2013
Gaynor Jones
Anne Kennedy
Gordon Lees from October 2013
Ann Marie O'Neill until October 2013
Sylvia Simmons
Christine Thomas
Roy Tomlinson until October 2013
Mike Travis

Health Practitioner Committee

Brenda McIlmurray, Chair
David Cardwell
Maive Coley
Tracie Cuplitt from October 2013
Steve Dunne-Howells from July 2013
David Herring
Lorraine Hicking-Woodison
Deborah Jackson from April 2013
Helen Lloyd from August 2013
Brian Murphy
Judith Page from October 2013
Joanie Spiegel from August 2013

Student Committee

Claire Jeeves, Chair
Helen Ballantyne until November 2013
Jessica Curtis
Katie Davies
Elinor Durston
Claire Flatt
Brendan Garry
Claire Lyons
John McAteer
Kieran Mahoney
Simon Nielson
Jayne Parker
Gary Stockwell
Steve Walton
Gavin Wollacott

Council Committee sub-groups

Forums Governance Group

Rachel Greaves, Chair from October 2013
David Miller, Chair until October 2013
Tara Bartley FRCN
Dr Michael Brown
Major Chris Carter
David Harding-Price until October 2013
Lorraine Hicking-Woodison from June 2013
Professor Janet Marsden FRCN
David Quayle
Peter Walsh from October 2013
Sue Warner

Research and Development Governance Group

Dr Sue Bale FRCN, Chair
Dr Helen Allbutt
Dr Claire Chatterton
Dr Leslie Gelling until November 2013
Hamish Kemp until October 2013
Professor Ruth Northway FRCN
Professor Magi Sque
Professor Annie Topping until July 2013
Dr Alison Twycross

Students Governance Group

Ian Norris, Chair of Nursing Practice and Policy Committee
Carol Evans from October 2013
Claire Jeeves
Jayne Parker
Anne Wells, Chair of Membership and Representation Committee
Gavin Woolacott

Trade Union Governance Group

Tracey Budding, Chair from October 2013
Roy Tomlinson, Chair until October 2013
Lorrae Allford until October 2013
Catriona Forsyth
Richard Holtby until August 2013
Anne Kennedy from October 2013
Catherine Leach
Gordon Lees from October 2013
Professor Janet Marsden FRCN
Brian Murphy from August 2013
Denis McLaughlin
Phil Noyes from May 2013
Andrew Patrick
Pauline Pearsall
Karen Sanders from May 2013
Sylvia Simmons from October 2013
Anne Wells from October 2013

Council sub-committees

Agenda Committee

Professor Rod Thomson FRCN, Chair
Stuart McKenzie, Vice Chair
Tom Bolger
Billy Drysdale
Geoff Earl
BJ Waltho
Michael Brown, Vice Chair of Council until October 2013 and Chair of Council from October 2013

Awards Committee

Andrea Spyropoulos
Cecilia Anim
Lorrae Allford from October 2013
Michael Brown
Jane Denton CBE FRCN
Professor Kathleen McCourt CBE FRCN until October 2013
Ann Marie O'Neill until October 2013
Christine Thomas from October 2013

Diversity Committee

Chris Piercy, Chair
Anne Wells, Vice Chair until October 2013
Michelle Cowan

Vivienne Ferris
Gill Francis
Tamsin Kulgour
Ofrah Mulflahi
Rachael Ridley
Sylvia Simmons
Rosemary Strange
Jane Wray

Ethics

Janet Holt, Chair from December 2013
Margaret Kelly, Chair until September 2013
Carolyn Roberts, Vice Chair from October 2013
Cecilia Anim
John Bridson until October 2013
David Edwards
Ann Gallagher
Judith Hill
Ann King
Martin Johnson
Sue Warner

International Committee

Professor Kathleen McCourt CBE FRCN, Chair
Paula Hancock, Vice Chair
Cecilia Anim
Andrew Clarke
Alan Finnegan
Rachel Greaves
Judith Malan
Andrea Spyropoulos

External adviser

Monika Kozinska

Country and regional boards

Northern Ireland

Fiona Devlin, Chair and Council member on board from October 2013
Ann Marie O'Neill, Chair and Council member on board until October 2013
Margaret Meehan, Vice Chair
Kevin Bell, Council member on board
Roisin Devlin
Kathryn Gault
Francis Lavery
Ann Marie Marley MBE
Joseph McCambridge
Margaret McCambridge
William McCormick
Paul McElwee
Alison Milliken
Karen Oakes
Ann Scott
Mary Walker

Scotland

Michael Brown, Chair and Council member on board
James Stewart Donnelly, Vice Chair
Elspeth Caithness
Garry Campbell
Diane Coleman from August 2013
Teresa Connor from August 2013
Andrew Dunlop from August 2013
Geoff Earl
Alistair Grant
Kathy Kenmuir
Kathleen McLaren
Stuart McLauchlan
Andy Patrick, Council member on board
Elizabeth Shannon
Ken Shaw until September 2013
Graham Revie
Richard Watters

Wales

Gaynor Jones, Chair from October 2013 and Council member on board
Christine Thomas, Chair until October 2013 and Council member on board
Kate Parry, Vice Chair from October 2013
Anne Stevenson, Vice Chair until October 2013
Derrick Brown until May 2013
Jane Carroll
Christine Edwards-Jones
Owain Jones
Dr Marjorie Lloyd
Billy Nichols
Pamela Parsons
Gareth Phillips
Dr Jim Richardson until August 2013
Sandra Robinson-Clark
Fiona Salter
Yvonne Thomas
Yvonne Whitfield until October 2013
Gill Williams

Eastern region

Anne Wells, Chair and Council member on board
Trevor Allen, Vice Chair
Carol Evans, Council member on board
Laura Falconer from August 2013
Rhonda Fusco from August 2013
Sandra Gover
Rebecca Judge until May 2013
Pauline Kingston
Samantha Neville
Valerie Outhwaite from August 2013
Michael Oyeeye from August 2013
Julie Smith from August 2013
Tracey Whale

East Midlands region

Gill Cort, Chair and Council member on board from October 2013
 David Miller, Chair and Council member on board until October 2013
 Neil Thompson, Vice Chair until August 2013
 Helen Varney, Vice Chair and board member from August 2013
 Jenny Creasey
 Marva Duncan
 Pat Edkins
 Ed Fairley
 David Harding-Price, Council member on board
 Michael Hayworth until October 2013
 Roger Milligan
 Helen Morrison from August 2013
 Lindsey Randell
 Helen Ritchie
 Jeanette Robinson
 Liam Whitelaw

London region

Ian Norris, Chair from October 2013 and Council member on board
 Andrew McGovern, Chair and Council member on board until October 2013
 Christopher McDonnell, Vice Chair
 Karen Barrett
 Ursula Gallagher
 Matthew Hodson from October 2013
 Susan Howkins
 Tom Morahan
 Lisa Oluyinka
 Yemi Osho
 Maria Ponto
 Philip Roud from October 2013
 Faith Thornhill from October 2013
 Karen Sanders
 Mike Smith
 Neville de Silva
 Peter Walsh, Council member on board from October 2013 and board member from August 2013
 Andrew White until November 2013

Northern region

Chris Piercy, Chair and Council member on board
 Michael Appleby, Vice Chair and board member from August 2013
 Professor Kathleen McCourt CBE FRCN, Vice Chair and Council member on board until October 2013
 Cynthia Agbo from August 2013
 Neil Anderson
 Karen Dutton
 Pat Ferguson
 Gordon Lees, Council member on board from October 2013 and board member from 1 January 2013

Amanda McEwan
 Denise McLaughlin
 Rachael Ridley
 Margaret Wardrobe
 Jan Weightman
 Michael White

North West region

Joanne Kerr, Chair and Council member on board from October 2013
 Hamish Kemp, Chair and Council member on board until October 2013
 Jean Rogers, Vice Chair from October 2013
 Professor Janet Marsden FRCN, Vice Chair until October 2013
 Suzanne Butler
 Dr Claire Chatterton
 David Dawes from August 2013
 Shelia Dunbar
 Maggy Heaton
 Karen Lister from August 2013
 Mandy O'Connor
 Verna Philips
 Ali Richards
 Geoff Thompson
 Mike Travis, Council member on board

South East region

Rachel Greaves, Chair and Council member on board
 Kathy Doughty, Vice Chair
 Brian Bostock
 Claire Drot
 Richard Hurn from August 2013
 Susan Kewell
 Kenneth Lloyd
 Karen McNay
 Dr Heather Mercer from August 2013
 Angela Mohamed
 Maria Nicholson from August 2013
 Beng Poh
 Sylvia Simmons, Council member on board
 Andrea Thorne
 Cecilia Wigley from August 2013
 Malachy Ujam

South West region

Lorrae Allford, Chair and Council member on board
 Debra Nicholson, Vice Chair from October 2013
 Sharon McGinn, Vice Chair until October 2013
 Tim Coupland, Council member on board until October 2013
 Dawn Cooper
 Kathy Moore
 Margaret North, Council member on board from 4 December 2013

Mena Parnell
Susan Pickett
Valery Radmore
Kristina Rees
Vanda Squire
Karl Wallace until October 2013
Lindsay William Jones

West Midlands region

Sue Warner, Chair from October 2013 and Council member on board
Sue Fern, Chair and Council member on board until October 2013
Juliana Benjamin, Vice Chair from October 2013
Tracey Budding, Vice Chair and board member until October 2013, Council member on board from October 2013
Christopher Barber
Colin Burgess
Simon Cadman until August 2013
Lisa Evans-Dimmock
Constance Johnson
John Kelsall
Linda Pascall
Merry Pearcey
Pauline Pearsall
Mitzi Wilson

Yorkshire & the Humber region

Roy Tomlinson, Chair and Council member on board
Pam McIvor, Vice Chair
Roger Cowell
Tony Daniels
Annette Else
Kate Harper
Anne Kennedy, Council member on board
Sue Panther until June 2013
Anne Penny
Carol Popplestone
Mathew Sidebottom
Paul Smith
Tina Sykes
Wendy Train

Management

Executive Team

The Executive Team (ET) is made up of the senior directors and supports the Chief Executive and General Secretary in fulfilling the responsibilities of Council and the committees. ET is responsible for ensuring Council decisions are implemented and oversees the day-to-day operation of the RCN. A group of senior managers (SMT) meets quarterly and supports ET in delivering corporate policies.

Chief Executive & General Secretary

Dr Peter Carter OBE

Members of the Executive Team during and subsequent to the year were:

Jane Clarke	Director, Governance Support
David Cooper	Director, Human Resources and Organisational Development
Chris Cox	Director, Legal Services
Janet Davies FRCN	Director, Nursing and Service Delivery
Tina Donnelly	Director, RCN Wales
Theresa Fyffe	Director, RCN Scotland
Tim Golbourn	Director, Finance and Corporate Services
Fiona Johnson	Director, Communications
Janice Smyth	Director, RCN Northern Ireland
Tom Sandford FRCN	Director, RCN England
Rhonda Oliver	Director, RCN Publishing Company Limited until November 2013

Risk management

During the year, our risk management methods allowed us to continue to monitor the operational environment so that new risks were identified and the potential impact of existing risks was recognised. As a result, we believe that major risks have been identified and measures were put in place to address these.

We have continued the year-on-year improvements to our internal controls, and our internal audit partners carried out a programme of internal audits. This programme used a risk-based approach and included an audit of the RCN risk management framework itself.

Our Audit Committee and Business Committee have been presented with a risk report at each of their meetings. These reports highlighted significant corporate risks, those that had been mitigated and those that could pose a future threat or opportunity. The reports also allowed the committees to gain assurance on the overall system of risk management, and to report that assurance to Council.

The Executive Team undertook monthly risk reviews as a fixed agenda item at its business meetings, and at these reviews the relative severity of risks was assessed and any new or potential risks identified.

Over the 12 months we have focused on:

- financial and economic risk
- reputation risk
- compliance risk
- membership risk
- legal risk
- technological risk.

Subsequent to each review, the corporate risk register was updated with the details of each risk, the controls in place and the assurance those controls gave. The register also identifies further actions needed to mitigate the risk.

Financial review

In 2011 the membership agreed the recommendation of Council to combine the annual general meeting (AGM) with Congress. This change also required the RCN to move its accounting year end to 31 December. To this end the RCN had a nine month accounting period from April 2013 to December 2013. The accounting year from now on will run from January to December.

The group income and expenditure statement, balance sheet and cashflow statement for the nine month period ended 31 December 2013 are set out on pages 31, 33 and 34. These financial statements are presented in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the Trade Union and Labour Relations (Consolidation) Act 1992.

The group results report the combined results of the RCN UK, its trading subsidiary RCN Publishing Company Limited and the RCN Foundation, consolidated on a line-by-line basis. Its former trading subsidiaries RCN Licensing Limited and RCN Membership Services Limited entered members' voluntary (solvent) liquidation on 29 May 2013; this process was completed successfully in November 2013.

The financial statements also include a Statement of Recognised Gains and Losses (STRGL) on page 32. This represents the movement in the reserves,

which is not included within the income and expenditure statement.

RCN Group results

The RCN Group results for the nine month period ended 31 December 2013 report a surplus before taxation of £10.0m (12 months ended 31 March 2013: £6.0m).

Total income for the RCN Group for the nine month period to 31 December 2013 was £64.9m (12 months ended 31 March 2013: £86.0m).

Total RCN Group expenditure for the nine month period to 31 December 2013 £56.2m (12 months ended 31 March 2013: £81.0m).

The RCN Group total pension scheme liability at 31 December 2013 was £49.7m (31 March 2013: £48.1m). Despite the value of the scheme assets increasing by 3.6 per cent, this has been offset by the increase in the scheme's liabilities of 3.5 per cent. Council continues to be committed to reducing the deficit. A payment of £1.6m was made against the scheme deficit in year being the amount required under the agreed deficit funding plan with the pension regulator. Further details of pension scheme matters can be found in note 15 of the financial statements. The full pension scheme deficit is recognised in the RCN UK balance sheet although RCN Publishing, who have staff members in the scheme, contributes to the annual deficit payment.

The total net assets of the RCN Group, including the effect of the RCN Pension Scheme deficit, increased from £39.2m to £49.2m. This includes charitable funds of £28.4m, which are not available for general use.

RCN UK results

Total income for the RCN UK was £54.7m (12 months ended 31 March 2013: £72.6m). Subscription income rose in line with increased membership numbers.

Total RCN UK operating expenditure in the nine month period to 31 December 2013 was £46.4m (12 months ended 31 March 2013: £68.7m).

Since the profile of expenditure during the year is not even, it is not possible to provide an accurate comparative of nine months worth of expenditure. However, taking the 12 month figure to 31 March 2013 of £68.7m and pro-rated, nine months would give an operating figure of £51.6m. Excluding the one-off non-recurrent item, the comparison is set out in the table opposite:

	9 months to 31 December 2013 £'000	2012/13 pro-rated to 9 months £'000
Total operating costs	46,396	51,560
Subtract VAT partial exemption charge	-	1,100
Add release of NILGOSC provision	1,543	-
Add release of annual leave provision	709	-
Operating costs excluding one-off costs	48,648	50,460

The nine month results to 31 December 2013 have also been impacted by the release of clinical negligence indemnity provisions. In this period, provisions of £3.4m have been released compared to a release of £0.6m in the previous 12 months ending 31 March 2013. This has been partially offset by new provisions of £2.8m in the nine months ending 31 December 2013 compared to new provisions of £4.9m in the previous 12 months ending 31 March 2013. Whilst clinical negligence indemnity provisions have been low in the nine month period, claims relating to a specific year can be notified several years into the future.

The two further provisions released in the nine month period ended 31 December 2013 were a provision of £1.5m relating to the previous Northern Ireland Local Government Officers' Pension Fund deficit valuation, which was released on the 31 October 2013 into the Income and Expenditure statement as the final active member of this scheme retired and an annual leave provision of £0.7m. As the year end and annual leave period are now aligned at 31 December 2013, this provision is no longer required.

The net assets of the RCN UK, including the effect of the RCN pension scheme deficit, increased from £7.7m to £16.7m. The positive movement reflects the impact of the reported surplus for the nine month period to 31 December 2013. The RCN UK reported a net operating surplus before tax for the nine month period ended 31 December 2013 of £9.6m (12 months ended 31 March 2013: £3.6m). The RCN UK did not incur a tax liability in the nine month period to 31 December 2013.

During the nine month period to 31 December 2013 the RCN received a dividend from its wholly owned subsidiary, RCN Publishing of £1.2m (12 months ended 31 March 2013: £1.6m). The RCN also received investment income of £115k from funds held on short-term deposit pending the creation of an investment portfolio in 2014.

RCN Publishing Company Limited

The principal activities of the RCN Publishing Company Limited (RCN PC) are communications through journal publishing, exhibitions and public relations within nursing and related fields. The

company had a successful nine month period to 31 December 2013 with pre-tax profits of £1.1m (12 months to 31 March 2013: £1.4m). A pro rata annual equivalent would be £1.4m, in line with the 31 March 2013 results. Turnover for the nine month period was £10.7m compared with a comparative pro-rated figure for 2012/13 of £10.1m owing primarily to strong classified advertising and exhibition income. However, distribution and administration costs were higher for the nine month period to 31 December 2013, resulting in an operating profit margin of 9.7 per cent (2012/13: 10.3 per cent).

RCN Foundation

The RCN UK is the sole member of the RCN Foundation, a charitable company limited by guarantee. The RCN Foundation was set up to support nursing staff to improve the health and wellbeing of the public. It funds bursaries for those wishing to study and provides support to staff at times of hardship. The RCN Foundation also gives grants to innovative projects that make a difference to service development and the safety, quality and dignity of patient care. The RCN Foundation prepares its financial statements following the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005, as updated in 2008. Its net assets of £28.4m are consolidated in these financial statements but are not available for general use. The main asset base of the RCN Foundation is the long-term investment portfolio, with a year end valuation of £26.2m.

The RCN Foundation investments reported investment income of £655k and net gains of £1.2m (12 months ended 31 March 2013: investment income of £647k and net gains of £1.8m) which consists of realised gains on the sale of investment assets of £0.5m (12 months ended 31 March 2013: £2.3m), realised gains of £82k on currency exchange rate movements (12 months ended 31 March 2013: £13k), and unrealised gains on the investment portfolio of £0.8m (12 months ended 31 March 2013: loss of £0.5m). The remainder of its assets are cash and short-term investments. In the nine month period ended 31 December 2013, the RCN Foundation reported net movement in funds of £1.5m.

Statement of Council members' responsibilities

The Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999 requires the RCN Council to:

- prepare an annual report and financial statements for each year which give a true and fair view of the state of affairs of the organisation
- prepare an annual return to the Certification Officer
- provide members of the RCN with financial statements for each year
- keep proper accounting records.

In so far as the Council members are aware:

- there is no relevant information of which the RCN's auditor is unaware
- the Council members 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.

RCN Standing Orders require members of the RCN to be provided with an annual report and financial statements for the year at its Annual General Meeting and for a summary of the financial statements to be published in the *RCN Bulletin*.

The maintenance and integrity of the RCN website is the responsibility of RCN Council. The work carried out by the auditors does not involve the consideration of these matters, and accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

On behalf of Council



Michael Brown
Chair of Council
April 2014

Independent auditors' report to the Council members of the Royal College of Nursing of the United Kingdom

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the parent entity's affairs as at 31 December 2013 and of the group's and parent entity's surplus and the group's cashflows for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 and section 25 of the Royal College of Nursing Standing Orders.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent entity financial statements (the "financial statements"), which are prepared by the Royal College of Nursing of the United Kingdom (RCN UK), comprise:

- the group and parent entity balance sheets as at 31 December 2013;
- the group and parent entity income and expenditure accounts and statements of total recognised gains and losses for the period then ended;
- the group and parent entity reconciliations of movements in funds for the period then ended;
- the group cashflow statement for the period then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Council members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent entity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Council members; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the combined group annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Trade Union and Labour Relations (Consolidation) Act 1992 we are required to report to you if, in our opinion:

- proper accounting records have not been kept with respect to the Council's transactions and its assets and liabilities; or
- the Council has not established and maintained a satisfactory system of control over its accounting records, its cash holdings and all its receipts and payments; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Council members

As explained more fully in the statement of Council members' responsibilities, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council's members as a body in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 and section 17 of the Royal College of Nursing Royal Charter and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Liz Hazell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside, London, SE1 2RT
24 April 2014

Financial statements

Income and expenditure accounts for the period ended 31 December 2013

	Note	RCN UK 9 months to 31 December 2013 £'000	RCN UK 12 months to 31 March 2013 £'000	RCN Group 9 months to 31 December 2013 £'000	RCN Group 12 months to 31 March 2013 £'000
INCOMING RESOURCES					
Membership income	3	51,880	69,163	51,880	69,163
Trading income		-	-	10,323	13,142
Other income	3	2,812	3,399	2,674	3,679
TOTAL INCOME		54,692	72,562	64,877	85,984
RESOURCES EXPENDED					
Staff costs	8/9	29,430	40,367	33,564	45,644
Premises and estate costs	9	7,023	8,751	7,706	9,657
Travel and accommodation	9	1,935	2,473	2,039	2,557
Other service delivery costs	9	8,008	17,156	12,860	23,268
TOTAL COSTS		46,396	68,747	56,169	81,126
OPERATING SURPLUS		8,296	3,815	8,708	4,858
Exceptional loss	10	-	(2,031)	-	(2,031)
Loss on disposal of fixed assets	10	(18)	-	(18)	-
Investment income	4	115	200	790	847
Net realised investment gains	11	-	-	454	2,286
Currency exchange gains		-	-	82	13
Dividends received from subsidiary	5.2	1,249	1,622	-	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	9,642	3,606	10,016	5,973
Tax	7	-	-	(246)	(161)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		9,642	3,606	9,770	5,812

There is no difference between the surplus on ordinary activities before tax for the periods stated above and the historical cost equivalent.

The notes on pages 35 to 52 form part of these financial statements.

Statement of total recognised gains and losses for the period ended 31 December 2013

	Note	RCN UK 9 months to 31 December 2013 £'000	RCN UK 12 months to 31 March 2013 £'000	RCN Group 9 months to 31 December 2013 £'000	RCN Group 12 months to 31 March 2013 £'000
Actuarial losses on defined benefit pension scheme – Pensions Trust	15.2	(566)	(9,136)	(566)	(9,136)
Revaluation reserve adjustment	20	(47)	(64)	(47)	(64)
Net unrealised gains/(losses) on fixed asset investments	11	-	-	787	(481)
Transfer of funds from subsidiary	5.2	22	-	-	-
Other net recognised (losses)/gains		(591)	(9,200)	174	(9,681)
Surplus in period		9,642	3,606	9,770	5,812
TOTAL RECOGNISED GAINS/(LOSSES) SINCE LAST FINANCIAL STATEMENTS		9,051	(5,594)	9,944	(3,869)

Reconciliation of movements in funds for the period ended 31 December 2013

	RCN UK 9 months to 31 December 2013 £'000	RCN UK 12 months to 31 March 2013 £'000	RCN Group 9 months to 31 December 2013 £'000	RCN Group 12 months to 31 March 2013 £'000
Surplus in period	9,642	3,606	9,770	5,812
Other net recognised (losses)/gains	(591)	(9,200)	174	(9,681)
Net additions/(deductions) from funds	9,051	(5,594)	9,944	(3,869)
ACCUMULATED FUNDS AT 1 APRIL	7,676	13,270	39,220	43,089
ACCUMULATED FUNDS AT PERIOD END	16,727	7,676	49,164	39,220

Balance sheets as at 31 December 2013

	Note	RCN UK 31 December 2013 £'000	RCN UK 31 March 2013 £'000	RCN Group 31 December 2013 £'000	RCN Group 31 March 2013 £'000
FIXED ASSETS					
Tangible assets	10	21,917	21,387	22,069	21,565
Investments	11.1	-	-	26,226	23,018
TOTAL		21,917	21,387	48,295	44,583
CURRENT ASSETS					
Stocks		14	8	14	8
Debtors and prepayments	12	2,916	2,536	4,156	3,444
Short-term investments	11.2	-	-	1,002	3,003
Short-term deposits	17	55,187	51,364	58,739	55,732
Cash at bank and in hand	17	110	894	1,640	2,293
TOTAL		58,227	54,802	65,551	64,480
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors and accrued charges	13.1	(7,245)	(9,968)	(8,444)	(11,238)
NET CURRENT ASSETS		50,982	44,834	57,107	53,242
TOTAL ASSETS LESS CURRENT LIABILITIES		72,899	66,221	105,402	97,825
Provisions for liabilities and charges	13.2	(6,495)	(10,446)	(6,561)	(10,506)
NET ASSETS (EXCLUDING PENSION SCHEME LIABILITY)		66,404	55,775	98,841	87,319
Defined benefit pension scheme liability	15.2	(49,677)	(48,099)	(49,677)	(48,099)
TOTAL NET ASSETS (INCLUDING PENSION SCHEME LIABILITY)		16,727	7,676	49,164	39,220
REPRESENTED BY:					
Pension Escrow Account	20	4,934	4,925	4,934	4,925
Revaluation reserve	20	2,309	2,356	2,309	2,356
Accumulated funds	20	59,161	48,494	63,211	53,107
RESERVES EXCLUDING RESERVES FOR CHARITABLE PURPOSES AND PENSION LIABILITY		66,404	55,775	70,454	60,388
Pension reserve	15.2	(49,677)	(48,099)	(49,677)	(48,099)
TOTAL RESERVES EXCLUDING RESERVES FOR CHARITABLE PURPOSES		16,727	7,676	20,777	12,289
Reserves for charitable purposes	6.2	-	-	28,387	26,931
TOTAL RESERVES		16,727	7,676	49,164	39,220

Notes on pages 35 to 52 form part of these financial statements.

The financial statements were approved by Council on 23 April 2014

Michael Brown
Chair of Council



David Harding-Price
Honorary Treasurer



Peter Carter OBE
Chief Executive &
General Secretary



Group cashflow statement for the year ended 31 December 2013

	Note	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	18.1	3,925	8,861
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest	4	790	847
Taxation	7	(246)	(161)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	10.2	(2,104)	(1,977)
Acquisition of investments	11	(7,681)	(22,771)
Disposal of investments	11	5,979	18,491
Decrease in investment cash	11	1,736	170
NET CASH INFLOW		2,399	3,460
Management of liquid resources	16	(3,007)	(4,408)
DECREASE IN CASH	17	(608)	(948)

Notes to the financial statements

1. Accounting policies

The consolidated financial statements presented show the consolidated income and expenditure account, statement of total recognised gains and losses, balance sheet and cashflows of the RCN Group for the nine month period ended 31 December 2013. Comparative figures are for the 12 months ended 31 March 2013.

The Group financial statements consolidate the accounts of the RCN UK, RCN Foundation and RCN UK trading subsidiaries. The trading activities of RCN Licensing Limited (RCN L) and RCN Membership Services Limited (RCN MS) were transferred to RCN UK during the 12 months ended 31 March 2013 and those entities were placed into voluntary (solvent) liquidation in May 2013. The transactions of the RCN UK include amounts relating to activities as a Trade Union registered under the Trade Union and Labour Relations (Consolidated) Act 1992 as reported in these financial statements. RCN UK represents the combined Trade Union (representation) and professional college (other college) activities of the RCN UK.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of freehold land and buildings and investments, and are in accordance with applicable United Kingdom accounting standards.

The financial statements have been prepared on a going concern basis and in accordance with the accounting policies set out below, all of which have been applied consistently.

(b) Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising.

Membership income is apportioned between representation activities and other college activities in line with expenditure.

Revenue grants for specific purposes in the Foundation are recognised on receipt as restricted income. Legacy income is accrued at the point that the entitlement, measurability and certainty of the amount becomes known.

(c) Deferred income

Subscription and membership income relating to the current nine month period is recognised on receipt, and any portion relating to future periods is deferred. Commission received in advance is recognised as income when it is earned. Government grants are recognised as income when any specific conditions are met.

(d) Accrued income

Incoming resources are accrued and included in the income and expenditure accounts when the entities are entitled to the income and it can be quantified with reasonable certainty.

(e) Basis of consolidation

The Group financial statements consolidate the accounts of the RCN UK, RCN Foundation and RCN Publishing Company Limited on a line-by-line basis.

(f) Expenditure

Expenditure is recognised on an accruals basis. Expenditure reported in the income and expenditure statement is analysed under the following headings:

Staff costs

All payroll related costs including basic pay, employer's contributions to National Insurance and pensions cost incurred by the RCN of running the staff pension schemes. Other costs included in this category include the cost of temporary agency staff and staff seconded to the RCN UK from external organisations.

Premises and estate costs

This includes all premises maintenance and running costs including rent, rates, general maintenance, stationery, telephony, IT revenue costs and depreciation.

Travel and accommodation

This includes all travel and accommodation costs incurred by staff, Council, other office holders, activists and other members when carrying out their duties on behalf of the RCN UK and other RCN Group entities.

Other service delivery costs

This includes legal representation costs, the cost of the member indemnity scheme, campaigns and communications, member newsletters and publications and the cost of delivering RCN UK events and conferences including Congress.

(g) Pensions

The RCN UK operates defined benefit and defined contribution schemes.

Defined benefit pension schemes

Since 1 June 2007, the RCN UK offers its employees a defined benefit career average pension scheme, relating to salary and service. This scheme was closed to new entrants on 31 October 2013. Existing active members can continue to contribute to the scheme, albeit with reduced benefit accruals going forward. Prior to June 2007 the scheme offered was a defined benefit final salary scheme.

For defined benefit schemes, the amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the period, adjusted to reflect variations from that cost. Current and past service costs, interest costs and expected return on assets are included within expenditure, allocated on the same basis as the staff costs of the scheme members. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the income and expenditure account under incoming resources.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the statement of total recognised gains and losses under the heading of actuarial gains and losses on defined benefit pension scheme. Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds.

Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at bid value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. The resulting pension scheme deficit is included on the balance sheet. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced

future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date.

Defined contribution pension scheme

Since 1 November 2013 the RCN UK offers its employees a defined contribution pension scheme. The scheme has three levels of employee and employer contribution. This scheme is used to fulfil the auto enrolment obligations. All new employees and those not in the deferred benefit scheme are automatically enrolled into the lowest contribution level. Once in the scheme employees can opt to move to a higher level of contribution. Please see note 15.1 for more information. All employer contributions made to the scheme are charged to the income and expenditure statement as incurred.

(h) Irrecoverable Value Added Tax

Irrecoverable Value Added Tax is expensed in the related income and expenditure accounts.

(i) Direct tax

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

(j) Deferred tax

Deferred taxation would normally be recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

(k) Tangible fixed assets

Tangible fixed assets are included at cost except the long leasehold building of 20 Cavendish Square, which is held at the revalued amount. The re-valued book amounts have not been updated as the RCN UK has previously adopted the transitional arrangements permitted by FRS 15 "Tangible Fixed Assets". Dates of property valuations under the transitional arrangements are set out in note 10.

Expenditure in the RCN UK of a capital nature over £1,000 is capitalised as fixed assets. Expenditure in RCN PC of a capital nature over £500 is capitalised as fixed assets.

Minor items of furniture and equipment below £1,000 (£500 for RCN PC), which generally represent renewals, are charged to the income and expenditure account in the year of purchase.

(l) Depreciation

Depreciation is provided on a straight line basis at rates calculated to write off the cost or valuation

of the assets less any residual value over their estimated useful lives.

Freehold buildings	50 years
Leasehold improvements	50 years or based on expected economic life of works done, or the period of the lease if less.
Components:	
• equipment	5 years
• external works	20 years
• library works	20 years
• other works including electrical and mechanical works.	10 years
Computer software	5 years
Computer equipment	3 years (included in furniture and equipment in note 10)
Furniture and other equipment	5 years

(m) Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use when there is an indication of a reduction in the carrying value. Any impairment is recognised in the income and expenditure account in the year in which it occurs.

(n) Investments

Fixed asset investments are stated at market valuation, where market value represents the mid market price on the last trading day of the year. Unlisted securities are stated at original cost. Investments purchased as part of treasury management, which are intended to be held for less than one year are shown as short-term deposits; investments held to generate longer-term income and capital growth are shown within fixed assets. Realised gains and losses are charged to the income and expenditure account; unrealised gains and losses are charged to the statement of total recognised gains and losses.

Investments in subsidiaries are stated at cost less provision for any impairment. Impairments are charged to the income and expenditure account.

(o) Leasing

Assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the RCN Group are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the income and expenditure account so as to produce a constant periodic rate of charge. Rentals for other leased

assets, held under the terms of operating leases are charged directly to the income and expenditure account over the term of the lease.

(p) Liquid resources

Liquid resources are defined as being cash balances held on deposit that are readily available (they usually require less than 24 hours notice in order to be accessed).

(q) Provisions

Provisions for future liabilities are recognised when there is a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

Costs arising from the provision of legal services to members are charged to the income and expenditure account in the accounting period in which they are incurred under representation activities. Because of the prolonged nature of litigation, and the uncertainty of the outcome of any particular case, no attempt is made to estimate future legal costs, or recoveries of legal costs, for ongoing cases. In cases where there is litigation which falls within the professional indemnity, RCN UK includes a provision within the financial statements to cover the RCN UK's proportion of the potential liability. Information received after the balance sheet date is considered when measuring provisions and where new information is material, provisions are re-measured.

(r) Exceptional items

Exceptional items are defined as transactions that are one-off and not generated through normal RCN Group operational or trading activities.

2. Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

	RCN UK		RCN Group	
	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
DEPRECIATION	1,425	1,678	1,519	1,790
OPERATING LEASES:				
Land and buildings	898	1,037	1,033	1,217
Other leased assets	240	226	255	249
AUDITORS' REMUNERATION:				
Audit services	95	98	114	122

3. Incoming resources – RCN UK

	Representation activities £'000	Other College activities £'000	Total 9 months to 31 December 2013 £'000	Total 12 months to 31 March 2013 £'000
Membership income	33,261	18,619	51,880	69,163
Other Income	1,019	1,793	2,812	3,399
	34,280	20,412	54,692	72,562

Representation is defined as relating to trade union activities.

Membership income is split – 64 per cent representation and 36 per cent other College activities in line with expenditure. See note 9 for basis of allocation.

4. Investment income

	RCN UK		RCN Group	
	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
UK equities	-	-	300	401
Overseas equities	-	-	222	122
UK fixed interest	-	-	130	120
Bank interest	115	200	138	204
	115	200	790	847

5. RCN UK Trading subsidiary undertakings

5.1 Subsidiary results

RCN Publishing Company Limited (RCN PC) is a publisher of nursing journals. RCN PC is incorporated in the United Kingdom. The trading activities of RCN Licensing Limited (RCN L) and RCN Membership Services Limited (RCN MS) were transferred to RCN UK during the year to 31 March 2013 and those entities were placed in members' voluntary (solvent) liquidation in May 2013, the process was completed in November 2013.

Details of the trading activities of the subsidiaries are set out below.

	RCN PC 9 months to 31 December 2013 £'000	RCN PC 12 months to 31 March 2013 £'000	RCN MS 12 months to 31 March 2013 £'000	RCN L 12 months to 31 March 2013 £'000
Income	10,704	13,499	20	215
Costs	(9,651)	(12,089)	(25)	(126)
PROFIT	1,053	1,410	(5)	89
Taxation	(246)	(161)	-	-
PROFIT AFTER TAX	807	1,249	(5)	89

Each of the trading subsidiaries reported in the table above is/was wholly owned by the Royal College of Nursing of the United Kingdom.

5.2 Summarised balance sheet of subsidiary trading companies

	RCN PC 31 December 2013 £'000	RCN PC 31 March 2013 £'000	RCN MS 31 March 2013 £'000	RCN L 31 March 2013 £'000
Fixed assets	152	179	-	-
Current assets	5,013	5,653	30	215
CREDITORS: FALLING DUE WITHIN ONE YEAR				
Creditors and accrued charges	(1,594)	(1,825)	(8)	(126)
Provisions for liabilities and charges	-	(60)	-	-
TOTAL NET ASSETS	3,571	3,947	22	89
CAPITAL AND RESERVES	3,571	3,947	22	89

Ordinary share capital held by the RCN UK (£) is:

500,000	500,000	2	2
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During the nine month period a dividend was paid from RCN Publishing Company Limited (RCN PC) of £1,249k (year to 31 March 2013: £856k), RCN Membership Services Limited (RCN MS) of £nil (year to 31 March 2013: £453k) and RCN Licensing Limited (RCN L) of £nil (year to 31 March 2013: £313k) to RCN UK. RCN MS and RCN L liquidated in November 2013.

6. RCN Foundation

RCN UK is the sole member of the RCN Foundation. The RCN Foundation is a charitable company providing grants that supports nursing to improve health and wellbeing of the public.

6.1 Summarised statement of financial activities

Details of the charitable activities of the RCN Foundation are set out below.

	RCN Foundation 9 months to 31 December 2013 £'000	RCN Foundation 12 months to 31 March 2013 £'000
Incoming resources	807	998
Resources expended	(674)	(779)
Other recognised gains	1,323	1,818
NET MOVEMENT IN FUNDS	1,456	2,037

6.2 Summarised balance sheet of RCN Foundation

	RCN Foundation 31 December 2013 £'000	RCN Foundation 31 March 2013 £'000
Fixed assets investments	26,226	23,018
Current assets	2,536	4,363
CREDITORS: FALLING DUE WITHIN ONE YEAR		
Creditors and accrued charges	(375)	(450)
TOTAL NET ASSETS	28,387	26,931
Revaluation reserve	1,443	656
Other funds	26,944	26,275
RESERVES	28,387	26,931

7. Taxation note

Taxation on surplus on ordinary activities

	RCN UK		RCN Group	
	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
UK corporation tax				
Current tax on surplus for the period	-	-	232	175
Adjustments in respect of prior years	-	-	12	-
TOTAL CURRENT TAX	-	-	244	175
DEFERRED TAX				
Movement in period	-	-	2	(14)
TAXATION ON SURPLUS ON ORDINARY ACTIVITIES	-	-	246	161

The tax assessed for the nine month period is lower (year to 31 March 2013: lower) than the main rate of corporation tax in the UK. The differences are explained below:

	RCN UK		RCN Group	
	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Surplus on ordinary activities before tax	9,642	1,985	10,016	5,973
Surplus on ordinary activities at the main rate of corporation tax in the UK of 23% (March 2013: 24%)	1,884	476	2,126	1,434
Accelerated capital allowances and other timing differences	(64)	880	(65)	895
Sundry timing differences	(48)	(7)	(49)	(7)
Expenses not deductible for tax purposes	387	-	391	5
Group relief (claimed)/surrendered	12	204	-	-
Adjustments in respect of prior periods	-	-	12	-
Group income	(287)	-	(287)	-
Non-taxable income	(1,855)	(1,505)	(1,855)	(1,505)
Income covered by tax exemptions	(29)	(48)	(29)	(647)
CURRENT TAX CHARGE	-	-	244	175

Deferred tax asset balance

The group has a deferred tax asset arising from timing differences as set out below. Shown as 20 per cent rate for the current period (year to 31 March 2013: 23 per cent).

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Analysis of deferred tax asset		
Excess of capital allowances over depreciation	4	1
Short-term timing differences	13	14
Pension provision	7	11
CARRIED FORWARD AS AT PERIOD END	24	26

There are also unrecognised deferred tax assets totalling £463,000 in respect of tax losses and other short-term timing differences in relation to the RCN UK. In addition, there are unrecognised deferred tax liabilities totalling £63,000 in respect of capital allowances over depreciation in relation to the RCN UK.

8. Staff costs – Group

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Wages and salaries	27,246	36,670
Social security costs	2,290	3,139
Other pensions costs	4,028	5,835
TOTAL	33,564	45,644

Of the total staff costs £19,586,000 (year to 31 March 2013: £26,655,000) has been allocated to representation activities.

The total pension cost comprises of:

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
RCN Defined Benefit scheme (see note 15.2)	5,265	5,615
NILGOSC (see note 15.3)	(1,323)	220
RCN Defined Contribution scheme (see note 15.1)	86	-
TOTAL	4,028	5,835

This represents £4,449,000 in employer contributions and a charge of £1,012,000 following the defined benefit scheme actuarial valuation to reflect the actual service cost (year to 31 March 2013: £5,972,000 in employer contributions including a credit of £348,000).

The average number of staff employed during the nine month period was 940 (year to 31 March 2013: 963). The full time equivalent number of staff was 849 (year to 31 March 2013: 867).

Full time equivalent staff numbers by department category:

	31 December 2013	31 March 2013
National boards	111	113
English regions	215	220
Nursing Department (previously RCN Institute)	72	62
RCN Direct	91	90
Other	274	296
RCN Publishing	86	86
TOTAL	849	867

Total staff numbers

	31 December 2013	31 March 2013
RCN UK (including staff that support the RCN Foundation)	842	865
RCN Publishing	98	98
TOTAL	940	963

The total emoluments for the Chief Executive & General Secretary for the nine month period were £111,877 (year to 31 March 2013: £149,169).

Staff costs in the nine month period include £200,647 (year to 31 March 2013: £549,357) in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCN UK's operations.

The RCN Foundation does not employ any staff. A service level agreement is in place between RCN UK and RCN Foundation for the provision of services to RCN Foundation.

The number of staff whose annual emoluments in the Group (salary and other taxable benefits) are over £60,000 are as follows (including RCN Publishing):

	31 December 2013	31 March 2013
£60,000 - £70,000	33	34
£70,000 - £80,000	16	20
£80,000 - £90,000	5	1
£90,000 - £100,000	7	8
£110,000 - £120,000	3	3
£140,000 - £150,000	1	1
TOTAL	65	67

9. Breakdown of RCN UK expenditure

	Representation activities £'000	Other College activities £'000	Total 9 months to 31 December 2013 £'000	Total 12 months to 31 March 2013 £'000
Employment-related issues	16,015	-	16,015	25,819
Communications	41	2,199	2,240	3,735
Advisory Services	1,323	410	1,733	2,320
Education and training	1,771	4,389	6,160	9,113
Nursing Department	-	3,281	3,281	4,015
Administrative expenses	10,595	6,372	16,967	23,745
TOTAL EXPENDITURE	29,745	16,651	46,396	68,747

Of which:

	Representation activities £'000	Other College activities £'000	Total 9 months to 31 December 2013 £'000	Total 12 months to 31 March 2013 £'000
Staff costs	19,586	9,844	29,430	40,367
Premise and estate costs	4,526	2,497	7,023	8,751
Travel and accommodation	1,261	674	1,935	2,473
Other service delivery costs	4,372	3,636	8,008	17,156
TOTAL EXPENDITURE	29,745	16,651	46,396	68,747

Representation is defined as relating to trade union activities.

Direct costs are allocated to the relevant activity. Non-direct costs are apportioned on the same proportion as the allocation of direct costs.

10. Fixed assets

10.1 Fixed assets – RCN UK

	Freehold land and buildings £'000	Leasehold improvements £'000	Furniture and equipment £'000	Computer software £'000	Assets under construction £'000	Total £'000
COST OR VALUATION						
Balance at 1 April 2013	3,435	25,796	6,679	2,416	255	38,581
Additions	-	827	903	9	297	2,036
Disposals	-	(58)	(1,493)	(82)	-	(1,633)
Transfer of assets under construction	-	179	66	10	(255)	-
BALANCE AT 31 DECEMBER 2013	3,435	26,744	6,155	2,353	297	38,984
ACCUMULATED DEPRECIATION						
Balance at 1 April 2013	1,449	8,290	5,878	1,577	-	17,194
Charge for period	90	862	332	204	-	1,488
Disposals	-	(53)	(1,492)	(70)	-	(1,615)
BALANCE AT 31 DECEMBER 2013	1,539	9,099	4,718	1,711	-	17,067
NET BOOK VALUE AT 31 DECEMBER 2013	1,896	17,645	1,437	642	297	21,917
NET BOOK VALUE AT 31 MARCH 2013	1,986	17,506	801	839	255	21,387

Exceptional item

As a consequence of the HQ refurbishment in the year 31 March 2013, losses on disposal and additional depreciation were expensed relating to the refurbishment undertaken in 2000. This resulted in a £2,031,000 charge to the income and expenditure account in the year to 31 March 2013.

The historical cost of the revalued assets is:

	31 December 2013 Leasehold improvements £'000	31 March 2013 Leasehold improvements £'000
Cost	22,167	22,167
Accumulated depreciation based on historical cost	(7,373)	(6,930)
HISTORICAL COST NET BOOK VALUE	14,794	15,237

The long leasehold property of UK headquarters was revalued on 31 March 1997 on an open market basis by Drivas Jonas, Chartered Surveyors.

10.2 Fixed assets – RCN Group

	Freehold land and buildings £'000	Leasehold improvements £'000	Furniture and equipment £'000	Computer software £'000	Assets under construction £'000	Total £'000
COST OR VALUATION						
Balance at 1 April 2013	3,435	26,182	7,312	2,416	255	39,600
Additions	-	827	971	9	297	2,104
Disposals	-	(58)	(1,502)	(82)	-	(1,642)
Transfer of assets under construction	-	179	66	10	(255)	-
BALANCE AT 31 DECEMBER 2013	3,435	27,130	6,847	2,353	297	40,062
ACCUMULATED DEPRECIATION						
Balance at 1 April 2013	1,449	8,628	6,381	1,577	-	18,035
Charge for period	90	891	397	204	-	1,582
Disposals	-	(53)	(1,501)	(70)	-	(1,624)
BALANCE AT 31 DECEMBER 2013	1,539	9,466	5,277	1,711	-	17,993
NET BOOK VALUE AT 31 DECEMBER 2013	1,896	17,664	1,570	642	297	22,069
NET BOOK VALUE AT 31 MARCH 2013	1,986	17,554	931	839	255	21,565

11. Investments - RCN Group

11.1 Long-term investments

	31 December 2013 £'000	31 March 2013 £'000
Market value at start of period	22,935	16,850
Additions at cost	7,681	22,771
Disposals at carrying value	(5,791)	(18,488)
Redemptions	(188)	(3)
Net realised gain	454	2,286
Net unrealised gains/(losses)	785	(481)
INVESTMENTS AT MARKET VALUE AT PERIOD END	25,876	22,935
Cash held for reinvestment	350	83
MARKET VALUE AT PERIOD END	26,226	23,018
HISTORICAL COST AT PERIOD END	24,858	22,377

Investments at market value comprise:

	31 December 2013 £'000	31 March 2013 £'000
Listed investments		
Fixed interest (Government securities and bonds)	3,674	4,044
UK equities	9,718	8,230
Global equities	10,163	9,076
Alternative assets	813	437
Property	1,445	1,125
Liquid assets	413	102
TOTAL	26,226	23,018

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

Holdings over five per cent

None of the investments represented holdings in excess of five per cent of the investment portfolio at the start or the end of the nine month period.

11.2 Short-term investments

	31 December 2013 £'000	31 March 2013 £'000
Money market investments	1,000	1,000
Cash held for reinvestment	-	2,003
Gains on short term investments	2	-
INVESTMENTS AT MARKET VALUE AT PERIOD END	1,002	3,003
HISTORICAL COST AT PERIOD END	1,000	3,003

12. Debtors

	RCN UK 31 December 2013 £'000	RCN UK 31 March 2013 £'000	RCN Group 31 December 2013 £'000	RCN Group 31 March 2013 £'000
Trade debtors	209	258	864	786
Amount due from subsidiaries and associated undertakings	23	-	-	-
Other debtors	331	288	331	314
Taxation	124	-	272	-
Prepayments and accrued income	2,229	1,990	2,689	2,344
	2,916	2,536	4,156	3,444

All amounts included in debtors are receivable within one year except deferred tax of £24k included within RCN Group taxation (year to 31 March 2013 deferred tax of £26k included within RCN Group taxation).

13. Creditors and accrued charges

13.1 Amounts falling due within one year

	RCN UK 31 December 2013 £'000	RCN UK 31 March 2013 £'000	RCN Group 31 December 2013 £'000	RCN Group 31 March 2013 £'000
Bank overdrafts and loans	305	87	343	388
Trade creditors	241	756	911	1,423
Amount due to subsidiaries and associated undertakings	203	327	-	-
Pension contribution	457	455	519	455
PAYE, social security and taxation	816	1,119	1,111	1,312
Payments on account	-	-	13	-
Other creditors	223	206	500	438
Accruals and deferred income	5,000	7,018	5,047	7,222
	7,245	9,968	8,444	11,238

13.2 Provision for liabilities and charges

	RCN UK 31 December 2013 £'000	RCN UK 31 March 2013 £'000	RCN Group 31 December 2013 £'000	RCN Group 31 March 2013 £'000
Provision for onerous leases	26	-	26	-
Provision for dilapidations	415	163	481	223
Provision for professional indemnity claims	5,909	7,865	5,909	7,865
Provision for restructuring	145	30	145	30
Provision for pension	-	1,679	-	1,679
Provision for holiday pay	-	709	-	709
	6,495	10,446	6,561	10,506

RCN UK Movements – provision for liabilities and charges

	31 March 2013 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2013 £'000
Provision for onerous leases	-	26	-	-	26
Provision for dilapidations	163	196	56	-	415
Provision for professional indemnity claims	7,865	2,805	(3,442)	(1,319)	5,909
Provision for restructuring	30	115	-	-	145
Provision for pension	1,679	-	(1,543)	(136)	-
Provision for holiday pay	709	-	(709)	-	-
	10,446	3,142	(5,638)	(1,455)	6,495

RCN Group movements – provision for liabilities and charges

	31 March 2013 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2013 £'000
Provision for onerous leases	-	26	-	-	26
Provision for dilapidations	223	202	56	-	481
Provision for professional indemnity claims	7,865	2,805	(3,442)	(1,319)	5,909
Provision for restructuring	30	115	-	-	145
Provision for pension	1,679	-	(1,543)	(136)	-
Provision for holiday pay	709	-	(709)	-	-
	10,506	3,148	(5,638)	(1,455)	6,561

14. Leasing commitments

14.1 Operating leases – RCN UK

The annual commitment as at 31 December 2013 under non-cancellable operating leases was:

	Land and buildings 31 December 2013 £'000	Other assets 31 December 2013 £'000	Land and buildings 31 March 2013 £'000	Other assets 31 March 2013 £'000
Leases expiring:				
Within one year	245	87	-	51
Within two to five years	768	201	674	242
Over five years	194	-	548	-
	1,207	288	1,222	293

14.2 Operating leases – RCN Group

The annual commitment as at 31 December 2013 under non-cancellable operating leases was:

	Land and buildings 31 December 2013 £'000	Other assets 31 December 2013 £'000	Land and buildings 31 March 2013 £'000	Other assets 31 March 2013 £'000
Leases expiring:				
Within one year	336	87	-	55
Within two to five years	768	215	856	256
Over five years	194	-	548	-
	1,298	302	1,404	311

15. Pensions

15.1 RCN UK defined contribution pension scheme

From 1 November 2013, all new employees are auto enrolled into a defined contribution scheme. The scheme is a Group Personal Pension plan managed and administered by Standard Life. The scheme has three contribution levels:

	Employee	Employer
Level 1	3%	8%
Level 2	5%	10%
Level 3	7%	12%

All new employees are automatically enrolled into level 1 under auto enrolment regulation. Employees may then choose a higher contribution level.

Employer contributions paid from 1 November to 31 December were £86,000. Contributions outstanding at 31 December 2013 in respect of this scheme amounted to £55,000.

15.2 RCN UK defined benefit pension scheme

The Group operates a defined benefit pension scheme with the assets of the scheme being held in separate trustee administered funds.

The pension cost is assessed in accordance with FRS17: Retirement benefits, based on the advice of independent qualified actuaries using the projected unit method.

The pension scheme was subject to an actuarial valuation at 30 September 2010 by a qualified independent actuary. The valuation using the minimum funding requirement basis indicated that there was a deficit of £19,571,000. The assumptions used in the valuation were that the projected rate of return on assets is 6.7 per cent per annum, a discount rate of 4.6 per cent and the pension increase rates pre 1 June 2007 – RPI linked 2.9 per cent per annum and post 31 May 2007 – CPI linked 2.6 per cent per annum.

The market value of the fund assets as at 31 December 2013, net of additional voluntary contributions was £180,122,000. There was no investment holding greater than 5 per cent of the value of the fund at 31 December 2013.

Following the actuarial valuation at 30 September 2010, revised contribution rates to the Scheme were agreed, at the following rates.

Employer

From 30 September 2010 until 31 October 2013 the employer's annual contribution was 12.9 per cent of pensionable salaries plus additional annual lump sum contributions to offset the pension scheme deficit. From 1 November 2013, changes to the scheme were implemented resulting in an employer's annual contribution of 10.5 per cent. Estimated employer contributions to be paid by the RCN UK for the year ending 31 December 2014 are £5,910,000.

The current required annual lump sum contributions set out in the schedule of contributions agreed with the Pension Regulator and effective from 1 April 2012 are £1,540,000, subsequent payments increasing by RPI + 2 per cent thereafter until the end of the recovery period to 31 March 2022. The total deficit funding paid in the nine months ended 31 December 2013 was £1,219,000.

The defined benefit plan contributions were £5,265,000. At the end of the nine month period, contributions of £398,000 representing the unpaid contributions for December 2013 were outstanding.

Contributory employees

From 30 September 2010 until 31 October 2013 5.7 per cent (31 March 2013: 5.7 per cent) or 2.8 per cent (31 March 2013: 2.8 per cent) of pensionable salaries (depending on benefit scale) were set out in the schedule of contributions. From 1 November 2013 current members contributions were set out in the schedule of contributions at 6, 8 or 13 per cent (depending on employee opted retirement age).

The final salary defined benefit pension scheme was reviewed in 2007 and formal consultation with scheme members and trustees was carried out. From 1 June 2007, benefits are no longer accrued under the final salary defined benefit pension scheme. RCN UK now provides benefits on a Career Average Revalued Earnings (CARE) basis via the occupational pension scheme. All benefits and liabilities accrued as at 1 June 2007 in the final salary defined benefit pension scheme were transferred to the new CARE scheme.

FRS 17 Retirement benefits

The tables below state the FRS 17 actuarial assumptions upon which the valuation of the scheme was based.

Under the provision of FRS 17, the current deficit in the defined benefit scheme of £49,677,000 has been included as a separate liability on the balance sheet. The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation by a qualified independent actuary at 30 September 2010 to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 December 2013. The next actuarial valuation by a qualified independent actuary at 30 September 2013 and will be received by spring 2014.

The principal actuarial assumptions were as follows:

	31 December 2013	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Discount rate	4.6%	4.4%	4.6%	5.5%	5.7%
Inflation assumptions (RPI)	3.5%	3.3%	3.1%	3.4%	3.5%
Inflation assumptions (CPI)	2.6%	2.4%	2.2%	2.9%	-
Allowance for revaluation of deferred and CARE pensions accrued before 1 November 2013 (with LPI of 5%)*	3.5% (RPI)	3.3% (RPI)	3.1% (RPI)	3.4% (RPI)	3.5% (RPI)
Allowance for CARE revaluation of pensions accrued after 1 November 2013 (with LPI cap of 2.5%)*	2.1% (CPI)	-	-	-	-
Allowance for pension payments increases accrued before 1 June 2007 (with LPI cap of 5%)*	3.5% (RPI)	3.3% (RPI)	3.0% (RPI)	3.4% (RPI)	3.5% (RPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 5%)*	2.6% (CPI)	2.4% (CPI)	2.2% (CPI)	2.9% (CPI)	3.5% (RPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 3%)*	2.4% (CPI)	2.2% (CPI)	2.0% (CPI)	-	-
Allowance for commutation of pension for cash at retirement	No allowance	No allowance	No allowance	No allowance	No allowance

*where Limited Price Index (LPI) is a measure of Retail Price Inflation (RPI) or Consumer Price Index (CPI) with a cap of 5% per annum and floor of 0% per annum.

Life expectancies	31 December 2013 Years	31 March 2013 Years	31 March 2012 Years	31 March 2011 Years	31 March 2010 Years
Longevity at age 65 for current pensioners					
- Men	23.0	23.3	23.1	22.4	22.4
- Women	25.0	25.3	24.9	24.2	25.1
Longevity at age 65 for future pensioners*					
- Men	25.2	25.5	25.4	24.6	24.5
- Women	26.9	27.2	26.8	26.1	27.1

* assumed currently aged 45

An analysis of the scheme and the expected long-term return rates at the period end were as follows:

	31 December 2013 £'000	31 March 2013 £'000	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Equities	116,721	110,309	95,713	88,694	81,787
Bonds	51,591	50,205	43,736	43,134	34,997
Property	10,853	10,042	6,485	5,874	5,227
Other	383	1,847	3,546	1,293	3,782
Insured pensioners	574	1,443	887	905	1,128
TOTAL MARKET VALUE OF ASSETS	180,122	173,846	150,367	139,900	126,921
Actuarial value of liability	(229,799)	(221,945)	(189,678)	(156,508)	(157,083)
NET PENSION LIABILITY	(49,677)	(48,099)	(39,311)	(16,608)	(30,162)

	31 December 2013 %	31 March 2013 %	31 March 2012 %	31 March 2011 %	31 March 2010 %
Equities	64	64	64	63	64
Bonds	28	28	29	31	28
Property	6	1	4	4	4
Other	1	6	2	1	3
Insured pensioners	1	1	1	1	1
TOTAL MARKET VALUE OF ASSETS %	100	100	100	100	100

	31 December 2013 Expected rate of return	31 March 2013 Expected rate of return	31 March 2012 Expected rate of return	31 March 2011 Expected rate of return	31 March 2010 Expected rate of return
Equities	7.6%	7.0%	7.3%	8.0%	8.4%
Bonds	4.0%	3.4%	4.3%	5.1%	5.2%
Property	6.6%	6.0%	6.3%	7.0%	7.4%
Other	0.5%	0.5%	0.5%	0.5%	0.5%
Insured pensioners	4.0%	3.4%	4.2%	5.1%	5.2%
AVERAGE RATE OF RETURN	6.43%	5.8%	6.18%	7.0%	7.21%

The above asset values are at bid value, as required under FRS17.

Analysis of amounts charged to income and expenditure account

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Current service cost*	5,683	6,210
Interest on obligation	7,336	8,802
(Expected return on scheme assets)	(7,558)	(9,388)
TOTAL	5,461	5,624

*The cost of Death in Service Insurance Premiums are paid in addition by the employer. The current service cost includes the cost of administration expenses and PPF levies.

Analysis of amounts charged to Statement of total recognised gains and losses (STRGL)

	31 December 2013 £'000	31 March 2013 £'000
Actual return less expected return on scheme assets	(3,370)	10,785
Changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	2,804	(19,921)
ACTUARIAL GAINS / (LOSSES) CHARGED TO STRGL	(566)	(9,136)

Change in the present value of the defined benefit obligation

	31 December 2013 £'000	31 March 2013 £'000
Opening defined benefit obligation	221,945	189,678
Service cost	5,683	6,210
Interest cost	7,336	8,802
Contributions by employees	1,263	1,842
Actuarial (gains)/losses	(2,804)	19,921
Benefits paid	(3,624)	(4,508)
Closing defined benefit obligation	229,799	221,945

Change in the fair value of the scheme assets

	31 December 2013 £'000	31 March 2013 £'000
Opening fair value of the scheme assets	173,846	150,367
Expected return	7,558	9,388
Actuarial (losses)/gains	(3,370)	10,785
Contributions by employer	4,449	5,972
Contributions by employees	1,263	1,842
Benefits paid	(3,624)	(4,508)
Closing fair value of the scheme assets	180,122	173,846
Actual return on scheme assets	4,188	20,173

The history of experience gains and losses are as follows:

	31 December 2013 £'000	31 March 2013 £'000	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Defined benefit obligation	(229,799)	(221,945)	(189,678)	(156,508)	(157,083)
Scheme assets	180,122	173,846	150,367	139,900	126,921
(DEFICIT)	(49,677)	(48,099)	(39,311)	(16,608)	(30,162)
EXPERIENCE GAINS/(LOSSES) ON SCHEME LIABILITIES					
Amount	-	-	-	9,364	201
Percentage of the present value of scheme liabilities	-	-	-	6.2%	0.1%
ACTUAL RETURN LESS EXPECTED RETURN ON SCHEME ASSETS					
Amount	(3,370)	10,785	(3,270)	(489)	22,673
Percentage of scheme assets	(1.9%)	6.2%	(2.2%)	(0.3%)	17.9%

15.3 NILGOSC – Northern Ireland Local Government Officers' Pension Fund

In October 2013, the final active member of this defined benefit scheme retired triggering a final cessation payment of £136,000. For the nine month period ended 31 December 2013 a payment of £220,000 was made in respect of the agreed employers contributions to the pension deficit (year to March 2013: £220,000). The remaining provision of £1,543,000 relating to the previous NILGOSC deficit valuation was released into the Income and Expenditure statement as at 31 December 2013 as it is no longer required. The RCNs obligation to this scheme has now been met.

16. Management of liquid resources

	31 March 2013 £'000	Cashflow £'000	31 December 2013 £'000
Cash invested in UK money market and deposit accounts	55,732	3,007	58,739

17. Analysis of changes in net funds

	31 March 2013 £'000	Cashflow £'000	31 December 2013 £'000
Short-term deposits (including Pension Escrow Account)	55,732	3,007	58,739
Cash at bank and in hand	2,293	(653)	1,640
Bank overdrafts and loans	(388)	45	(343)
	57,637	2,399	60,036

The pension Escrow account is monies for which the Pension Trust have legal claim to.

18. Notes to the cashflow

18.1 Reconciliation of changes in resources to net cash inflow from operating activities

	Note	31 December 2013 £'000	31 March 2013 £'000
Net incoming resources		10,016	8,004
Write off fixed assets		18	-
Interest	4	(790)	(847)
Net realised investment gains		(454)	(2,286)
Depreciation	10.2	1,582	1,815
Total pension contributions less current service and finance costs		1,012	(348)
Revaluation reserve adjustment		(47)	(64)
(Increase)/decrease in stock		(6)	-
(Increase)/decrease in debtors	12	(712)	(331)
(Decrease)/increase in creditors due within one year	13.1	(2,749)	1,645
(Decrease)/increase in provisions for liabilities and charges	13.2	(3,945)	1,273
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,925	8,861

18.2 Reconciliation of net cashflow to increase in net funds

	Note	31 December 2013 £'000	31 March 2013 £'000
NET FUNDS AT 1 APRIL	17	57,637	57,180
(Decrease)/increase in liquid resources		(608)	(948)
Cash used to increase liquid resources	16	3,007	1,405
CHANGE IN NET CASH RESULTING FROM CASHFLOWS	17	2,399	457
NET FUNDS	17	60,036	57,637

19. Allocation of RCN UK balance sheet between representation and other activities

	Representation activities £'000	Other College activities £'000	Total 31 December 2013 £'000	Representation activities £'000	Other College activities £'000	Total 31 March 2013 £'000
FIXED ASSETS						
Tangible assets	-	21,917	21,917	-	21,387	21,387
TOTAL FIXED ASSETS	-	21,917	21,917	-	21,387	21,387
CURRENT ASSETS						
Stock	-	14	14	8	-	8
Trade debtors	134	75	209	167	91	258
Other debtors	198	280	478	142	146	288
Prepayments and accrued income	279	1,950	2,229	1,258	732	1,990
Cash at bank and in hand	21,814	33,483	55,297	17,962	34,296	52,258
TOTAL CURRENT ASSETS	22,425	35,802	58,227	19,537	35,265	54,802
LIABILITIES						
Bank overdraft	(196)	(109)	(305)	(55)	(32)	(87)
Trade creditors	(144)	(97)	(241)	(504)	(252)	(756)
Other creditors	(961)	(738)	(1,699)	(1,014)	(1,093)	(2,107)
Accruals and deferred income	(2,198)	(2,802)	(5,000)	(1,530)	(5,488)	(7,018)
TOTAL LIABILITIES	(3,499)	(3,746)	(7,245)	(3,103)	(6,865)	(9,968)
TOTAL ASSETS LESS CURRENT LIABILITIES	18,926	53,973	72,899	16,434	49,787	66,221
Provisions	(6,290)	(205)	(6,495)	(8,333)	(2,113)	(10,446)
NET ASSETS (EXCLUDING PENSION DEFICIT)	12,636	53,768	66,404	8,101	47,674	55,775

For assets and liabilities in the name of the RCN UK there is no distinction between representation and other College.

Current assets and liabilities, which can be identified as representation or other College, are allocated directly to the appropriate activity type. Other current assets and liabilities are apportioned based on direct income/expenditure.

Representation activities are disclosed in the RCN's Annual Return for a Trade Union (AR21).

20. Reserves

20.1 Reserves – RCN UK

	Pension Escrow account £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
1 April 2013	4,925	2,356	48,494	(48,099)	7,676
Surplus in period	9	-	9,418	(1,012)	8,415
Revaluation reserve	-	(47)	-	-	(47)
Dividends	-	-	1,249	-	1,249
Actuarial loss	-	-	-	(566)	(566)
AT 31 DECEMBER 2013	4,934	2,309	59,161	(49,677)	16,727

The pension Escrow account is monies for which the Pension Trust have legal claim to.

The revaluation reserve relates to the leasehold improvements. See note 10.1 for further detail.

20.2 Reserves – RCN Group

	Reserves for charitable purposes £'000	Pension Escrow account £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
1 April 2013	26,931	4,925	2,356	53,107	(48,099)	39,220
Investment unrealised gain	787	-	-	-	-	787
Surplus in period	669	9	-	10,104	(1,012)	9,770
Revaluation reserve	-	-	(47)	-	-	(47)
Actuarial loss	-	-	-	-	(566)	(566)
AT 31 DECEMBER 2013	28,387	4,934	2,309	63,211	(49,677)	49,164

21. Capital commitments

The value of contracts committed to but not provided for was £927,000 (31 March 2013: £644,000). This figure relates to work on relocating London Region to HQ and the Membership Information System.

22. Contingent liabilities

Contingent liabilities are estimated at £1,768,000 (31 March 2013: £1,018,000) which relates to the member's professional indemnity scheme.

23. Trade Union and Labour Relations (Consolidation) Act 1992

A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the union have been or are being conducted in breach of rules of the law or in breach of the union and contemplates bringing civil proceedings against the union or responsible officials, he should consider obtaining independent legal advice.

24. Council expenses and remuneration

24.1 Council expenses

Out of pocket expenses to Council members while carrying out their governance duties in the nine month period amounted to £102,000 (year to 31 March 2013: £140,000). Out of pocket expenses related predominantly to travel expenses incurred while carrying out Council duties. The number of Council members who received reimbursement within the period was 37 (31 March 2013: 36).

24.2 Council remuneration

Council members do not receive remuneration for undertaking the role, however a total of £46,000 was paid to the employers of the current President and Chair of Council as recompense for time spent on services for the RCN UK (31 March 2013: £55,000). Breakdown as follows:

	31 December 2013 £'000	31 March 2013 £'000
Chair of Council (current)	7	-
Chair of Council (past)	2	3
President	37	52
TOTAL	46	55

25. Related party transactions

The group has taken the exemption under FRS 8 not to disclose any transactions of balances between wholly-owned subsidiary entities, which have been eliminated on consolidation.



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