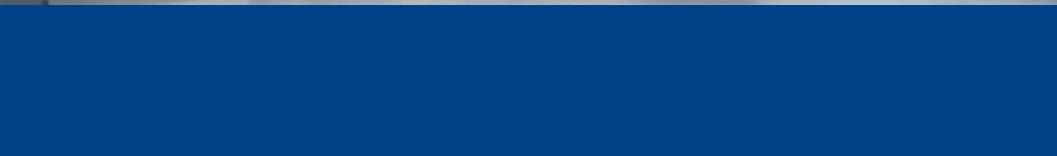


The Royal College of Nursing Group Annual Report 2021







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1. Welcome

2021 was another year of incredible challenge and unrelenting pressures on nursing staff throughout the UK. As the COVID-19 pandemic continued throughout the year, providing support and advice to our members, wherever they work, has been a key priority and focus for us all.

We have continued to work hard to ensure the College remains in a robust and sustainable financial position. Our membership numbers are strong, and this is reflected by increased membership income. Several of our other income streams recovered some of their pre-pandemic levels, particularly CPD, education and consultancy which includes the launch of our well-received cultural ambassador programme.

Group costs have remained suppressed due to COVID-19 restrictions for much of the year, particularly affecting face-to-face meetings and events and Congress was not held in person for a second consecutive year. This has in turn impacted sponsorship and events income which we hope will recover during 2022.

Our investments finished the year strongly, providing not just investment income but also capital growth which is important as we continue to invest in the future of the RCN.

The Group-wide commitment to the environment and reducing our carbon footprint continued throughout the year. Our target to reduce emissions by 5% from 2020 to 2021 has been met and we look at the year ahead as an opportunity to achieve even more. Making the College, and nursing, more sustainable is vital in protecting our planet and our profession.

Our transformation programme continued to gather momentum, supporting work on our five top priorities. Council has approved ambitious plans relating to continued work to improve the infrastructure and services we provide, including our finance, HR, governance and intranet systems. A review of the organisation's culture, led by Bruce Carr QC and a review of our governance, led by KPMG were launched during the year.

Our focus is on stability and improvement. Our 2022 plan recognises the challenges that our members, the College and staff face and the opportunities ahead. It details our vision for the year, how we can achieve it and it will form the foundation of our three-year strategy (2023-2025). This will ensure we are in the strongest possible position to support our members, be the voice of nursing and use it to shape the future of our profession.

Our separate 2021 *Review of the Year* sets out in detail the valuable work the College has achieved, with and for our members, during 2021. It is an inspiring read and I hope you feel the immense pride that we do – the progress and accomplishments certainly would not have been achieved without the commitment and dedication of our members and staff.

With our thanks and very best wishes for 2022.



Pat Cullen
General Secretary & Chief Executive



Carol Popplestone
Chair of RCN Council

2. Strategic report

Review of the business

As mentioned on the previous page, we have also produced a complementary *Review of the Year*, which focuses on our activity throughout 2021.

At the start of the year, we identified key pieces of work for the College to focus on, and in April, announced our “Big 5” initiatives.

Develop a unique organising model

‘Organising’ refers to a strategic approach to making sustainable, member-led positive change happen; where our members identify the issues they face, and then collectively work together to bring about solutions on their own terms. Our organising programme is developing a self-organised and empowered membership, through skills development and RCN campaigns, such as *Fair Pay for Nursing*.

Deliver our *Fair Pay for Nursing* campaign

Our UK Pay Programme is delivering the *Fair Pay for Nursing* (FPFN) activity and member engagement relating to the 2021-2022 NHS pay awards across England, Northern Ireland, Scotland and Wales. This includes supporting the member-led governance processes and decision making as well as the operational activity such as member consultations and ballots.

Deliver our Staffing for Safe and Effective Care programme

Our Staffing for Safe and Effective Care (SSEC) programme is setting standards and delivering tools that will help nursing staff in assessment, issue escalation and planning of safe staffing levels for effective care in their workplace, as well as setting up internal RCN support systems (including teams and processes for reactive mobilisation and campaigning).

Deliver the RCN and RCNi’s Education, Learning and Development (ELD) strategy

Our ELD strategy is building the foundation to position us as a leading source of education, learning and development, and career development for members, non-members (NHS and independent sector), and commercial organisations and will support the needs of the international nursing community. A single sign-on portal and e-portfolio is being built during phase one, which will give members, non-members and commercial organisations access to professional leadership, education, personal development, clinical and research opportunities that will boost training and development for the nursing workforce.

Deliver the RCN’s Independent Health and Social Care (IHSC) strategy

Approximately 40% of RCN members do not work in the NHS, with 20% of our membership working in independent health and social care. Our IHSC strategy has been developed to recognise this and change our culture and leadership behaviour to fairly and accurately represent, and meet the needs of, members in that sector. Our objective is to make the RCN more accessible and attractive to new and existing members.

More information on the above activity, plus an update on the work of our reps and forums, can be found in our *Review of the Year* – rcn.org.uk/professional-development/publications/annual-review-of-the-year-2021-uk-pub-010-097

Financial review

The RCN Group is made up of RCN UK, a special registered trade union and professional Royal College, RCN Publishing Company (RCNi), the RCN Foundation (RCNF), a registered charity, RCN Holdco Limited and COVID-19 Healthcare Support Appeal (CHSA).

The RCN Group statement of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows for the year ended 31 December 2021 are set out on pages 42-45.

These financial statements are presented in accordance with Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council and the Trade Union and Labour Relations (Consolidation) Act 1992. The RCN Group statements report the consolidation on a line-by-line basis of RCN UK and its subsidiaries RCNi, the RCN Foundation and RCN Holdco Limited.

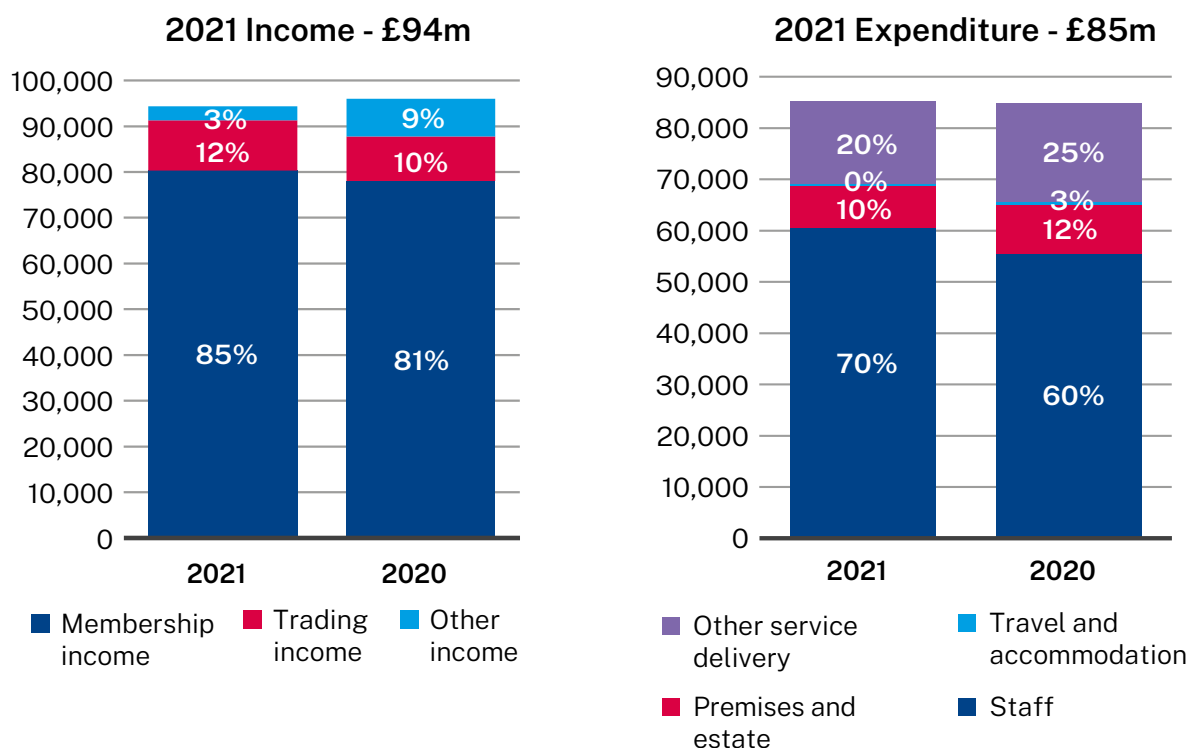
RCN Group results

The RCN Group results for the year ended 31 December 2021 report a surplus before taxation of £20.8m (31 December 2020: £17.0m).

RCN Group surplus has increased by £3.8m compared to 2020. Income was £1.7m lower, and expenditure £1.1m higher, however the lower operating surplus was offset by strong performance of RCN Group investments. Overall realised gains were over £9.7m which is £6.7m higher than the previous year. Further information regarding RCN Group investments can be found in note 12.






The RCN Group operating surplus for the year ended 31 December 2021 was £8.3m. This is £2.9m lower than the operating surplus of £11.2m in 2020, which was exceptionally high due to the donation of £5m which established the time-limited COVID-19 Healthcare Support Appeal (CHSA). Excluding this, group income and expenditure have both risen in 2021.

The surplus before taxation for the RCN Group excluding the charitable activities of the RCN Foundation was £19.7m, as stated in note 4.1.








Income

RCN Group income for the year ended 31 December 2021 was £94.4m (31 December 2020: £96.0m). The significant differences between income in 2021 and 2020 are shown below:

RCN Group income	2021 £'000	2020 £'000		Movement
Membership	80,326	78,016		Overall increase of 3% compared to 2020, due to the increase in member numbers.
RCNi trading income	10,967	9,769		RCNi trading income has increased by 12% since 2020. Strong performance from journals and online advertising income have offset the continued adverse impact of restrictions on face-to-face events during the pandemic.
CHSA income	28	4,996		The COVID-19 Healthcare Support Appeal (CHSA) was established to distribute £5m donations in 2020 and has received a further £28,000 in unsolicited donations in 2021.
Other	3,053	3,252		RCN UK non-subscription income was £0.9m higher driven by growth of professional education programmes. The overall movement is adverse because 2020 included higher donations to RCN Foundation at the start of the pandemic, and £0.3m landlord compensation to RCNi.
Total RCN Group	94,374	96,033		Overall RCN Group income in 2021 was £1.7m lower than in 2020.

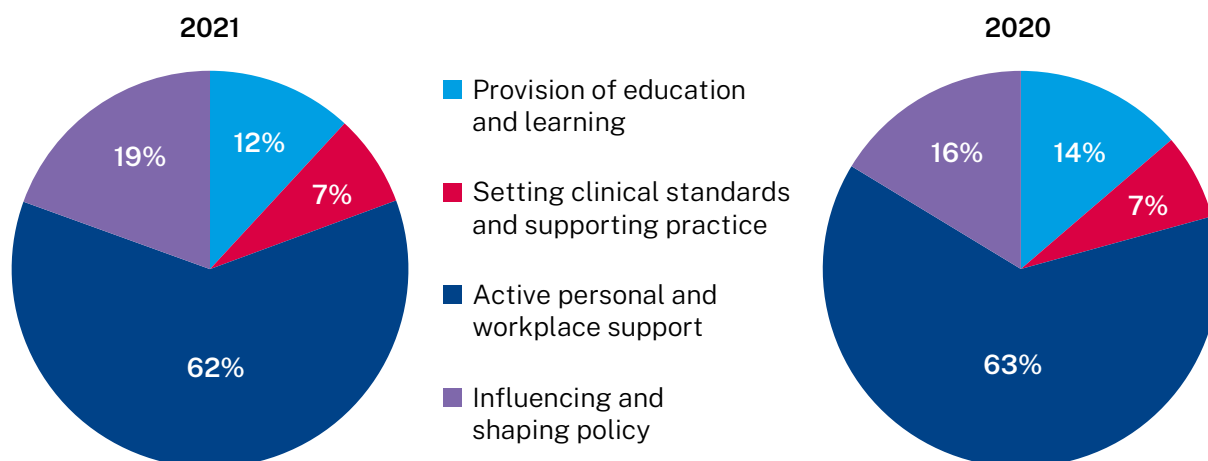
Expenditure

RCN Group expenditure for the year ended 31 December 2021 was £86.0m (31 December 2020: £84.9m). The significant differences between expenditure in 2021 and 2020 are shown below:

RCN Group expenditure	2021 £'000	2020 £'000		Movement
Staff	60,581	56,167		There was a 4% rise in overall Full Time Equivalent compared to 2020, and a cost increase due to the annual staff pay award and incremental progression.
Premises and estates	8,291	9,585		14% lower, largely driven by lower depreciation as the organisation has moved to virtual solutions which are subscription based, and by rent savings in RCNi.
Accommodation and travel	282	509		Costs remain low as the majority of operations have been conducted without face-to-face contact since March 2020 during the pandemic.
Other service delivery	16,876	18,590		RCN UK has seen higher expenditure as our campaigns gather pace. Overall group expenditure is lower, as 2020 saw higher grants by the RCN Foundation Group due to COVID-19 related activities and RCNi recognised £1m VAT liability.
Total RCN Group	86,030	84,851		Overall RCN Group expenditure has increased by 1.4%.

RCN UK reports expenditure aligned to the four strategic themes developed and agreed for the 2019-2021 RCN Group Strategy, as shown below. Further information can be found in note 10.

RCN UK strategic themes



Net results

The total net assets of the RCN Group increased from £173.8m to £197.5m. This includes charitable funds of the RCN Foundation of £42.7m (31 December 2020: £40.7m), which are not available for general use.

RCN UK total membership numbers have increased by 2% during the year. As in previous years, the highest increase in membership numbers was in the nurse category, and the nursing support worker category saw the highest proportional increase year-on-year. Different categories have different subscription prices therefore the 3% increase in income does not directly align to the increase in membership numbers. RCN UK expenditure was £3.9m higher in 2021 than in 2020, driven by higher staff costs as we build the capacity to transform and deliver our services for members and other stakeholders. Further information on staff costs across the RCN Group can be found in note 9.

Trading income relates to the income generated by RCNi excluding any sales made to other RCN Group entities. Intercompany trading income in 2021 was £0.3m (2020: £1.5m). RCNi achieved revenue, including sales to other RCN Group entities, of £11.3m (2020: £11.6m which included £0.3m one-off compensation from the landlord after exiting the Harrow office lease). 2021 profits before tax are £1.7m (2020: £0.6m), with a continuing management focus on cost control, streamlining the business and prioritising digital income growth. The key development was the successful launch of RCNi Plus for individual subscribers in July 2021. This product brings together the best of RCNi's journals and learning content to help answer questions, support continuing professional development and offer career and workplace insights for the nursing community - all for a single monthly fee. 2021 also saw the extension of tailored learning outside the UK, with the live roll out of RCNi Learning India.

The RCN Foundation Group continued to deliver on key areas of work, despite the challenges presented by the pandemic, and carried out a robust programme of activity in 2021 with a focus on achieving positive outcomes for nursing and midwifery staff, and

the public. Total income in the year was £1.5m (31 December 2020: £6.7m). The reduction is attributable to the exceptional one-off donation received from TikTok in 2020 which resulted in the creation of the subsidiary charity – the COVID-19 Healthcare Support Appeal (CHSA). The income received in 2021 is broadly in line with the income received back in 2019 (£1.6m). Total expenditure in the year amounted to £3.9m (31 December 2020: £5.7m), the decrease is due to the high amount of benevolent grants awarded in 2020 in response to the COVID-19 pandemic.

The Foundation's subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA), continued to make grants to health and care organisations whose beneficiaries had been affected by the pandemic. In 2021, CHSA agreed grants to 20 organisations totalling £1.7m, in three priority areas: emergency aid and hardship, psychological support, and recovery and resilience.

RCN Holdco Limited's share of the profit before tax from the RCN Law LLP joint venture in the year ended 31 December 2021 was £552,000 (31 December 2020: £285,000). In 2021, RCN Law started cash distributions to its corporate partners and RCN Holdco received a total of £115,700 in drawings from RCN Law. The range of private client law services on offer to RCN members, staff, family and friends has continued to be a useful resource to RCN members. The directors of RCN Holdco Limited, who are also on the RCN Law LLP board of directors, remain confident that the business is showing growth in line with forecast and is anticipated to continue operating without significant risk.

Reserves

2021 has again been an unusual year, the RCN and RCN Group has reported a significant surplus due to the combination of overall income remaining strong and non-recurrent expenditure savings due to restricted and delayed activity. The surplus is reflected in the increase to reserves reported at the 31 December 2021. During 2022, we will continue to prioritise our resources to fight for fair pay for our members, provide services which meet our members needs and continue the work on our education strategy and the overall transformation programme. This includes developing the 2023-2025 financial strategy which will underpin the new RCN Group 2023-2025 strategic plan.

Investments, policy and performance

The RCN Group holds two investment portfolios, one in the RCN UK and the other within RCN Foundation. The two portfolios are independent of each other despite currently having the same investment manager. The two portfolios have distinct investment strategies but share the same ethical policies. Both portfolios adopt a medium level of risk to investing.

The RCN UK investment objective is to achieve capital growth over time. The portfolio will be subject to short-term volatility but nevertheless will aim to achieve its longer-term target.

The RCN Finance and Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the ethical requirements. The fund managers have discretion over the selection of stocks, but the contract with Sarasin & Partners stipulates the requirement for the investments to be managed in a socially responsible manner in line with the RCN values and corporate policies.

Historically this includes avoiding any investment in companies with a direct link to the manufacture of tobacco products. During 2021, the RCN updated its ethical investment policy, this can be found in the Council's report on page 25. The RCN Foundation has adopted a similar policy.

Both investment portfolios performed well during 2021, at 31 December 2021 Group investment portfolios reported net realised gains, including the impact of foreign exchange movements, of £9.9m, which was a £6.7m increase on the 2020 position. The RCN Group also reported unrealised gains of £3.2m at 31 December 2021, which is below the 2020 position of £10.0m.

The RCN Group investment income for 2021 reported £2.6m (2020: £2.6m). Investment income remained steady compared to 2020 but has not recovered pre pandemic levels due primarily to a reduction in company dividends. Further information can be found in note 5.

Pension

At 31 December 2021 the RCN Group defined benefit pension scheme is shown within the 31 December 2021 financial statements as nil (31 December 2020: nil). The RCN defined benefit accounting valuation (also known as the FRS 102 valuation) reported a scheme surplus of £46.5m (2020: £31.3m), however as the surplus does not belong to the RCN, the RCN must report the scheme as having a nil valuation. The accounting valuation, like all valuations on defined benefit pension schemes, is a snapshot at a point in time, and this particular valuation is aimed at reporting the RCN's obligation to the scheme at the date of the Statement of Financial Position.

The latest triennial valuation reporting the position as at 30 September 2019 was approved by both Council and the scheme trustees TPT and submitted to the Pension Regulator in December 2020. The 2019 valuation reported a scheme deficit of £9.5m (30 September 2016: deficit of £52.1m). The triennial valuation is important because it is this valuation that determines how well or not the scheme is funded. It is also important to note that the duration of the scheme will extend for many decades into the future, it is difficult to predict how long scheme members will continue to draw their pension.

It is also difficult to estimate accurately the income generated by the scheme to pay for pension payments as long as they fall due. The 2019 valuation retained the annual deficit payments at £3.4m rising by RPI (Retail Price Index) annually. The recovery plan was completed in August 2021. Since then, no recovery payments are due.

The favourable movement in the accounting valuation is due to the value of the scheme's assets increasing and the scheme's liabilities decreasing.

Council continues to be committed to ensuring the scheme is appropriately funded. The funding requirement of the pension scheme is incorporated into the financial strategy and budget to ensure the RCN's long-term obligation to the scheme can be met.

Further details of pension scheme matters can be found in note 16 of the financial statements.

Transaction	£'000	Impact on financial statements
Employer contributions	3,732	Cash payments from accumulated funds
Annual deficit funding	1,974	Cash payments from accumulated funds
Scheme administrative expenses	249	Cash payment included within operating expenditure
Total paid by RCN in the year	5,955	
FRS 102 charge to statement of comprehensive income	5,179	Non cash, calculated by actuaries, based on assumptions and included within operating expenditure
Net surplus of scheme in the year	776	
Actuarial gain charged to OCI	14,475	
Actuarial gain reversed from OCI	(14,475)	The actuarial gain is not recognised in the financial statements
Total movement in deficit	776	

Financial resilience

The RCN Group is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements and there is no indication that the Group would not be able to operate as a going concern for the foreseeable future. Further information regarding RCN group accounting policies and assessment of going concern can be found in note 1.



Section 172 (1) statement

In recognition of good practice, we have opted to follow the provisions of Section 172 of the 2006 Companies Act to promote the success of the College.

Council ensures that all decisions are taken for the long term, and collectively and individually aim to always uphold the highest standard of conduct. Similarly, Council acknowledges that the organisation can only grow and prosper over the long term if it understands and respects the views and needs of our members, customers, employees, suppliers and other stakeholders to whom we are accountable, as well as the environment we operate within.

Typically, in large and complex organisations such as the Royal College of Nursing, the Council fulfil its duties partly through a governance framework that delegates day-to-day decision-making to the employees of the organisation. Council recognises that such delegation needs to be part of a robust governance structure, which covers our values, how we engage with our stakeholders, and how Council assures itself that the governance structure and systems of controls continue to be robust.

Our Chair of Council, with the assistance of the Associate Director of Governance, sets the agenda for each Council meeting to ensure that the requirements of Section 172 are always met and considered through a combination of the following:

- Council papers ensure that stakeholder factors are addressed where judged relevant
- standing agenda points and papers are presented at each Council. For example, the General Secretary & Chief Executive and the Executive Directors present updates on the financial overview, strategic progress, member relations, businesses development, and operational progress. The Associate Director of Governance also presents at each Council meeting relevant corporate governance and compliance matters
- a rolling agenda of matters to be considered by the Board throughout the year, including a strategy review, which considers the purpose and strategy for the College, supported by a budget for the following year and a medium-term financial plan. Agenda items for the following year are set based on the discussions held and decisions taken by the Council throughout the year
- a consistent approach to minute taking with details as to when section 172 factors are being considered
- formal consideration of any of these factors which are relevant to any major decisions taken by the Council throughout the year
- a review of many of these topics through the risk management process and other standard Audit Committee, Finance and Investment Committee and Remuneration Committee agenda items
- regularly scheduled Board presentations and reports, such as member and customer engagement, risk register reports, health and safety reports, whistleblowing reports, and people and culture strategy and developments
- a consistent approach is being taken to every programme of priority work and that every project plan sets out the member decision-making and engagement processes
- corporate responsibility, including business ethics, anti-bribery and corruption, human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management.

How we ensure the College continues to operate effectively in a sustainable manner

- The College marks its 106th year in 2022, and as the largest professional nursing trade union in the world, it is unique. Council understands the enormity and importance of its actions and acts appropriately as the voice of nursing on behalf of members and other stakeholders. Its approach to decision-making must ensure the College remains sustainable.
- Council and members of RCN committees bring their nursing expertise and skills to all governance and decision-making tables where they represent nurses and nursing. They set the strategic direction and priorities for the membership and the organisation and Council holds the Executive Team to account for delivering on the priorities for members and stakeholders. Council approves the strategic plan and ensures a robust financial plan underpins that strategy. It also sets out the assumptions, risks, and targets for the strategy funding, and how the College will remain financially viable into the long term. Progress against the strategy and the plan is reviewed regularly by the Finance and Investment Committee and Council. More information can be found in the Council's report on page 25.
- Council considers our staff our greatest asset and through the Executive Team ensures structures, policies and procedures are in place which protect the health, wellbeing, and safety of all our staff allowing them to grow and develop throughout their careers at the College. The General Secretary & Chief Executive holds regular live Q&A sessions with all staff, and Council receives regular updates from the Executive Team regarding any concerns and issues staff have and ensures that these are considered carefully. We understand that the ability to deliver world class services to our members, and to remain sustainable into the future, depends on our staff; we have invested in a new training and development module allowing individuals to access and undertake training at a time and location convenient to them. More information is contained within the Council's report on page 25.
- We understand that our suppliers and partners are part of the infrastructure which helps us to ensure we deliver the services our members want and need. Our committees, including the Finance and Investment Committee, and as a collective as Council, ensure we have appropriate policies and practices in place to work with suppliers and partners who share our beliefs and values. Through the Executive Team and our staff, the College takes a collaborative and partnership approach with suppliers and partners. More information on how we engage with our suppliers and partners can be found in the Council's report on page 25.
- Through the Executive Team, our staff and polices, we engage with customers who support and champion our values and beliefs. Through the policies, processes and terms and conditions we set for our services and products we are confident we treat all our customers fairly and appropriately.
- Council takes its environmental and social responsibilities very seriously. Time is made at every Council meeting to discuss how we can improve the impact of the College. Our 2023-2025 corporate strategy will include plans on how and when the College can reach net zero emissions, and more detail regarding our current energy and carbon usage can be found in the Council's report on page 25. In 2021, on recommendation of the Finance and Investment Committee, we agreed and implemented further exclusions of sin stocks to our investment portfolio. The Finance and Investment Committee receives regular reports from our investment manager in relation to their stewardship and engagement with those companies we invest in.

We will be considering how we can further reduce our exposure to sin stocks and ensure those we invest in share our values and beliefs as much as is appropriate to do so. More information on the management of our investment portfolio can be found within the financial review on page 6. The Finance and Investment Committee, through the senior management team, is also working with TPT, the defined benefit pension scheme trustee to align the scheme's portfolio with the RCN's investment portfolio ethical policy as much as is possible considering the purpose of the scheme portfolio is different with its primary purpose to ensure funding is available to make pension payments as they fall due. More information on the defined pension scheme can be found in the Council's report on page 27, and note 16 to the financial statements, starting on page 70.

- Council, through the Executive Team and our staff, aims to conduct relationships with all our stakeholders with integrity, courtesy and in the spirit of partnership and collaboration.
- The College works on behalf of all its members and believes their interests are equal. Council understands that from time-to-time different member groups may not always share the same view or outcome desire. Council aims to ensure all decisions are made based on robust information and consultation, that all views are gathered and heard, and outcomes of decisions made are communicated transparently and with respect.



Key decisions in the year

Annual general meeting (AGM)

The 93rd Ordinary General Meeting of the RCN was held on Friday 14 May 2021. It took place online due to the COVID-19 pandemic and was chaired by Professor Dame Anne Marie Rafferty FRCN, President of the RCN. A minute's silence was held in memory of all the members of the nursing profession who lost their lives in the pandemic.

2020 financial statements

The Chair of Council highlighted the growth in membership over recent years and the consequent growth in income. Members were asked to note the work the Group had undertaken on its ethical investment policy. Members were also asked to note that the RCN's reserves were higher than forecast and provided a solid financial basis to the recently announced Industrial Action Fund of £35m, the largest in the UK.

It was also highlighted that the RCN had not increased subscriptions for six years.

Members were invited to vote on three resolutions:

Resolution 1 – To reinstate the cycle of half of Council being elected every two years at the Council elections due to be held in 2023 as follows (ordinary resolution, required a simple majority):

Four-year terms (1 January 2024 to 31 December 2027)

East Midlands	Northern
Eastern	Northern Ireland
London	North West

Two-year terms (1 January 2024 to 31 December 2025)

Scotland	Wales
South East	West Midlands
South West	Yorkshire & the Humber

For	Against	Abstain	For %	Against %	Total votes
8,466	661	672	92.76%	7.24%	9,799

The resolution was passed.

Resolution 2 – Recommendation that the terminology on unfitting conduct should be amended in the Standing Orders.

To amend Standing Order 5.5

For	Against	Abstain	For %	Against %	Total votes
8,452	680	664	92.55%	7.45%	9,796

The resolution was passed.

Resolution 3 – Should the RCN re-join the International Council of Nurses?
(ordinary resolution, required a simple majority)

For	Against	Abstain	For %	Against %	Total votes
7,613	1,375	812	84.7%	15.3%	9,800

The resolution was passed.

Further key decisions in 2021

Council agreed with the Governance Support Committee's recommendations addressing the inquiry by Simon Cheetham QC into the RCN 2020 Presidential election in relation to:

- the role of the Returning Officer
- the election policy
- the proposed definition of what amounts to an official RCN resource
- the approach to be adopted in relation to publications and events.

Council agreed that nomination forms for all elections and appointments should include a requirement for candidates to declare any interests at the point of standing rather than after being elected or appointed.

Council approved joining the Charities Responsible Investment Network with continued membership reviewed after one year.

Council agreed the 2021-2024 Education, Learning and Development Strategy and approved its implementation with a project budget of £0.5m to deliver phase one of the strategy.

Council also approved the recommendation to appoint Crowe U.K. LLP as the preferred provider of the external audit contract following an open tender process. It also approved the recommendation to appoint KPMG as the preferred provider of the governance review following an open tender process.

Key performance indicators (KPIs)

KPI	Objectives and key responsibilities	2021 performance
RCN Group is financially on target	To ensure the RCN Group's long-term financial sustainability.	<p>RCN – operating surplus was higher than forecast.</p> <p>RCNi – operating profit before tax was higher than forecast.</p> <p>RCNF – operating deficit was lower than forecast.</p>
We are protecting members and customers data	<p>To ensure the RCN Group is compliant with GDPR and other regulatory requirements in its role as a data controller and data processor.</p> <p>To ensure subject access requests (SARs) are dealt with according to ICO guidelines.</p>	<p>The 2021 target for data breaches was to not exceed 75. The actual number of data breaches was 66.</p> <p>The annual target is to have a lower number of breaches than the previous year. The 2022 target is lower than 66.</p> <p>We had 66 subject access requests in 2021. Of those, 2 were complex. One of the complex cases incurred third party costs of approximately £54k. The estimated cost of staff time across all SARs is at least £80k in 2021. All SARs have been responded to within the agreed timeframes.</p>
Our members and customers are satisfied with their RCN Group experience	To provide the best member and customer experience, which is dependent on the positive behaviours and conduct of both staff and all RCN members.	<p>The six departments that use the customer satisfaction surveys consistently exceeded the customer satisfaction score and net promoter score throughout 2021.</p> <p>The number of complaints in 2021 is 18% lower than in 2020.</p> <p>During the year we have had a number of member investigations, the cost of which is estimated at £200k in 2021.</p>

KPI	Objectives and key responsibilities	2021 performance
We are making a positive difference to the professional practice of nursing	<p>To deliver the Education Learning and Development (ELD) strategy and associated tools and guidance.</p> <p>To deliver safe staffing legislation across the UK.</p>	<p>The ELD strategy launched in April 2021. Work is underway on a new education portal by the Group, this is expected to take place between July and September 2022.</p> <p>SSEC – RCN <i>Nursing Workforce Standards</i> launched in May 2021. The Standards are the first ever national blueprint for tackling nurse staff shortages across the UK.</p>
Our membership and supporter numbers are stable	<p>To ensure RCN 2021 membership recruitment and retention targets are met.</p> <p>To ensure the RCNi 2021 subscriber recruitment and retention targets are met.</p>	<p>RCN membership and recruitment and retention figures exceeded the 2021 targets, Overall, membership increased by almost 12,000 in 2021.</p> <p>RCNi's personal subscriptions exceeded its 2021 budget targets.</p>
We are improving our engagement with members and customers	<p>To improve the member and customer experience by enhancing the products and tools through implementation of the digital transformation programme.</p> <p>To exceed the 2020 figures.</p>	<p>In 2021, the number of webpage views exceeded 2020 figures by nearly 1m. Usage of RCN online tools continued to grow.</p> <p>Approximately 1.8m RCNi webpage views between July-September.</p>
The RCN Group is embracing change	To implement the RCN's People Vision between 2021-2023.	<p>Mandatory learning compliance grew to 77% but remains short of the target.</p> <p>4Q review completion rose to 73%.</p>

Principle risks

Management of Group/strategic risks

Strategic/Group risks are those that may result in a change in our strategic direction and threaten the successful delivery of our business priorities. The context in which the RCN Group and the nursing profession operates continues to change rapidly and this has given rise to several new strategic risks. Over the past 12 months, external factors such as the impact of COVID-19, workload, pay, and terms and conditions continue to influence our business priorities. During 2021, internal factors within the organisation created the potential for reputational risks that could have derailed the delivery of our business priorities. We have taken a robust approach to the management of risk by implementing the following measures to mitigate the impact on our business and priorities.

In 2021, the RCN Group reviewed its risk management framework, and this work was overseen by the Group Audit Committee. This has included the launch of a new Group risk policy, the implementation of an online risk management tool, risk training for Council members and a robust systematic approach to the review of risks. This is a group-wide initiative which will continue to provide greater assurance as the changes become embedded in 2022.

COVID-19 risk

In 2021, we have built on the support and resources put in place in 2020 to protect and support our membership and staff. Mitigating actions have included:

- regular Council briefings on COVID-19 throughout 2021
- being the voice of nursing: standing up for members through national and local media
- taking a cautious approach to re-opening RCN offices to staff, members and visitors and follow the guidance in place across the four UK countries.

Our priority	Delivering our priority campaigns and strategies
The objectives at risk in 2021	<ul style="list-style-type: none"> • To ensure our priority work programmes and strategies meet the needs of the membership and/or influence policy makers. • The implementation of our strategic priorities which are: <ul style="list-style-type: none"> ◦ RCN Group Education and Learning Strategy ◦ UK Pay Strategy ◦ Independent Health and Social Care Strategy ◦ Staffing for Safe and Effective Care campaign (SSEC) ◦ Organising model. • All our priority work programmes include member decision-making and member engagement processes.
Controls and mitigation	<ul style="list-style-type: none"> • The Executive Team continues to ensure that a consistent approach is taken to every programme of priority work, campaigns and strategies, and that every project plan sets out the member engagement and decision-making processes. • Member experience continues to inform all our work with programme boards (co-led by members) and member task and finish groups overseeing all key work programmes and campaigns. • The RCN Member UK Pay Policy has been applied during negotiations with UK-wide governments for the 2021-2022 pay deals/offers. • The four UK countries continue to realign their focus to support members during the pandemic to raise issues locally on concerns around SSEC. • The new Group-wide programme and project management approach will support the major transformation work, including our priority campaigns and strategies.

Our priority	Business transformation, including information and digital
The objectives at risk in 2021	<ul style="list-style-type: none"> • To implement our business transformation plan and technology and data transformation strategies. • To complete and realise the benefits from the customer relationship management (CRM) programme. • To have strong business continuity plans in place in the event of our technology infrastructure and systems failing and/or being subject to cyber attack, disrupting critical business and service delivery functions.
Controls and mitigation	<ul style="list-style-type: none"> • Group-wide information strategy is being developed. • Our technology systems are regularly updated with the latest security features and data recovery arrangements are in place. • Business continuity tests in cyber security take place and insurance is in place. • The Data Protection Officer reports data breaches to the Executive Team monthly. RCN Council and the Group Audit Committee receive quarterly figures, with follow up actions. • Our case management system (CMS) has been delivered.
Our priority	Financial sustainability
The objectives at risk in 2021	We plan, prepare for, and mitigate our finance risks.
Controls and mitigation	<ul style="list-style-type: none"> • Our 2021 budget and plan have been aligned to ensure resources are targeted to meet key priorities and obligations and support the transformation programme. • A new financial planning cycle and business case process has been implemented. • Our 2022 finance strategy has been approved and work is underway for the three-year 2023–2025 strategy. • Regular reviews are conducted of investment managers and policy to ensure investment objectives are met. • Monthly management accounts have been produced and shared with RCN Council, and quarterly forecasts produced and reviewed. • Financial fraud has been a core part of our annual internal audit programme. It is designed to review controls and identify potential weaknesses and recommend organisational improvements.

Our priority	Responding to external events
The objectives at risk in 2021	We respond confidently and in a timely way to external events, enabling us to meet members needs and protect our reputation.
Controls and mitigation	<p>COVID-19</p> <ul style="list-style-type: none"> • Regular RCN Council briefings have ensured the organisation continued to respond to member issues relating to COVID-19. • We have continued to follow guidance across the UK governments for our staff and offices. <p>EU exit</p> <ul style="list-style-type: none"> • Continued negotiations with government, other political parties and wider health sector stakeholders. <p>Climate change</p> <p>We remain committed to act and to use our voice and advocacy power to influence our members, health and social care providers and the UK Governments to support action on climate change. At COP26, as a member of the UK Health Alliance on Climate Change, we called for:</p> <ul style="list-style-type: none"> • all countries to achieve net zero emissions by 2040 • countries with the greatest responsibility for carbon emissions to transfer funds to countries that are most vulnerable to the impacts of the climate crisis • all fossil fuel subsidies to end, coupled with investment in renewable energy and storage, green infrastructure, and green jobs • all fossil fuel companies to become net zero by 2040 • all health services to become net zero as soon as possible and before 2040. <p>In 2022, we will continue to work with members and the wider nursing profession to promote sustainable nursing practice and look at ways to reduce CO₂ emissions to improve health outcomes.</p> <p>Equality and inclusion</p> <ul style="list-style-type: none"> • We are committed to ensure that equality and inclusion are embedded at the heart of our organisation. • A new 2022–2027 equality and inclusion strategy is being developed with a collaborative approach across the group, involving a range of key stakeholders and Council. • BDO, our internal auditors, undertook an equality and diversity impact audit in 2021 and RCN Council has accepted the recommendations and an implementation plan is in place. These recommendations will dovetail with the new equality and inclusion strategy. • The review of RCN culture and governance will also see equality and inclusion refocused as a priority.

Our priority	Review of culture and governance across the RCN (these reviews do not include RCNi or RCN Foundation)
The objectives at risk in 2021	Commitment to deliver fundamental change to the organisational and governance culture of the RCN.
Controls and mitigation	<ul style="list-style-type: none"> • KPMG has been commissioned to undertake an independent governance review of the RCN, at the request of its membership. • Bruce Carr QC has been commissioned to undertake an independent review of the culture of the RCN. This will include: <ul style="list-style-type: none"> ◦ decision making and accountability ◦ financial management ◦ equality and inclusion ◦ management of departure of staff and elected members ◦ allegations of sexual harassment ◦ roles and responsibilities of staff and elected members. <p>This report will be published in Spring 2022.</p>

Future developments

One of our key strengths is that we are recognised both nationally and internationally as having a unique mandate for nursing. From this position of strength, we seek to amplify the voice of nursing to influence the long-term changes needed to support our members, their patients, and the nursing profession.

2022 holds an opportunity for our members to take control of their own professional power. Together, we will influence and lead the health and care transformation agenda and help shape the future of the nursing profession.

Our focus is on stability and improvement, to ensure we are in the strongest possible position to support our members and raise standards for the nursing profession. The 2022 plan recognises the challenging context that our members, staff and the RCN face, setting out our vision for 2022 and how it will be achieved.

The context

Throughout the COVID-19 pandemic, our members have worked relentlessly to ensure citizens across the UK received the highest levels of care and treatment possible. The pandemic continues to place a massive physical and psychological impact on our members working in the NHS and in the independent health and social care sectors.

A shortage of registered nurses, and a high number of workforce vacancies and staff sickness, further compounded by the impact of the pandemic, continue to risk the safety and quality of care that can be provided. Community nursing is under huge pressure, with increasing caseloads and care homes buckling under pressure.



Whilst public appreciation for nursing remains very high, sadly this has not translated into recognition by the four UK governments of the true value of nursing. In 2022, we will continue our fight to ensure fair pay and safe staffing levels across the UK. As the pressures on our health and social care services continue to grow, the College's presence as the voice of nursing has never been more important.

Our approach

The Group, through our elected Council, has designated 2022 as the year for taking all necessary steps to stabilise the College. This plan marks a significant step forward and will be the cornerstone for bringing about the improvements and progress required to ensure our continued success and presence for the nursing community.

The plan has been shaped and directed by Council, our elected representatives at a country and regional level, as well as our Trade Union Committee and Professional Nursing Committee. We have conducted focus groups, seeking staff input from across the College. Directed by this feedback, the plan sets out the high-level priorities that our membership and staff wish us to deliver during 2022 and beyond.

The plan outlines three priority areas.

- 1. Amplify the voice of nursing** – ensuring our members are represented at every table where decisions are being made that impact on their professional lives.
- 2. Achieve positive cultural change and empower our staff** - placing equality, diversity and inclusion at the heart of all our decision making and upskilling our staff.
- 3. Enhance our member offer and services** – leveraging education, data, evidence and research to create high quality, evidence-based standards that reflect contemporary nursing.

Change is needed to ensure our members and staff are confident the College is a diverse, inclusive, member-led organisation. The Independent Review of the Culture at the RCN being led by Bruce Carr QC and separately, the KPMG Governance Review led by our Council will provide important opportunities to listen and respond to our members and staff. We will use the recommendations from each to improve our ways of working, our services, and our culture.

Crucially, this focused approach for the year ahead will lay the groundwork for the upcoming three-year strategy. This will be developed alongside our members and staff to ensure the diversity of their experiences influence the future direction of the College.

3. Council's report

RCN Council presents its report together with the audited financial statements and auditors report for the year ended 31 December 2021. Comparative figures are for the year ended 31 December 2020.

Looking forward

In 2022, we will be working to develop and agree our new three-year strategic plan for the period 1 January 2023 to 31 December 2025. This plan will be underpinned by a robust and comprehensive three-year financial plan, which will enable us to invest in the College's present and future whilst maintaining a sustainable financial platform that provides the security and flexibility the College needs to continue to develop and provide the services and products our members need and want into the future.

Council has agreed priorities for 2022 under each of these themes and more detail on these can be found in the strategic report on pages 20-23.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 26 to the financial statements which can be found on page 81.

Financial risk management objectives and policies

Investment policy and risks

The RCN Group holds two investment portfolios, one in the RCN UK and the other within RCN Foundation. The two portfolios have distinct investment strategies but share the same ethical policies. Both portfolios adopt a medium level of risk approach to investing.

The RCN UK investment objective is to achieve capital growth over time. The portfolio will be subject to short-term volatility but nevertheless will aim to achieve its longer-term target.

The RCN Finance and Investment Committee has agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds, this being viewed as the most efficient way of achieving the agreed asset allocation and the ethical requirements. The fund managers have discretion over the selection of stocks, but the contract with Sarasin & Partners stipulates the requirement for the investments to be managed in a socially responsible manner in line with the RCN values and corporate policies. Historically, the RCN portfolio avoided any investment in companies with a direct link to the manufacture of tobacco products. During 2021, this has been widened to include further restrictions on so called sin stocks and the statement of investment principles has been updated to reflect this change. The potential for further exclusions and restrictions will be explored in 2022. Current exclusions from the RCN investment portfolio are:

- i. **cluster bombs and landmines** – prohibited under international treaties and not included in any portfolio managed by Sarasin
- ii. **adult entertainment** – proposed restriction: companies with 5% of revenues in activities connected to adult entertainment
- iii. **alcohol** – proposed restriction: 5% of revenues related to the production of alcohol or 10% of revenues from the sale of alcohol related products and services

- iv. **armaments** – zero exposure to manufacturers of whole weapon systems and 10% of revenues from sales connected to weapons systems including components, support systems and services designed for weapon use
- v. **civilian firearms** – proposed restriction: zero exposure to either the manufacture or sale of civilian firearms
- vi. **gambling** – proposed restriction: 5% of revenues related to gambling operations or 10% of revenues from the sale of gambling related activity
- vii. **tobacco** – zero exposure to tobacco producers, 10% of revenues derived from tobacco related products. Already applied to portfolio
- viii. **extraction of thermal coal** – proposed restriction: 5% of revenues derived from the extraction of thermal coal
- ix. **production of oil tar sands** – proposed restriction: 5% of revenues derived from the production of oil from tar sands
- x. **predatory lending** – proposed restriction: 5% of revenues for activities connected to predatory lending.

In addition to the specific exclusionary criteria, the investment manager is expected to avoid companies which are materially invested in ethically unacceptable practices. Examples of these are:

- corruption
- environmental degradation
- poor labour practices
- breaches of human rights
- companies which persistently, knowingly, and materially breach international legal standards.

The RCN Foundation has also implemented similar restrictions to its investment portfolio.

RCN Council require that the investments should be managed in a socially responsible manner in line with their corporate values and policies. When making investment decisions, Council will consider whether the business carried out by investee companies would conflict with the RCN's aims and values or hamper the work of the RCN by alienating members, stakeholders, and other supporters.

The investment manager attends the Finance and Investment Committee at least twice a year to present performance reports and discuss investment matters with the Committee. Council receives a report from the Finance and Investment Committee following each meeting.

At 31 December 2021, the RCN investment portfolio stood at £115m, an increase from the position at 31 December 2020 of £101m. The 2021 position includes the transfer of £5m from cash reserves in August 2021.

More information regarding the performance of the investment portfolio can be found in the strategic report on page 9, in the financial statements on page 42 to 44 and in note 5 on page 53.

Defined benefit pension scheme

The RCN continues to operate a defined benefit pensions scheme. A defined benefit pension scheme means the value of the benefit is certain, putting the risk associated with pension schemes with the employer. The RCN defined benefit pension scheme was closed to new entrants in October 2013, since then new members of staff are automatically enrolled into the group personal pension plan, currently operated by Aegon. The scheme remains open to accrual for those members of staff who were members of the scheme prior to October 2013.

All defined benefit schemes are subject to a full actuarial valuation every three years (known as the triennial valuation). The triennial valuation is important because it is this valuation that determines how well or not the scheme is funded. It is also important to note that the duration of the scheme will extend for many decades into the future, it is difficult to predict how long scheme members will continue to draw their pension. The last triennial valuation on the RCN scheme was as at 30 September 2019 and was approved by Council and the scheme trustees TPT, and submitted to the Pension Regulator in December 2020. The 2019 triennial valuation reported a scheme deficit of £9.5m (30 September 2016: £52.1m). As part of the 2019 triennial valuation, we agreed a revised deficit funding plan of £3.2m per year, which was completed in August 2021.

The Finance and Investment Committee receive presentations from TPT relating to the investment strategy, financial performance of the scheme and any other potential issues at least twice a year. The scheme is currently in surplus but kept under review. RCN senior management receive monthly updates from TPT about the estimated valuation of the scheme. It is to be noted that this is an estimate only but serves as a useful indicator of the health of the scheme.

The value of the defined benefit scheme is shown within the RCN 31 December 2021 financial statements as nil (31 December 2020: nil). The RCN defined benefit accounting valuation (also known as the FRS 102 valuation) reported a scheme surplus of £77.2m (2020: £31.3m), however as the surplus does not belong to the RCN, the RCN must report the scheme as having a nil valuation. The accounting valuation, like all valuations on defined benefit pension schemes, is a snapshot at a point in time, and this valuation is aimed at reporting the RCN's obligation to the scheme at the date of the Statement of Financial Position.

More details relating to the defined pension scheme can be found in the strategic report on page 10 and note 16 on page 70

Cash flow risk

The RCN Group does not consider it has a cash flow risk. The RCN receives approximately £6.5m every month through annual membership subscriptions and approximately 90% of membership income is collected through direct debit. Approximately 70% of regular expenditure is on staff costs, buildings and IT and are phased and monitored as part of the monthly management accounts and quarterly forecasts. High level forecasts are produced monthly to identify any potential issues.

Credit risk

The RCN Group's principle financial assets are the investment portfolios, currently around £156m, and £44m in cash along with other receivables as at the 31 December 2021.

The primary credit risk is provisions held for the clinical indemnity scheme and general trade creditors and prepayments. The indemnity scheme provisions are monitored closely by the in-house legal team and the RCN's solicitors. Most cases have a long lead time and any changes to provisions or likelihood of losing the case are flagged with significant notice.

The credit risk on liquid funds and investments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The RCN Group does not hold any debt finance and its current policy is not to do so, self-financing investment in infrastructure and services from reserves and ongoing surpluses.

Liquidity risk

To maintain liquidity, the RCN's policy is to ensure that there is the available cash equivalent to at least one month's member subscription income. The RCN currently has an excess of cash funds and could, if required, draw from the investment portfolio. The RCN's reserves policy is to ensure there are enough reserves available to cover all existing creditors, including provisions, the £35m industrial action fund and 50% of one year's normal expenditure.

Financial resilience

The RCN Group is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements and there is no indication that the Group would not be able to operate as a going concern for the foreseeable future.

Further information regarding RCN Group accounting policies and assessment of going concern can be found in note 1 to the financial statements on page 46.

2021 Council members

Chair: Dave Dawes, North West region

Vice Chair: Carol Popplestone, Yorkshire & the Humber region

Note: between 14 July and 31 December 2021 - Carol Popplestone was interim Chair, Geoffrey Walker interim Vice Chair

President: Dame Professor Ann Marie Rafferty FRCN (until 30 June 2021);
Dr Denise Chaffer (from 1 July 2021)

Deputy President: Tracey Budding

ENGLAND

East Midlands region: Mel Kerr

Eastern region: Jesudass Johnselvan

London region: Joan Myers OBE (until 6 July 2021); Carol Webley Brown (from 6 September 2021)

North West region: Dave Dawes

Northern region: Michael Appleby

South East region: Jeremy Benton

South West region: Geoffrey Walker OBE

West Midlands region: Professor Rod Thomson FRCN

Yorkshire & the Humber region: Carol Popplestone

NORTHERN IRELAND

Fiona Devlin

SCOTLAND

Geoff Earl

WALES

Richard Jones MBE

STUDENT MEMBER

Shaun Williams

NURSING SUPPORT WORKER MEMBER

Evan Keir

CHAIR OF CONGRESS

BJ Waltho, non-voting member of Council

Directors' indemnities

The RCN takes out directors' liability insurance for the benefit of Council and senior management whilst carrying out their duties.

Disabled employees

At 31 December 2021, 47 employees of RCN UK considered themselves disabled, which equates to 4.9% of the employed headcount.

Engagement with employees

We communicate with our employees in a range of ways to ensure they are informed and updated on key matters. This includes, for example, the use of our intranet to host our employment policies and other information supporting our employment provisions, practices and procedures, and the use of all staff emails to draw our employees' attention to vital information and updates.

The RCN Group recognises both the GMB and the NUJ, and through our partnership approach we engage regularly and meaningfully with our recognised trade unions – consulting and negotiating with them on relevant matters. This includes through our formal Partnership Forum meetings several times a year at which all our employment policies are considered prior to implementation. We also engage with our four staff networks and other groups to seek their views on various matters such as new employment policies at the consultation stage.

Our performance is shared with staff through the publication of quarterly progress reports against our KPIs, as well as other regular updates such as the publication of our monthly membership numbers on our intranet. Our financial performance is also included in the quarterly progress reports and commentary is provided. Staff can also ask questions about this information via the intranet as well as at the live Q&A events we hold.

Our Executive Team members engage with staff in a range of ways, including sending all staff emails, posting blogs on our intranet, and by hosting monthly live Q&A events where updates are provided.

Having our Director of People and Organisational Development as a member of our Executive Team, ensures the experience and needs of employees are present in all discussions and decisions. The Group has a comprehensive approach to consultation and working in partnership with our recognised trade unions, as well as conducting pulse check surveys for all employees three times a year. Our Executive Team has full insight into the interests of our employees and use this as part of its decision making. Examples of this include:

- the range of provisions put in place to support staff through the COVID-19 pandemic including a cautious approach to returning to offices in the summer of 2021 to protect their health and safety
- the listening exercises that informed the Executive Team's decision to move to a future hybrid model of work
- the recently approved pay award which seeks to ensure our staff do not struggle financially as they continue to work from home and face rising living costs (such as the rapidly rising energy costs).

Engagement with suppliers, customers, and others

We understand that our suppliers, partners, customers, and other stakeholders play a key role in the delivery of services and products to our members both directly and indirectly. Through our various policies we aim to ensure we engage with others who share our beliefs and values. The Group is also undertaking a significant review of all its suppliers and partners, not only to ensure we continue to work with those who share our values but also to ensure we better understand those we engage with.

Throughout the pandemic, we have taken a collaborative approach with suppliers and partners to minimise the financial impact on them where it is appropriate to do so. Effort goes into ensuring payments are made in a timely manner wherever possible. We have also worked with customers to ensure where a service or product has not been possible to deliver, for example exhibition stands at face-to-face events, an ongoing two-way dialogue is in place to ensure there is effective communication about next steps. These steps have included the prompt payment of refunds or transferring to a future event as appropriate.

During 2022, we will be embarking on the selection of a new finance system, as part of a portfolio of infrastructure system replacement projects, to enable us to ensure our back-office infrastructure is integrated and fit for purpose. We will engage with key suppliers and customers during this time to ensure the end solution improves the experience for all our stakeholders. We aim to go live with the new finance system in mid-2023.

Energy carbon reporting

Introduction

This report presents the results of Streamlined Energy and Carbon Reporting (SECR) for the Royal College of Nursing of the United Kingdom (RCN). Data has been assessed and the report provided by Sustainable Advantage.

In recognition of good practice, we have opted to follow the provisions of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implementing the government's latest policy on SECR. SECR replaced the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) in April 2019. This new framework aims to simplify carbon and energy reporting requirements while still ensuring that companies have the information required to understand and reduce their emissions and energy costs.

Approach

The UK Government's environmental reporting guidance on how to measure and report greenhouse gas emissions¹ has been used, along with the provided greenhouse gas reporting figures for the relevant year². The financial control approach has been used to define the scope boundary¹.

Base year and changes in emissions

A base year of 1 January 2020 to 31 December 2020 has been used, as this is the earliest year for which reliable data was recorded and measured. The base year is used as the benchmark for emission data and consumption changes, and the changes between this reporting period and the base year have been recorded and detailed. The recalculation policy is to recalculate the base year emissions only for relevant significant changes which meet the threshold of affecting 5% of base year emissions.

Operational scopes

Scope 1 and scope 2 emissions have been included within this report. The RCN owned eight buildings during this period, where electricity and gas are the primary and only utilities used. The RCN owned no company vehicles but did have staff mileage claims. All activities are based within the UK.

- Scope 1 emissions consists only of natural gas usage from buildings.
- Scope 2 emissions consists only of electricity usage from buildings.
- Measured scope 3 emissions are from grey fleet mileage.

Table 1 shows the breakdown of carbon emissions, in tonnes of carbon dioxide equivalent (tCO₂e), by scope and specific area, with comparison to the base year.

1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf

2 <http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

Table 1 - Breakdown of consumption and carbon emissions by scope, with comparison to the base year, for the current reporting period 1 January 2021 to 31 December 2021

	Base Year (FY 2020)		FY 2021		tCO ₂ e Change
	tCO ₂ e	% of Total	tCO ₂ e	% of Total	
Scope 1 Natural Gas	148.0	34%	159.3	42%	11.3
Scope 2 Electricity	232.9	54%	209.8	55%	-23.0
Scope 3 Grey Fleet Mileage	48.7	11%	9.8	3%	-38.9
Gross Emissions	429.6	100%	378.0	100%	-51.6
Renewable Elec.	0.0	0%	0.0	0%	0.0
Carbon Offsets	0.0	0%	0.0	0%	0.0
Net Emissions	429.6	100%	378.0	100%	-51.6

Carbon offsets and electricity

Electricity purchased for own use or consumption: 988,211 kWh.

Renewable electricity generated from owned or controlled sources: 0 kWh.

No renewable electricity was purchased during the reporting period.

Intensity ratios and targets

An overall intensity ratio of gross Scope 1, 2 and 3 emissions per m² of gross floor area has been calculated. This will allow comparison and benchmarking with similar sites and organisations and still drives energy reduction goals.

The previous reduction target was to reduce gross Scope 1, 2 and 3 emissions by 5% from 2020 to 2021. This has been achieved though emissions may have been affected by the COVID-19 pandemic, this will therefore be reviewed in the next financial year. The chosen emissions reduction target for this financial year is to reduce the overall business intensity ratio by 5% from 2021 to 2022. The target is based upon the intensity ratio to improve performance, rather than allow for spurious improvements due to changes in operations. If the m² theoretically remains the same across the current and upcoming reporting periods, predicted gross emissions are 359.1 tCO₂e. Table 2 shows the intensity ratio and target for the business, with comparison to the base year. The intensity measure of 9,993 m² has been used to calculate the gross intensity ratio.

Table 2 - Overall intensity ratio, target, and predicted tCO₂e, with comparison to the base year. Intensity ratios are presented as Gross Scope 1, 2 and 3 tCO₂e/m²

Base Year (FY 2020)		FY 2021		FY 2022	
tCO ₂ e	Intensity Ratio	tCO ₂ e	Intensity Ratio	Predicted tCO ₂ e	Intensity Target
429.6	0.4717	378.0	0.0378	359.1	0.0359

Carbon reduction initiatives

The RCN has reported under both Energy Savings Opportunity Scheme (ESOS) Phase 1 and 2. The following actions have been taken within the current reporting period in line with ESOS phase 2 recommendations:

- Procure renewable electricity for future contracts.
- Servers are hosted with a third-party contractor reducing AC requirements.
- LED lighting and PIR sensors are being installed throughout the sites.
- A boiler replacement programme was carried out in the Cardiff Gate and Edinburgh offices.
- The replacement of boilers, chillers, and dry air coolers with a heat pump solution is being investigated for a freehold site.

Table 3 - Raw consumption data for the company, for the period 1 January 2021–31 December 2021

Area	Scope	kWh
Natural gas	1	869,737.4
Electricity	2	988,211.3
Grey fleet	3	39,929.2
TOTAL	-	1,897,877.8

Table 4 - Breakdown of site carbon emissions with intensity ratios, targets, and predicted tCO₂e, with comparison to the base year. Intensity ratios are presented as tCO₂e/m²

Site	Base Year (2020)		Current Year (2021)		2022	
	tCO ₂ e	Intensity Ratio	tCO ₂ e	Intensity Ratio	Predicted tCO ₂ e	Intensity Target
London HQ	230.0	0.0486	226.5	0.0479	215.2	0.0455
Cardiff Gate	60.0	0.0331	61.7	0.0341	58.6	0.0324
Cardiff HQ	21.9	0.0356	22.9	0.0372	21.7	0.0354
Edinburgh	33.8	0.0393	30.7	0.0357	29.1	0.0339
Sunderland	12.2	0.0307	11.8	0.0296	11.2	0.0281
Belfast	9.8	0.0121	5.8	0.0126	5.5	0.0120
Newbury	3.8	0.0118	3.0	0.0092	2.8	0.0087
Bolton - Old [†]	6.3	0.0214	-	-	-	-
Bolton - New [†]	3.0	0.0066	5.8	0.0126	5.5	0.0120

Statement of corporate governance arrangements

The RCN Group

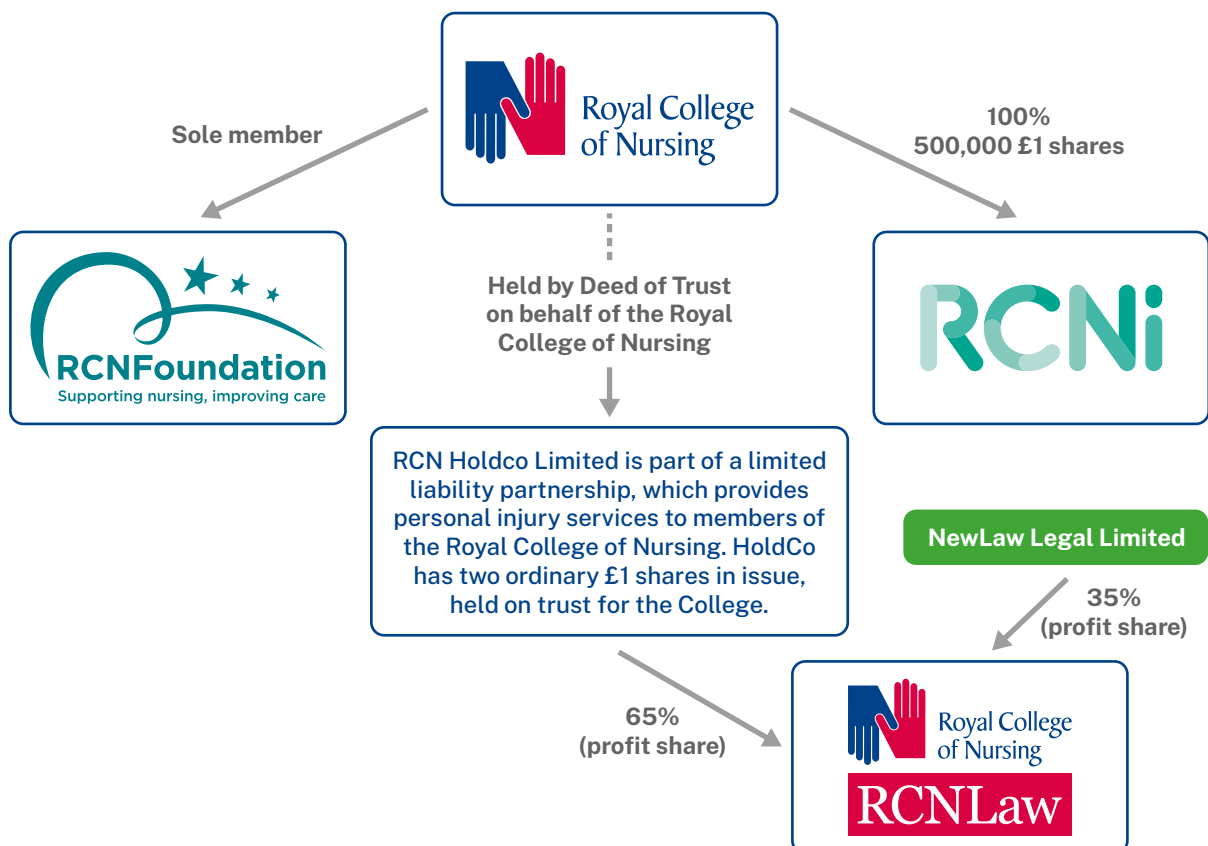
The Royal College of Nursing of the United Kingdom was established in 1916 and incorporated by Royal Charter in 1928. Since 1977, we have also been registered as a special register trade union. We are the world’s largest nursing union and professional body. We represent more than 465,000 nurses, nursing students, midwives, and nursing support workers in the UK and internationally. We are governed by 17 Council members.

RCN Publishing Limited (RCNi) is a wholly owned subsidiary of the Royal College of Nursing. It provides an essential nursing resource, inspiring and informing the whole nursing team to deliver best practice and exceptional patient care. RCNi has 500,000 ordinary £1 shares in issue, and all are owned by the RCN. RCNi has its own Board of Directors.

The RCN Foundation is an independent charity that supports the needs of the nursing team. The Foundation is a charitable company limited by guarantee, the sole member of which is the College. It has a separate Board of Directors who are also the charity trustees.

RCN Holdco Limited is part of a limited liability partnership, which provides personal injury services to members of the Royal College of Nursing.

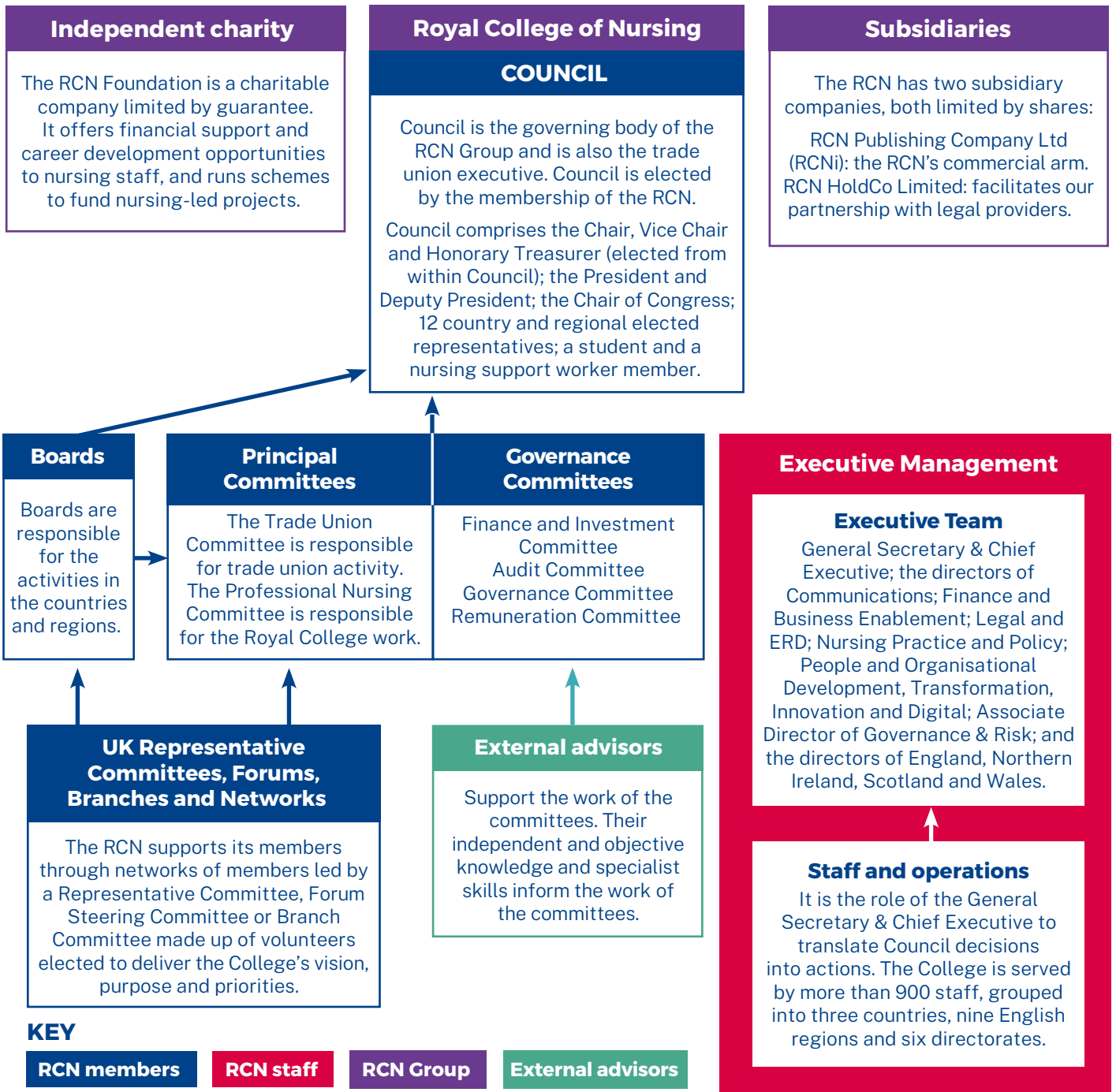
Royal College of Nursing Group structure and relationships



Corporate governance structure

Royal College of Nursing Group structure

The Royal College of Nursing is a corporate body established by Royal Charter. We are one of a small number of special register trade unions allowed to have a corporate status. The College is the parent of the RCN Group with control over the RCN Foundation, RCN Publishing Limited (RCNi) and RCN HoldCo Limited.



Corporate governance

Governance of the RCN is the responsibility of Council who:

- set strategy and direction in line with the overall purpose
- monitor performance and ensure that effective compliance controls are in place
- ensure compliance with Royal Charter, Standing Orders, regulations, and policies
- ensure effective engagement with RCN members and other stakeholders.

The RCN's Executive Team is responsible for delivering the agreed RCN strategy.

RCN Council 2021

For the full list of all RCN Council members please see page 29.

Statement of Council members' responsibilities

Council members are responsible for preparing the Report of Council and the financial statements in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Trade Union and Labour Relations (Consolidation) Act 1992.

The Trade Union and Labour Relations (Consolidation) Act 1992 requires Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation. In preparing these financial statements, Council members are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business
- prepare an annual return to the Certification Officer
- provide members of the RCN with financial statements for each year.

Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992 and the Royal College of Nursing of the United Kingdom's standing orders. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council members are also responsible for the maintenance and integrity of the organisation and financial information included on the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by Council and signed on their behalf by:



Carol Popplestone, Chair of Council

Date: 29 April 2022

Independent auditor's report to the members of the Royal College of Nursing of the United Kingdom (RCN) for the period ending 31 December 2021

Opinion

We have audited the financial statements of The Royal College of Nursing of the United Kingdom (RCN) for the year ended 31 December 2021 which comprise:

- the Group and College Statement of Comprehensive Income;
- the Group and College Statement of Changes in Equity;
- the Group and College Statement of Financial Position;
- the Group Statement of Cashflows; and
- the notes to the financial statements, including significant accounting policies

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

In our opinion the financial statements:

- give a true and fair view of the state of RCN's affairs as at 31 December 2021 and of its transactions for the year 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 Act 1992.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trades Union and Labour Relations Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and remittances has not been maintained;
- 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.

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibility set out on page 37, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations Act 1992 and report in accordance with section 36 of that Act.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

Use of our report

This report is made solely to union's members as a body. Our work has been undertaken so that we might state to union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the union and the union's members as a body, for our audit work, or for the opinion we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, United Kingdom
Date: 12 May 2022



Financial statements

Statement of comprehensive income for the year ended 31 December 2021

	Note	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 Restated £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 Restated £'000
Income					
Membership income	4	80,326	78,016	80,326	78,016
Trading income		-	-	10,967	9,769
Other income	4	3,953	3,098	3,081	8,248
Total income		84,279	81,114	94,374	96,033
Expenditure					
Staff costs	9	54,668	50,608	60,581	56,167
Premises and estate costs		8,510	9,364	8,291	9,585
Travel and accommodation		281	505	282	509
Other service delivery costs		11,182	10,259	16,876	18,590
Total expenditure	10	74,641	70,736	86,030	84,851
Operating surplus		9,638	10,378	8,344	11,181
Investment income	5	1,761	1,789	2,570	2,571
Net realised gains on investments	12	7,311	2,425	9,734	3,035
Interest income on net defined benefit pension asset		456	307	456	307
Dividends received from subsidiary	6.1.b	414	353	-	-
Foreign exchange gains/(losses) on investments		119	(6)	127	(7)
Surplus before taxation	3	19,699	15,246	21,231	17,088
Taxation	8	-	-	422	60
Surplus after taxation		19,699	15,246	20,809	17,028
Actuarial gains on defined benefit pension scheme	16.2	14,475	10,742	14,475	10,742
Actuarial gains on defined benefit pension scheme - removal of scheme surplus	16.2	(14,475)	(10,742)	(14,475)	(10,742)
Defined benefit pension scheme adjustment		(629)	(2,783)	(776)	(3,035)
Revaluation reserve adjustment	20	(64)	(64)	(64)	(64)
Net unrealised gains on fixed asset investment	12	2,085	8,131	3,187	10,007
Net unrealised gains on joint venture		-	-	522	285
Total comprehensive income for the period		21,091	20,530	23,678	24,221
Reserves brought forward		128,393	107,863	173,805	149,584
Reserves carried forward		149,484	128,393	197,483	173,805

All the above results derive from continuing operations. There is no difference between the surplus before tax for the periods stated above and the historical cost equivalent. Notes on pages 46 - 83 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2021

RCN UK

	Revaluation reserve	Accumulated funds	Pension reserve	Total funds
	£'000	Restated £'000	£'000	£'000
Accumulated funds at 1 January 2020 - restated	1,927	105,935	-	107,862
Surplus in period	-	14,894	-	14,894
Other comprehensive income	(64)	5,348	-	5,284
Dividends	-	353	-	353
Accumulated funds at 31 December 2020 - restated	1,863	126,530	-	128,393
Surplus in period	-	19,284	-	19,284
Other comprehensive income	(64)	1,457	-	1,393
Dividends	-	414	-	414
Accumulated funds at 31 December 2021	1,799	147,685	-	149,484

Statement of changes in equity for the year ended 31 December 2021

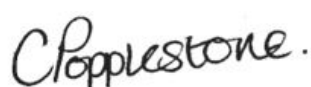
RCN Group

	Reserves for charitable purposes	Revaluation reserve	Accumulated funds	Pension reserve	Total funds
	£'000	£'000	Restated £'000	£'000	£'000
Accumulated funds at 1 January 2020 - restated	37,284	1,927	110,373	-	149,584
Surplus in period	1,004	-	16,023	-	17,027
Other comprehensive income	2,486	(64)	4,772	-	7,194
Accumulated funds at 31 December 2020 - restated	40,774	1,863	131,168	-	173,805
Surplus in period	19	-	20,790	-	20,809
Other comprehensive income	1,102	(64)	1,831	-	2,869
Accumulated funds at 31 December 2021	41,895	1,799	153,789	-	197,483

Statement of financial position as at 31 December 2021

	Note	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 Restated £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 Restated £'000
Fixed assets					
Property, plant and equipment	11	11,613	13,082	11,730	13,197
Intangible assets	11.3	-	-	-	-
Long term financial assets	12.1	115,351	100,818	156,486	138,413
Investment in joint venture	6.2	-	-	1,004	597
Total fixed assets		126,964	113,900	169,220	152,207
Current assets					
Inventory		13	2	13	2
Debtors and prepayments	13	3,178	2,962	4,423	4,726
Short term financial assets	12.2	-	-	500	1,001
Short-term deposits	18	32,291	24,406	37,052	29,206
Cash at bank and in hand	18	5,183	5,294	7,083	9,467
Total current assets		40,665	32,664	49,071	44,403
Creditors — amounts falling due within one year					
Creditors and accrued charges	14.1	(9,613)	(8,500)	(12,276)	(13,133)
Net current assets		31,052	24,164	36,795	31,269
Total assets less current liabilities		158,016	138,064	206,015	183,476
Provisions for liabilities and charges	14.2	(8,532)	(9,671)	(8,532)	(9,671)
Net assets (excluding pension scheme liability)		149,484	128,393	197,483	173,805
Defined benefit pension scheme liability	16.2	-	-	-	-
Net assets (including pension scheme liability)		149,484	128,393	197,483	173,805
Represented by:					
Revaluation reserve	20	1,799	1,863	1,799	1,863
Accumulated funds	20	147,685	126,530	153,789	131,168
Reserves excluding reserves for charitable purposes and pension liability		149,484	128,393	155,588	133,031
Pension reserve	16.2	-	-	-	-
Total reserves excluding reserves for charitable purposes		149,484	128,393	155,588	133,031
Reserves for charitable purposes	7.2	-	-	41,895	40,774
Total reserves		149,484	128,393	197,483	173,805

Notes on pages 46 to 83 form part of these financial statements. The financial statements were approved by Council on 29 April 2022.



Carol Popplestone
Chair of Council



Professor Rod Thomson
Honorary Treasurer



Pat Cullen
General Secretary & Chief Executive

RCN Group statement of cash flows for the year ended 31 December 2021

	31 December 2021	31 December 2020
	£'000	Restated £'000
Surplus from operating activities	8,344	11,182
Depreciation	1,743	3,015
Taxation	(144)	(60)
Total pension contributions less current service and finance costs	(319)	(1,834)
Revaluation reserve adjustment	(64)	(64)
Release of deferred capital grant	(37)	-
(Increase)/decrease in inventories	(11)	16
Decrease/(increase) in debtors	306	(1,296)
(Decrease)/increase in creditors	(582)	3,288
(Decrease)/increase in provisions	(1,140)	17
Net cash generated from operating activities	8,096	14,264
Investing activities		
Purchase of property, plant and equipment and intangible assets	(292)	(266)
Acquisition of financial assets in investment portfolio	(50,929)	(57,436)
Disposal of financial assets in investment portfolio	46,489	45,348
Foreign exchange gains in investment portfolio	127	-
Investment income received in cash in investment portfolio	2,567	2,571
Investment income paid to RCN Group from investment portfolio	(2,541)	-
Cash investment in long-term investment portfolio	5,000	-
Movement in cash in investment portfolio	(712)	-
Net realised investment gains/(losses) on long-term financial assets	-	3,028
(Decrease) in long-term financial assets	-	(1,748)
Additional investment in long-term investment portfolio	(5,000)	-
Income received in cash from long-term investment portfolio	2,542	-
Movement on joint venture	115	(286)
Increase in cash	5,462	5,471
Cash and cash equivalents at beginning of year	38,673	33,198
Cash and cash equivalents at end of year	44,135	38,673
Components of cash and cash equivalents		
Cash	7,083	9,467
Cash equivalents (short-term deposits)	37,052	29,206
Total	44,135	38,673

Notes to the financial statements

1. Accounting policies and assessment of going concern

The consolidated financial statements presented show the consolidated statement of comprehensive income, statement of changes in equity, statement of financial position and the statement of cash flows of the RCN Group for the year ended 31 December 2021.

The RCN Group financial statements consolidate the accounts of the RCN UK, RCN Foundation, COVID-19 Healthcare Support Appeal (CHSA), RCN UK's wholly owned trading subsidiaries RCNi and RCN Holdco Limited. 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.

The Council considers that there are no material uncertainties about the Royal College of Nursing's ability to continue as a going concern and the business has demonstrated its resilience since the beginning of the COVID-19 crisis. Therefore, the Council members have a reasonable expectation that the RCN Group has adequate resources in operational existence to meet obligations as they fall due for at least 12 months from the date of signing and beyond.

The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with financial asset investments, provisions, and pensions. Over the long term, Council believes that COVID-19 will not have a significant impact on those areas.

a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value and are in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. There were no material departures from that standard. The financial statements are prepared in Sterling and rounded to the nearest £'000.

The financial statements have been prepared 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 and other income is apportioned between representation activities and other college activities in line with expenditure.

Revenue grants for specific purposes in the Foundation are recognised when measured reliably and on receipt as restricted income. Legacy income is accrued when the amount can be measured reliably, the receipt of the funds is probable, and entitlement becomes known.

c. Deferred income

Subscription and membership income relating to the current year 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

Income is accrued and included in the income and expenditure accounts when there is a probable future economic benefit that can be reliably measured.

e. Basis of consolidation

The RCN Group financial statements consolidate the accounts of the RCN UK, RCN Foundation, RCNi and COVID-19 Healthcare Support Appeal on a line-by-line basis. Financial transactions between group entities are eliminated on consolidation.

RCN Holdco is held by deed of trust on behalf of the RCN UK. RCN Holdco's investment in the joint venture RCN Law LLP is accounted for in the group financial statements using the equity method.

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 running 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

Pension asset and liabilities are recorded on the statement of financial position in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102, also known as the accounting valuation, measures the value of pension assets and liabilities at the statement of financial performance date and determines the benefits accrued for the year and the interest on assets and liabilities.

Actuarial gains and losses arising from new valuations and from updating valuations to the statement of financial position date are recognised in the statement of comprehensive income 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 often known as the market valuation, are obtained at least every three years. The data used is updated to reflect current conditions at each statement of financial position date in order to prepare the accounting valuation. The pension scheme assets are measured at bid value.

The triennial valuation determines the funding levels required over the expected life of the scheme. The requirements of FRS 102 report the RCN's obligation to the scheme at a specific point in time.

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 defined 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 16.1 for more information. All employer contributions made to the scheme are charged to the statement of comprehensive income 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 by the statement of financial position date.

j. Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the statement of financial position 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 statement of financial position date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion for gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

k. Property, plant, equipment and intangible assets

Property, plant and equipment are included at cost except the long leasehold building of 20 Cavendish Square, which is held at the revalued amount. The revalued book amount has not been updated as the RCN UK has adopted the transitional arrangement under FRS 102, and continues to take the existing revaluation as the deemed cost. The long leasehold property of UK headquarters was revalued on 31 March 1997 on an open market basis by Drivas Jonas, Chartered Surveyors.

Expenditure in the RCN UK of a capital nature over £1,000 is capitalised as property, plant and equipment. Expenditure in RCNi of a capital nature over £500 is capitalised as property, plant and equipment.

Minor items of furniture and equipment below £1,000 (£500 for RCNi) 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	3-5 years RCN Group estimates the useful life of software at five years but RCNi uses the shorter useful life of three years due to the rapid technological change in their sector
Computer equipment	3 years (included in furniture and equipment in note 11)
Furniture and other equipment	5 years

m. Impairment of property, plant and equipment

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. Financial assets

Financial assets are stated at market valuation, where market value represents the bid market price on the last trading day of the year. Unlisted securities are stated at original cost. Financial assets purchased as part of treasury management, which are intended to be held for less than one year, are shown as short-term deposits; financial assets held to generate longer term income and capital growth are shown within property, plant and equipment. Realised gains and losses are charged to the income and expenditure account; unrealised gains and losses are charged to other comprehensive income. Foreign currency transactions within the investment portfolio are recorded at the exchange rate ruling on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income and expenditure account.

Investments in subsidiaries are stated at cost less provision for any impairment. Impairments are charged to the income and expenditure account. The investment in RCN Holdco Limited is valued at its original cost, adjusted at the reporting date for the RCN Group's share of the gains/(losses) recognised by RCN Law LLP less any cash distributions of profits made by RCN Law LLP.

o. Leasing

Assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the RCN Group are capitalised as fixed assets at the fair value of the leased asset. 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 on a straight-line basis 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 statement of financial performance date is considered when measuring provisions and where new information is material, provisions are re-measured.

r. Financial instruments

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

2. Critical judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates. There are no critical judgements other than those involving the estimates.

The following estimates have had the most significant effect on the amount recognised in the financial statements:

Pensions

For defined benefit schemes, the amount charged to the statement of comprehensive income 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 and net interest 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 statement of comprehensive income under incoming resources.

The costs, assets and liabilities of the defined benefit schemes operating by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions used in the accounting valuation are set out in note 16. Any resulting pension scheme deficit is included on the statement of financial position.

Legal provision

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements.

However, legal indemnity fluctuates with changes in the status of legal cases that can be unforeseen, giving rise to estimation uncertainty. The uncertainty is linked to the progress of cases and the percentage likelihood of success.

3. Surplus on activities

Surplus on activities is stated after charging:

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Depreciation	1,568	2,533	1,641	2,675
Operating leases:				
Land and buildings	1,067	946	1,224	1,119
Other leased assets	71	80	71	80
Auditors' remuneration:				
Audit services*	101	122	132	163
Non-audit services	-	-	-	-

* RCN UK have funded the audit fees on behalf of RCN Holdco.

4. Income – RCN UK

	Representation activities £'000	Other College activities £'000	Total 31 December 2021 £'000	Total 31 December 2020 £'000
Membership income	56,100	24,226	80,326	78,016
Other income	2,761	1,192	3,953	3,098
Total	58,860	25,419	84,279	81,114

Representation is defined as relating to trade union activities.

Membership and other income is split – 69.84% representation and 30.16% other college activities in line with expenditure. See note 10 for basis of allocation.

4.1. Group results less charitable activities

Total RCN Group results less RCN Foundation Group charitable activities before taxation were equal to £19.7m (31 December 2020: £13.5m).

5. Investment income

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
UK equities	300	426	636	705
Overseas equities	1,078	955	1,388	1,257
UK fixed interest	380	395	542	569
Bank interest	3	13	4	16
Overseas fixed interest	-	-	-	24
Total	1,761	1,789	2,570	2,571

RCN investment income is split 40.44% representation (£712,088) and 59.56% other college activities (£1,048,912) in line with investment holdings.

6. RCN UK trading subsidiary undertakings

RCNi and RCN Holdco Limited are the trading subsidiaries of the Royal College of Nursing of the United Kingdom (RCN). Their registered addresses are 20 Cavendish Square, London W1G 0RN.

6.1.a Trading results (RCNi)

RCNi (registered company no: 02119155) produces a portfolio of nursing journals, learning and decision support products, career services and events to the nursing community. RCNi is incorporated in the United Kingdom and wholly owned by the Royal College of Nursing of the United Kingdom. Details of the trading activities are set out below.

	RCNi 31 December 2021 £'000	RCNi 31 December 2020 £'000
Income	11,295	11,591
Costs	(9,611)	(10,989)
Profit	1,684	602
Taxation	(314)	(85)
Profit after tax	1,370	517

6.1.b Summarised statement of financial position RCNi

	RCNi 31 December 2021 £'000	RCNi 31 December 2020 £'000
Property, plant and equipment and intangible assets	116	110
Current assets	7,591	6,834
Creditors: falling due within one year		
Creditors and accrued charges	(2,417)	(2,616)
Provisions for liabilities and charges	(11)	(6)
Total net assets	5,279	4,322
Capital and reserves	5,279	4,322
Ordinary share capital held by the RCN UK (£'000) is:	500	500

The directors propose a dividend of £1,096,028 for 2021 (2020: £413,848 paid in 2021), if agreed this will be paid in 2022.

6.2. RCN Holdco Limited

RCN Holdco Limited (registered company no: 9691324) does not trade directly but is a member of a jointly-controlled entity, RCN Law LLP, which provides legal services to members of the Royal College of Nursing.

	RCN Holdco Limited 31 December 2021 £'000	RCN Holdco Limited 31 December 2020 £'000
Investment in joint venture	1,004	597
Total net assets	1,004	597
Capital and reserves	1,004	597

The trading subsidiary RCN Holdco Limited reported in the table above is wholly owned by shareholders on trust for the Royal College of Nursing of the United Kingdom.

7. RCN Foundation Group

The RCN UK is the sole member of the RCN Foundation Group. The RCN Foundation Group is a charitable company providing grants that supports nursing to improve health and wellbeing of the public. Its registered company number is 07026001 and its registered address is 20 Cavendish Square, London W1G 0RN.

The RCN Foundation created a time limited entity, COVID-19 Healthcare Support Appeal (CHSA), to assist the UK health sector workers during COVID-19 pandemic. The entity was incorporated with the Companies House on 3 April 2020.

The results below are the consolidated accounts of the RCN Foundation Group, including CHSA.

7.1. Summarised statement of financial activities

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

	RCN Foundation Group 31 December 2021 £'000	RCN Foundation Group 31 December 2020 £'000
Income and endowments	1,464	6,722
Expenditure	(3,877)	(5,718)
Net gains on investment	3,534	2,486
Net movement in funds	1,121	3,490

7.2. Summarised balance sheet of RCN Foundation Group

	RCN Foundation Group 31 December 2021 £'000	RCN Foundation Group 31 December 2020 £'000
Tangible property, plant and equipment	2	4
Investments	41,134	37,587
Current assets	2,105	1,845
Creditors: falling due within one year		
Creditors and accrued charges	(1,308)	(411)
Total assets less current liabilities	41,933	39,025
Creditors due after more than one year	(38)	-
Total net assets	41,895	39,025
Revaluation reserve	8,991	8,489
Other funds	32,904	30,536
Reserves	41,895	39,025

8. Taxation note

Taxation on surplus

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
UK corporation tax				
Current tax on surplus	-	-	417	135
Adjustments in respect of prior years	-	-	-	(72)
Total current tax	-	-	417	63
Deferred tax				
Movement in period	-	-	5	(3)
Taxation on surplus	-	-	422	60

The differences are explained below:

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Surplus before tax	21,985	15,246	24,191	16,133
Surplus at the main rate of corporation tax in the UK of 19% (December 2020: 19%)	4,177	2,897	4,596	3,065
Expenses not deductible for tax purposes	13,061	12,297	13,061	12,297
Income not taxable	(15,281)	(14,854)	(15,281)	(14,854)
Adjustments to brought forward values	(2,120)	-	(2,120)	-
Other tax adjustments, reliefs and transfers	-	(801)	-	(801)
Group income	(79)	(67)	(79)	(67)
Fixed asset difference	214	321	214	323
Group relief surrendered	-	38	-	-
Deferred tax not recognised	213	169	213	169
Change in tax rates	(186)	-	(186)	-
Adjustments to tax charge in respect of previous periods	-	-	3	(72)
Adjust closing deferred tax to average rate of 19%	-	-	-	-
Adjust opening deferred tax to average rate of 19%	-	-	-	-
Adjustments to tax charge in respect of previous periods - deferred tax	-	-	-	(2)
Total tax charge	-	-	422	60

Deferred tax liability balance

The RCN Group has a deferred tax liability arising from timing differences as set out below, shown at 19% rate for the current year (31 December 2020: 19%).

	31 December 2021 £'000	31 December 2020 £'000
Analysis of deferred tax liability		
Liability at 31 December 2020	6	-
Fixed asset timing differences	-	6
Short-term timing differences	5	-
Losses and other deductions	-	-
Liability carried forward at 31 December 2021	11	6

There are also unrecognised deferred tax assets as at 31 December 2021 totalling £816,862 (31 December 2020: £563,238) in respect of tax losses and other short-term timing differences in relation to the Royal College of Nursing.

9. Staff costs – RCN Group

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	48,144	45,323
Social security costs	5,007	4,549
Other pensions costs	7,430	6,295
Total	60,581	56,167

Of the total staff costs £38,182,000 (31 December 2020: £34,090,000) has been allocated to RCN UK representation activities.

The total pension cost comprises:

	31 December 2021 £'000	31 December 2020 £'000
RCN defined benefit scheme (see note 16.2)	5,179	4,457
Expense charge	(256)	(278)
RCN defined contribution scheme (see note 16.1)	2,507	2,116
Total	7,430	6,295

Representation and other college activities: full-time equivalent (FTE)

	2021 Average FTE	2020 Average FTE
Representation activities	642	618
Other college activities	223	213
RCNi	90	87
Total	955	918

Total staff numbers: average headcount

	2021 Average	2020 Average
RCN UK (including staff that support the RCN Foundation)	949	920
RCNi	98	95
Total	1,047	1,015

Total emoluments for the General Secretary & Chief Executive, members of the Executive Team and RCNi Directors

	31 December 2021 £'000	31 December 2020 £'000
RCN General Secretary & Chief Executive (current)	129	-
RCN General Secretary & Chief Executive (former)	242	197
RCN Executive Team	1,604	1,518
RCN Foundation Director	93	89
RCNi Directors	500	480
Total	2,568	2,284

The above table incorporates basic pay, London weighting where applicable, pension costs, and if applicable, any compensation for loss of office.

The General Secretary & Chief Executive fulfils the role of Key Management Personnel as defined in FRS 102. During 2021 there were two individuals undertaking the role of RCN General Secretary & Chief Executive. The amounts shown are total emoluments, pro-rata for the duration that each individual was in the role.

RCN UK staff, with the exception of the RCN General Secretary & Chief Executive, are paid on RCN UK pay scales. The Council is responsible for setting the pay of the General Secretary & Chief Executive on the advice of the Remuneration Committee. The RCN General Secretary & Chief Executive normally receives an annual increase at the same amount agreed for all staff.

The RCN Foundation does not employ any staff. However, a service level agreement exists between the RCN UK and RCN Foundation for the provision of services.

The RCN's commercial subsidiary RCN Publishing Company (RCNi) has a remuneration package which includes a performance-related pay process, benchmarked against comparator organisations.

RCN UK staff costs in the year include £280,030 (31 December 2020: £361,540) 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.

RCNi staff costs in the year include £nil (31 December 2020: £55,556) in respect of compensation for loss of office due to restructuring and redundancies arising from changes to RCNi operations.

The number of staff whose annual gross pay within the RCN Group is over £70,000 is reported below:

	31 December 2021			31 December 2020		
	RCN	RCNi	Total	RCN	RCNi	Total
£70,000-£80,000	42	4	46	33	3	36
£80,000-£90,000	21	2	23	13	1	14
£90,000-£100,000	8	2	10	5	1	6
£100,000-£110,000	4	-	4	-	-	-
£110,000-£120,000	3	-	3	5	1	6
£120,000-£130,000	2	-	2	1	-	1
£130,000-£140,000	1	-	1	2	-	2
£140,000-£150,000	-	1	1	-	-	-
£150,000 - £160,000	1	-	1	-	-	-
£160,000-£170,000	1	-	1	-	-	-
£170,000-£180,000	2	1	3	1	1	1
£180,000-£190,000	-	-	-	-	-	-
£190,000-£200,000	-	-	-	-	-	-
£200,000 and over	1	-	1	1	-	-
Total	86	10	96	61	7	68

The figures in the above table include any payments made in respect of compensation for loss of office.

This analysis only includes individuals employed directly by the RCN and RCNi.

Gender pay gap

All organisations with over 250 employees are required to publish their gender pay gap data.

The RCN's gender pay gap as at 5 April 2021 has been calculated as:

	2021	2020
Mean pay gap	0.3%	0.3%
Median pay gap	0.0%	1.1%

Our workforce is 74% female and 26% male. We are confident that both are paid equally for doing the same work.

We know that the main driver behind our negligible gender pay gap is not related to the rates of pay for men and women doing similar work; instead, it is caused by the greater proportion of females in more senior roles compared to less senior roles.

The progress we have made in addressing our gender pay gap since 2010 is primarily attributable to the improving diversity profile of our more senior grades.

The RCN has a narrow, graded pay structure with incremental pay points and pay progression linked to length of service. None of our grades that include more than 25 employees have a gender pay gap of more than 2%. Within grades there will be a natural and inevitable difference in the distribution of men and women across the various incremental points, which accounts for in-grade gender pay gaps. This is because progression through the pay points in the grade is linked to service, so men and women within the same grade will be distributed across the pay points depending on their length of service in the role.

The current reporting requirements also include a breakdown of the profile of men and women in each of the organisation's four pay quartiles.

Profile of men and women within the organisation's four pay quartiles

Quartile	Men	Women
Upper	25.3%	74.7%
Upper middle	32.5%	67.5%
Lower middle	26.6%	73.4%
Lower	19.7%	80.3%

10. Breakdown of RCN UK expenditure linked to the trade union return (AR21)

Four strategic themes – split by representation and other College activities 2021

	2021 Representation activities £'000	2021 Other College activities £'000	Total 31 December 2021 £'000
Provision of education and learning	36	8,747	8,783
Setting clinical standards and supporting practice	–	5,549	5,549
Active personal and workplace support	41,766	4,114	45,880
Influencing and shaping policy	10,331	4,099	14,430
Total expenditure	52,133	22,509	74,642

Four strategic themes – split by representation and other College activities 2020

	2020 Representation activities Restated £'000	2020 Other College activities Restated £'000	Total 31 December 2020 Restated £'000
Provision of education and learning	26	9,933	9,960
Setting clinical standards and supporting practice	–	4,937	4,937
Active personal and workplace support	40,029	4,317	44,346
Influencing and shaping policy	7,593	3,901	11,494
Total expenditure	47,648	23,088	70,736

The four strategic themes represent the broad categories of the products and services the RCN provides to its members' and other stakeholders in its roles as a Royal College and a special registered trade union.

Further analysis of RCN UK expenditure

	Representation activities £'000	Other College activities £'000	Total 31 December 2021 £'000	Total 31 December 2020 £'000
Staff costs	38,182	16,486	54,668	50,608
Premise and estate costs	5,944	2,566	8,510	9,364
Travel and accommodation	196	85	281	505
Other service delivery costs	7,809	3,373	11,182	10,259
Total expenditure	52,131	22,510	74,641	70,736

Representation is defined as relating to trade union activities.

Direct costs are allocated to the relevant products and services categories. Infrastructure and support costs have been apportioned over products and services as a percentage of their total spend.

11. Property, plant, equipment and intangible assets

11.1. Property, plant and equipment – RCN UK

	Freehold land and buildings	Leasehold improvements	Furniture and equipment	Computer software	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
Balance at 1 January 2021	4,183	25,891	3,935	7,761	15	41,785
Additions	-	-	159	-	56	215
Disposals	(6)	(1,334)	(660)	-	-	(2,000)
Transfer of assets under construction	-	-	-	-	-	-
Capital reclassified as revenue expenditure	-	(7)	(31)	-	(15)	(53)
Balance at 31 December 2021	4,177	24,550	3,403	7,761	56	39,947
Accumulated depreciation						
Balance at 1 January 2021	2,940	15,358	3,710	6,694	-	28,702
Charge for year	103	693	112	761	-	1,669
Disposals	(6)	(1,334)	(660)	-	-	(2,000)
Depreciation relating to assets reclassified as revenue expenditure	-	(6)	(31)	-	-	(37)
Balance at 31 December 2021	3,037	14,711	3,131	7,455	-	28,334
Net book value at 31 December 2021	1,140	9,839	272	306	56	11,612
Net book value at 31 December 2020	1,243	10,533	226	1,067	15	13,082

The capitalised value of computer software reflects the costs incurred in building and developing the live functionality of the CRM, but costs of updating the system have been expensed. The software assets relating to the CRM in the RCN UK, the RCN Foundation Group and RCNi are all being depreciated over an estimated useful life of five years ending in March 2022. At the balance sheet date no impairment to the capital value is considered necessary.

The historical cost of the revalued asset is:

	31 December 2021 Leasehold improvements £'000	31 December 2020 Leasehold improvements £'000
Cost	22,167	22,167
Accumulated depreciation based on historical cost	(10,919)	(10,476)
Historical cost net book value	11,248	11,691

11.2. Property, plant and equipment – 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 January 2021	4,183	25,893	4,429	8,630	53	43,188
Additions	–	–	199	37	56	292
Disposals	(6)	(1,334)	(660)	–	–	(2,000)
Transfer of assets under construction	–	–	–	40	(40)	–
Capital reclassified as revenue expenditure	–	(7)	(31)	–	(15)	(53)
Balance at 31 December 2021	4,177	24,552	3,937	8,707	54	41,427
Accumulated depreciation						
Balance at 1 January 2021	2,940	15,359	4,152	7,540	–	29,991
Charge for year	103	693	148	799	–	1,743
Disposals	(6)	(1,334)	(660)	–	–	(2,000)
Depreciation relating to assets reclassified as revenue expenditure	–	(6)	(31)	–	–	(37)
Balance at 31 December 2021	3,037	14,712	3,609	8,339	–	29,697
Net book value at 31 December 2021	1,140	9,840	328	368	54	11,730
Net book value at 31 December 2020	1,243	10,534	277	1,090	53	13,197

11.3. Intangible assets

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Cost or valuation				
Cost as at 1 January 2020	-	-	9	9
Balance as at 31 December 2020	-	-	9	9
Depreciation				
Accumulated depreciation at 1 January 2021	-	-	9	9
Charge for year	-	-	-	-
Balance as at 31 December 2021	-	-	9	9
Net book value at 31 December 2021	-	-	-	-
Net book value at 31 December 2020	-	-	-	-

12. Financial assets

12.1. Long-term financial assets

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Market value at start of period	97,016	75,356	134,289	109,158
Additions at cost	40,810	45,198	50,929	57,436
Disposals at carrying value	(36,033)	(34,031)	(45,993)	(45,272)
Redemptions	(312)	(63)	(496)	(76)
Net realised gains	7,311	2,425	9,746	3,034
Net unrealised gains	2,085	8,131	3,177	10,009
Financial assets at market value at period end	110,877	97,016	151,652	134,289
Cash held for reinvestment	4,474	3,802	4,834	4,124
Market value at period end	115,351	100,818	156,486	138,413
Historical cost at period end	92,708	80,242	124,351	109,936

Financial assets at market value comprise:

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Listed financial assets				
Fixed interest (Government securities and bonds)	15,434	17,669	20,817	23,927
UK equities	4,652	5,662	13,407	13,156
Global equities	72,935	62,775	94,810	82,751
Alternative assets	13,298	8,982	16,181	11,076
Property	3,862	1,388	5,571	2,722
Liquid assets	5,170	4,342	5,700	4,781
Total	115,351	100,818	156,486	138,413

Holdings over 5%

No investments represented holdings in excess of 5% of the investment portfolio at 31 December 2021 and 31 December 2020.

12.2. Short-term financial assets

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Market value at start of period	-	-	1,000	1,001
Additions at cost	-	-	1,000	4,000
Redemptions	-	-	(2,000)	(4,000)
(Losses)/gains on short-term investments	-	-	-	-
Financial assets at market value at period end	-	-	-	1,001
Cash held for reinvestment	-	-	500	-
Market value at period end	-	-	500	1,001
Historical cost at period end	-	-	500	1,000

12.3. Investment in joint venture

	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 £'000
Investment in RCN Law LLP	1,004	597
Total	1,004	597

The investment in the joint venture is held on trust for RCN UK by RCN Holdco Limited. The value of the investment at 31 December 2021 is RCN Holdco Limited's share of the cumulative profit less distributions made by RCN Law LLP.

13. Debtors

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 Restated £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 Restated £'000
Trade debtors	921	580	1,677	2,207
Amount due from subsidiaries and associated undertakings	280	118	-	-
Other debtors	145	13	484	39
Taxation	-	-	-	118
Prepayments and accrued income	1,832	2,251	2,262	2,362
Total	3,178	2,962	4,423	4,726

14. Creditors and accrued charges

14.1. Amounts falling due within 1 year

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 Restated £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 2020 Restated £'000
Bank overdrafts and loans	-	2	-	2
Trade creditors	979	1,428	1,158	2,322
Amount due to subsidiaries and associated undertakings	531	83	-	-
Pension contribution	657	600	721	719
PAYE, social security and taxation	1,296	1,229	1,716	1,626
Other creditors	371	66	2,651	2,502
Accruals and deferred income	5,779	5,092	6,030	5,962
Total	9,613	8,500	12,276	13,133

14.2. Provision for liabilities and charges

	RCN UK 31 December 2021 £'000	RCN UK 31 December 2020 £'000	RCN Group 31 December 2021 £'000	RCN Group 31 December 20 £'000
Provision for dilapidations	554	433	554	433
Professional indemnity claims	7,908	8,469	7,908	8,469
Outsourced representation	70	314	70	314
Staff pay offer constructive obligation	-	455	-	455
Total	8,532	9,671	8,532	9,671

RCN UK Movements - provision for liabilities and charges

	31 December 2020 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2021 £'000
Provision for dilapidations	433	-	121	-	554
Professional indemnity claims	8,469	1,320	(755)	(1,126)	7,908
Outsourced representation	314	42	(233)	(53)	70
Staff pay offer constructive obligation	455	-	-	(455)	-
Total	9,671	1,362	(867)	(1,635)	8,532

RCN Group Movements - provision for liabilities and charges

	31 December 2020 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2021 £'000
Provision for dilapidations	433	-	121	-	554
Professional indemnity claims	8,469	1,320	(755)	(1,126)	7,908
Outsourced representation	314	42	(233)	(53)	70
Staff pay offer constructive obligation	455	-	-	(455)	-
Total	9,671	1,362	(867)	(1,635)	8,532

Provision for dilapidations relates to the expected cost of alterations, wear and tear on nine leasehold properties. Amounts are uncertain and are payable at the end of the lease term.

Provision for professional indemnity cases are for members who are subject to claims of clinical negligence. The nature of these cases means that the liability is of uncertain timing and amount until each case is settled.

Provision for outsourced representation relates to reserves on ongoing member representation cases in Northern Ireland and Scotland.

15. Leasing commitments

15.1 Operating leases – RCN UK

The total future minimum lease payments as at 31 December 2021 under non-cancellable operating leases were:

	Assets 31 December 2021 £'000	Assets 31 December 2020 £'000
Within one year	1,075	901
Within one to two years	830	564
Within two to five years	1,215	537
Over five years	544	501
Total	3,664	2,503

15.2 Operating leases – RCN Group

The total future minimum lease payments as at 31 December 2021 under non-cancellable operating leases were:

	Assets 31 December 2021 £'000	Assets 31 December 2020 £'000
Within one year	1,075	901
Within one to two years	830	564
Within two to five years	1,215	537
Over five years	544	501
Total	3,664	2,503

16. Pensions

16.1. RCN Group 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	Employee	Employer
	If not salary sacrifice	Salary sacrifice	
Level 1	2.4%	3.0%	8.0%
Level 2	4.0%	5.0%	10.0%
Level 3	5.6%	7.0%	12.0%

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

RCN Group employer contributions paid during the year ended 31 December 2021 were £2,507,348 (year ended 31 December 2020: £2,116,151). The increase in employer contributions is due to the number of employees enrolled increasing year on year.

16.2. RCN Group defined benefit pension scheme

The RCN Group operates a defined benefit pension scheme with the assets of the scheme being held in separate trustee administered funds. This scheme was closed to new members with effect from 1 November 2013. Existing active members as at 31 October 2013 can still contribute to the scheme.

The pension cost is assessed in accordance with FRS 102: Retirement benefits, based on the advice of independent qualified actuaries using the projected unit method, also known as accounting valuation.

The pension scheme was subject to a triennial valuation as at 30 September 2019. The results of the actuarial valuation was signed off by the RCN Council and the Pension Trustees (TPT) in November 2020, before submission to the Pension regulator by 31 December 2020.

The current triennial valuation at 30 September 2019 by a qualified independent actuary has reported a deficit of £9.5m, compared to a deficit of £52.1m in September 2016.

The revised deficit recovery plan maintained annual deficit payments at around £3.4m continuing to rise annually by Retail Price Index (RPI). The deficit recovery plan was fully paid as at August 2021, the total deficit payment made in 2021 was £1,974,059.

The scheme data in the September 2019 valuation forms the basis of the requirements by FRS 102 and reported in the RCN's statement of financial position.

The table below reports the investment holdings which are individually over 5% of the asset value of the fund:

Fund	Holding (£m)	% of total invested assets (ie excluding value of insureds)
BLK LMF Long Real Profile	95.4	21.0%
BLK LMF Short Real Profile	3.8	7.4%
Fixed Interest Corporate	79.9	17.6%
Global Equities	30.9	6.8%
LGIM - Climate Fund	35.8	7.9%
Long Lease Property	27.1	6.0%

Employer

From 1 November 2013, changes to the scheme were implemented resulting in an employer's annual average contribution of 10%. From 1 April 2019, the average contribution rose to 10.7%. From 1 April 2021 the average contribution rose to 11.7%. Estimated employer contributions to be paid by the RCN for the year ending 31 December 2022 are £3,477,198. The total contributions paid in the year ended 31 December 2021 were £5,706,570, including deficit funding of £1,974,059.

	RCN Group 31 December 2021 £'000
2021 Pension contribution payments	
Agreed annual deficit payment	1,974
Individual CARE contributions	3,733
Total contribution paid	5,707
Contributions as per FRS 102 valuation report	5,954
Variance	(247)
Variance explained:	
Augmentation costs	-
Deemed refunded PPF levy	9
Scheme expenses	(256)
Unexplained variance	-
Total	(247)

Contributory employees

From 1 November 2013 current member contributions were set out in the schedule of contributions at 6%, 8% or 13% (depending on employee opted retirement age). From 1 April 2018 current member contributions were set at 6.2%, 8.2% or 13.2% (depending on employee opted retirement age). From 1 April 2021 current member contributions rose to 7.2%, 9.2% or 14.2% (depending on retirement age).

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 CARE scheme.

FRS 102 Retirement benefits

The tables below state the FRS 102 actuarial assumptions upon which the valuation of the scheme was based.

The principal actuarial assumptions were as follows:

	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
Discount rate	1.90%	1.45%	2.05%	2.75%	2.45%
Inflation assumptions (RPI)	3.20%	2.95%	3.00%	3.25%	3.25%
Inflation assumptions (CPI)	2.85%	2.60%	2.00%	2.25%	2.25%
Allowance for revaluation of deferred and CARE pensions accrued before 1 November 2013 (with LPI of 5%)*	3.20% (RPI)	2.95% (RPI)	3.00% (RPI)	3.25% (RPI)	3.25% (RPI)
Allowance for CARE revaluation of pensions accrued after 1 November 2013 (with LPI cap of 2.5%)*	2.50% (CPI)	2.5% (CPI)	1.60% (CPI)	1.70% (CPI)	1.70% (CPI)
Allowance for pension payments increases accrued before 1 June 2007 (with LPI cap of 5%)*	3.05% (RPI)	2.85% (RPI)	2.90% (RPI)	3.10% (RPI)	3.10% (RPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 5%)*	2.80% (CPI)	2.60% (CPI)	2.10% (CPI)	2.30% (CPI)	2.30% (CPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 3%)*	2.25% (CPI)	-	1.80% (CPI)	1.95% (CPI)	1.95% (CPI)
Allowance for commutation of pension for cash at retirement	75% of Post A Day	75% of Post A Day	60% of Post A Day	60% of Post A Day	60% of Post A Day

* 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.

	31 December 2021 Years	31 December 2020 Years	31 December 2019 Years	31 December 2018 Years	31 December 2017 Years
Life expectancies					
Longevity at age 65 for current pensioners					
- Men	21.9	21.9	21.9	22.1	22.1
- Women	24.0	24.0	23.9	23.8	23.7
Longevity at age 65 for future pensioners					
- Men	23.2	23.2	23.2	23.5	23.5
- Women	25.2	25.1	24.9	25.0	25.0

The analysis of assets in the Pension Fund is as follows:

	31 December 2021 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2018 £'000	31 December 2017 £'000
Equities	66,672	65,684	72,480	175,496	173,176
Bonds	260,240	265,505	176,162	112,887	115,737
Property	35,993	15,066	15,075	14,390	15,114
Other	91,296	85,178	88,998	1,198	1,432
Insured pensioners	509	612	520	592	704
Total market value of assets	454,710	432,045	353,235	304,563	306,163
Actuarial value of liability	(377,508)	(400,770)	(339,590)	(307,034)	(318,327)
Net pension asset/(liability)	77,202	31,275	13,645	(2,471)	(12,164)

The percentage of assets held in each asset class is as follows:

	31 December 2021 %	31 December 2020 %	31 December 2019 %	31 December 2018 %	31 December 2017 %
Equities	15	15	21	58	56
Bonds	57	61	50	37	38
Property	8	4	4	5	5
Other	20	20	25	-	1
Insured pensioners	-	-	-	-	-
Total market value of assets %	100	100	100	100	100

The analysis of amounts charged to income and expenditure is as follows:

	31 December 2021	31 December 2020
	£'000	£'000
Current service cost*	5,635	4,764
Interest on obligation	5,784	6,926
Interest on assets	(6,240)	(7,233)
Total	5,179	4,457

* The current service cost includes the cost of administration expenses of £256,000 (31 December 2020: £278,000).

Analysis of amounts charged to Statement of comprehensive income

	31 December 2021	31 December 2020
	£'000	£'000
Return on plan assets excluding interest income	19,903	72,360
Experience gains/(losses) on liabilities	4,009	(5,582)
Gain/(loss) from change in assumptions	21,240	(52,182)
Gain / (loss) from the change in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	(30,677)	-
Actuarial gain/(loss) before tax	14,475	14,596

As per FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it can recover the excess either through reduced contributions in the future or through refunds from the plan. The surplus does not belong to the RCN and will not be recognised in the RCN statement of financial position.

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income since adoption of FRS 102 are shown below:

	Actuarial gains/(losses) charged to comprehensive income	Cumulative actuarial gains and (losses)
	£'000	£'000
2014	(14,192)	(14,192)
2015	8,598	(5,594)
2016	23,949	18,355
2017	(938)	17,417
2018	1,829	19,246
2019	12,728	31,974
2020	14,596	46,570
2021	14,475	61,045

Change in the present value of the defined benefit obligation

	31 December 2021 £'000	31 December 2020 £'000
Opening defined benefit obligation	400,770	339,590
Service cost	5,379	4,486
Interest cost	5,784	6,926
Contributions by employees	671	693
Actuarial (gains)/losses	(25,249)	57,764
Benefits paid	(9,847)	(8,689)
Losses (gains) due to benefit changes	-	-
Closing defined benefit obligation	377,508	400,770

Change in the fair value of the scheme assets

	31 December 2021 £'000	31 December 2020 £'000
Opening fair value of the scheme assets	432,045	353,235
Expected return	6,240	7,233
Expenses	(256)	(278)
Actuarial gains/(losses)	19,903	72,360
Contributions by employer	5,954	7,491
Contributions by employees	671	693
Benefits paid	(9,847)	(8,689)
Closing fair value of the scheme assets	454,710	432,045
Actual return on scheme assets	26,143	79,593

The history of experience gains and losses are as follows:

The impact of using a more recent valuation is to introduce gains and losses that arose between 30 September 2016 and 30 September 2019, resulting in the experience loss arising on the liabilities during 2020 in the disclosures, which amounts to around 1.27% of the liabilities.

	31 December 2021 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2018 £'000	31 December 2017 £'000
Defined benefit obligation	(377,508)	(400,770)	(339,590)	(307,034)	(318,327)
Scheme assets	454,710	432,045	353,235	304,563	306,163
Net pension asset/(deficit)	77,202	31,275	13,645	(2,471)	(12,164)
Experience gains/(losses) on scheme liabilities:					
Amount	4,009	(5,582)	1,253	(2,582)	8,830
Percentage of the present value of scheme liabilities	1.06%	1.39%	0.36%	0.84%	2.77%
Actual return less expected return on scheme assets:					
Amount	(19,903)	(72,360)	(40,516)	14,012	(21,729)
Percentage of scheme assets	(4.4%)	(16.75%)	(11.46%)	4.6%	(7.1%)

Sensitivity

The following table provides an indication of the sensitivity of the value of liabilities to changes in assumptions. The impact on the Statement of Comprehensive Income cannot easily be predicted.

Change	Impact on liabilities	Change in defined benefit asset (liability)* £'000
Discount rate by +/- 0.5% p.a.	- 9.7%/+9.8%	36,490/(36,593)
Inflation linked assumptions by +/- 0.5%	+6.9%/-6.9%	(26,009)/25,989
Life expectancy by +/- 2 to 3 year	+8.1% to +12.7%/-8.0% to -11.8%	(30,555) to (47,653)/29,888 to 44,360

* based on value of liabilities at 31 December 2021

17. Management of liquid resources - RCN Group

	31 December 2020	Cash flow	31 December 2021
	£'000	£'000	£'000
Cash invested in UK money market and deposit accounts	29,206	7,846	37,052

18. Analysis of changes in net funds - RCN Group

	31 December 2020	Cash flow	31 December 2021
	£'000	£'000	£'000
Short-term deposits	29,206	7,846	37,052
Cash at bank and in hand	9,467	(2,385)	7,083
Total	38,673	5,461	44,135

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

	Representation activities	Other College activities	Total 31 December 2021	Representation activities	Other College activities	Total 31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets						
Property, plant and equipment	-	11,612	11,612	-	13,082	13,082
Investments	46,644	68,707	115,351	45,929	54,889	100,818
Total fixed assets	46,644	80,319	126,963	45,929	67,971	113,900
Current assets						
Inventory	-	13	13	-	2	2
Debtors and prepayments	2,219	959	3,178	1,996	967	2,963
Short term deposits	22,552	9,739	32,291	16,440	7,965	24,405
Cash at bank and cash in hand	3,620	1,563	5,183	3,566	1,728	5,294
Total current assets	28,391	12,274	40,665	22,002	10,662	32,664
Liabilities						
Bank overdraft	-	-	-	(1)	(1)	(2)
Trade creditors	(684)	(295)	(979)	(961)	(467)	(1,428)
Other creditors	(1,826)	(1,029)	(2,855)	(1,332)	(646)	(1,978)
Accruals and deferred income	(3,351)	(2,428)	(5,779)	(2,886)	(2,206)	(5,092)
Total liabilities	(5,861)	(3,752)	(9,613)	(5,180)	(3,320)	(8,500)
Total assets less current liabilities	69,174	88,841	158,015	62,751	75,313	138,064
Provisions	(8,365)	(167)	(8,532)	(9,381)	(290)	(9,671)
Net assets (excluding pension deficit)	60,809	88,674	149,483	53,370	75,023	128,393

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

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

Trade union reserves include a £35m fund set up by RCN Council on 5 March 2021 to support RCN members should they wish to strike. The monies will be used to provide compensation for loss of earnings and campaigning during the industrial action.

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

20. Reserves

20.1. Reserves – RCN UK

	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
At 1 January 2021 - restated	1,863	126,530	-	128,393
Surplus in period	-	19,284	-	19,284
Investment unrealised gains	-	2,085	-	2,085
Defined benefit pension scheme adjustment	-	(628)	-	(628)
Revaluation reserve	(64)	-	-	(64)
Dividends	-	414	-	414
At 31 December 2021	1,799	147,685	-	149,484

The revaluation reserve relates to the leasehold improvements. See note 11.1 for further detail.

20.2. Reserves – RCN Group

	Reserves for charitable purposes £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
At 1 January 2021 - restated	40,774	1,863	131,168	-	173,805
Surplus in period	19	-	20,790	-	20,809
Investment unrealised gains	1,102	-	2,085	-	3,187
Defined benefit pension scheme adjustment	-	-	(776)	-	(776)
Net unrealised gain on JV	-	-	522	-	522
Revaluation reserve	-	(64)	-	-	(64)
At 31 December 2021	41,895	1,799	153,789	-	197,483

21. Commitments

21.1. Capital commitments

The value of contracts committed to but not provided for was £Nil (31 December 2020: £Nil).

21.2. Pension commitments

The pension scheme was subject to an actuarial valuation at 30 September 2019 by a qualified independent actuary. The valuation reported a deficit of £9.5m, compared to a deficit of £52.1m in September 2016. The 2019 actuarial valuation of the CARE pension scheme resulted in a revised deficit-funding plan which was completed in August 2021.

The current actuarial valuation of the defined benefit (CARE) scheme based on 30 September 2019 was finalised in December 2020. The next actuarial valuation based on the position at 30 September 2022, will be finalised in December 2023.

22. Contingent liabilities

RCN UK contingent liabilities are estimated at £434,250 as at 31 December 2021 (31 December 2020: £632,375). The estimated liability arises from member cases within the professional indemnity scheme that have a lower than 50% chance of success.

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, they should consider obtaining independent legal advice.

24. Council and Committee expenses and remuneration

24.1. Council and Committee expenses

Expenses paid to, or on behalf of, Council members while carrying out their governance duties in the year ended 31 December 2021 amounted to £8,000 (31 December 2020: £14,000). Expenses related predominantly to travel expenses incurred while carrying out Council duties. The number of Council members who received reimbursement within the period was 16 (31 December 2020: 16).

Expenses paid to, or on behalf of, members of the Trade Union Committee and Professional Nursing Committee while carrying out their governance duties amounted to £8,000 (31 December 2020: £8,000). Expenses related predominately to remuneration, travel and accommodation expenses incurred while carrying out Committee duties. The number of Committee members who received reimbursement was 14 (31 December 2020: 25).

24.2. Council remuneration

Council and Committee members do not receive remuneration for undertaking the role, however a total of £41,000 was paid to the employers of the President and Chair of Council as recompense for time spent on services for the RCN UK (31 December 2020: £106,000). Breakdown as follows:

	31 December 2021 £'000	31 December 2020 £'000
Chair of Council (former)	-	24
Chair of Council (current)	-	-
President (former)	41	83
President (current)	-	-
Total	41	106

24.3. Committee remuneration

Committee members do not usually receive remuneration for undertaking their roles, however a total of £12,960 was paid to the employer of a Trade Union Committee member for undertaking activities in relation the RCN UK Pay Programme campaign.

	31 December 2021 £'000	31 December 2020 £'000
Committee members	13	-
Total	13	-

25. Related party transactions

The RCN Group has taken the exemption under FRS 102 not to disclose any transactions of balances between wholly-owned subsidiary entities, which have been eliminated on consolidation.

26. Post-balance sheet events

No material post balance sheet events have been identified.

27. Restatement of comparative figures

The restatement of comparative figures for the year ended 31st December 2020 relates to a revision to the accounting adjustments made in respect of the RCN Group defined benefit pension scheme under the provisions of FRS 102: Retirement Benefits.

Since the scheme moved into a surplus funding position in the year ended 31 December 2019, £3.6m has been included in debtors and £0.5m in creditors which should have been written off through the statement of comprehensive income.

This is because it has now been established that RCN UK has no entitlement to receive refunds, either directly or via reduced future contributions to the scheme.

This change in accounting treatment has been applied retrospectively to the 2020 comparatives shown in these accounts.

The adjustment ensures compliance with the technical provisions of FRS 102: Retirement Benefits but has no impact on either the position of the pension scheme itself or on the cash reserves of the RCN Group.

RCN UK

	As originally reported 2020 £'000	Revised accounting treatment £'000	Restated 2020 £'000
Opening funds	108,225	(362)	107,863
Statement of Comprehensive Income:			
Staff costs	49,704	904	50,608
Other service delivery costs	10,855	(596)	10,259
Interest expense on net defined benefit pension scheme liabilities	-	307	307
Surplus after taxation	15,247	(1)	15,246
Other comprehensive income:			
Defined benefit pension scheme adjustment	-	(2,783)	(2,783)
Closing funds:	131,539	(3,146)	128,393
Statement of Financial Position:			
Debtors and prepayments	6,598	(3,636)	2,962
Creditors and accrued charges	(8,989)	489	(8,500)

RCN Group

	As originally reported 2020 £'000	Revised accounting treatment £'000	Restated 2020 £'000
Opening funds	149,946	(362)	149,584
Statement of Comprehensive Income:			
Staff costs	55,514	653	56,167
Other service delivery costs	19,186	(596)	18,590
Interest expense on net defined benefit pension scheme liabilities	-	307	307
Surplus after taxation	16,778	250	17,028
Other comprehensive income:			
Defined benefit pension scheme adjustment	-	(3,035)	(3,035)
Closing funds:	176,952	(3,146)	173,806
Statement of Financial Position:			
Debtors and prepayments	8,362	(3,636)	4,726
Creditors and accrued charges	(13,622)	489	(13,133)

Thank you to our supporters

RCN Council would like to thank the external advisers to all RCN Group committees, for the very significant expertise, knowledge and commitment they bring to the work of the RCN Group.

We would like to thank all the members who have played an active role in the organisation in 2021 including all our learning representatives, safety representatives and stewards, Board, Branch and Committee members, and all those who have taken part in campaigns, and all our other events. It really does make a difference.

We would like to express our warmest thanks to the companies listed below, for their substantial support in 2021. The same thanks go to all the other companies, groups and individuals - far too numerous to list here – who help to make our work possible.

Lighthouse Financial Advice Ltd

LV=

Gama Healthcare

SharpSmart UK Ltd

We would also like to thank Rachel Armitage, Managing Director RCNi and Deepa Korea, Director RCN Foundation, the boards and trustees of RCNi and the RCN Foundation and all of their staff for their tireless work for the RCN Group.

Reference and administrative details

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20 Cavendish Square, London W1G 0RN

Company registration number: RC000459

Trade Union list number: 528T

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.

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