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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	The Royal College of Nursing of the UK
Year ended:	31 March 2012
List no:	528T
Head or Main Office:	20 Cavendish Square London W1G 0RN
Website address (if available)	
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	Dr Peter Carter
Telephone Number:	020 7647 3781
Contact name for queries regarding	Susan Martin
Telephone Number:	020 7647 3519
E-mail:	Susan.martin@rcn.org.uk

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**  
Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:  
Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:  
Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

# RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	37,538	841	43	241	38,663
FEMALE	363,904	12,897	398	1,959	379,158
TOTAL	401,442	13,738	441	2,200	A 417,821

Number of members included in totals box 'A' above for whom no home or authorised address is held:

5,968
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Number of members at end of year contributing to the General Fund

417,821
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## OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
Member of RCN Council	Jenifer Booth	Tim Coupland	October 2011
	Jane Bovey	David Harding-Price	October 2011
	Saffron Brown	Andrew Patrick	October 2011
	Tracey Budding	Christopher Piercy	October 2011
	Gill Cort	Gemma Selby	October 2011
	Eileen Frame	Christine Thomas	October 2011
	Ann Griffith	Roy Tomlinson	October 2011
	Stacey Hunter	Mike Travis	October 2011
	Professor Janet Marsden	Rachel Trencher	October 2011
	Cate Woolley-Brown	Sue Warner	October 2011

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
<b>INCOME</b>		
From Members: Contributions and Subscriptions		44,417
From Members: Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		44,417
<b>Investment income (as at page 12)</b>		
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	746	
<b>Total of other income (as at page 4)</b>		746
		<b>TOTAL INCOME</b>
		45,163
<b>EXPENDITURE</b>		
Benefits to members (as at page 5)		27,439
Administrative expenses (as at page 10)		13,861
Federation and other bodies (specify)		
<b>Total expenditure Federation and other bodies</b>		41,300
<b>Taxation</b>		
		<b>TOTAL EXPENDITURE</b>
		41,300
<b>Surplus (deficit) for year</b>		3,863
<b>Amount of general fund at beginning of year</b>		2,929
<b>Amount of general fund at end of year</b>		6,792

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Conference Income	281	
Sponsorship	160	
External Grant	145	
Other	160	
<b>TOTAL OTHER INCOME</b>		746
<b>TOTAL OF ALL OTHER INCOME</b>		

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues	23,222	<b>brought forward</b>	25,251
		Education and Training services	2,188
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications	259	Salary Costs	
Advisory Services	1,770	Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
<b>carried forward</b>	25,251	<b>Total (should agree with figure in General Fund)</b>	27,439

FUND 2		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

FUND 3		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		





FUND 6		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

FUND 7		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
<b>Income</b>	Members contributions and levies	£	£
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
<b>Expenditure</b>		Total income	
	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
		Total expenditure	
		Surplus (deficit) for year	
		Amount of political fund at beginning of year	
		Amount of political fund at the end of year (as Balance Sheet)	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union	
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund	£	£
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
<b>Expenditure</b>		Total income	
	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
		Total expenditure	
		Surplus (deficit) for year	
		Amount held on behalf of trade union political fund at beginning of year	
		Amount remitted to central political fund	
		Amount held on behalf of central political fund at end of year	
		Number of members at end of year contributing to the political fund	
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

		£'000
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		5,314
Salaries and Wages included in above	£4,293	
Auditors' fees		64
Legal and Professional fees		861
Occupancy costs		4,860
Stationery, printing, postage, telephone, etc.		550
Expenses of Executive Committee (Head Office)		874
Expenses of conferences		98
Other administrative expenses (specify)		
Bank charges		85
PR & Marketing		134
Insurance		271
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		0
Mortgages		0
Other loans		0
Depreciation		750
Taxation		0
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
	<b>Total</b>	13,861
Charged to:	General Fund (Page 4)	13,861
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	13,861





# BALANCE SHEET as at 31 March 2012

(see notes 47 to 50)

Previous Year '000s		£	£'000
	<b>Fixed Assets</b> (at page 14)		
	<b>Investments</b> (as per analysis on page 15)		
	Quoted (Market value £ )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
	Loans to other trade unions		
8,846	Sundry debtors		1,164
10,253	Cash at bank and in hand		17,193
	Income tax to be recovered		
9	Stocks of goods		8
	Others (specify)		
	<b>Total of other assets</b>		
11,015	<b>TOTAL ASSETS</b>		18,365
	Fund (Account )		
	Fund (Account )		
	Fund (Account )		
	Superannuation Fund (Account )		
	Political Fund (Account )		
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
(79)	Bank overdraft		(68)
	Tax payable		
(2,098)	Sundry creditors		(2,998)
(928)	Accrued expenses		(779)
(4,981)	Provisions		(7,728)
	Other liabilities		
(8,086)	<b>TOTAL LIABILITIES</b>		(11,573)
2,929	<b>TOTAL ASSETS</b>		6,792

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold £				
<b>Cost or Valuation</b>						
At start of year						
Additions						
Disposals						
Revaluation/Transfer s						
At end of year						
<b>Accumulated Depreciation</b>						
At start of year						
Charges for year						
Disposals						
Revaluation/Transfer s						
At end of year						
<b>Net book value at end of year</b>						
<b>Net book value at end of previous year</b>						

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)		
Market Value of Quoted Investment		
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

**Does the union, or any constituent part of the union, have a controlling interest in any limited company?**

YES

NO

If YES name the relevant companies:

COMPANY NAME

COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)


**Are the shares which are controlled by the union registered in the names of the union's trustees?**

YES

NO

If NO, state the names of the persons in whom the shares controlled by the union are registered.

COMPANY NAME

NAMES OF SHAREHOLDERS


# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £'000	Political Funds £'000	Total Funds £'000
<b>INCOME</b>			
From Members	44,417		44,417
From Investments			
Other Income (including increases by revaluation of assets)	746		746
<b>Total Income</b>			45,163
<b>EXPENDITURE</b> (including decreases by revaluation of Total Expenditure)			
			41,300
<b>Funds at beginning of year</b> (including reserves)			2,929
<b>Funds at end of year</b> (including reserves)			6,792
<b>ASSETS</b>			
Fixed Assets			0
Investment Assets			0
Other Assets			18,365
<b>Total Assets</b>			18,365
<b>LIABILITIES</b>			
<b>Total Liabilities</b>			(11,573)
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			6,792

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

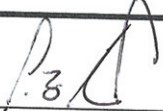
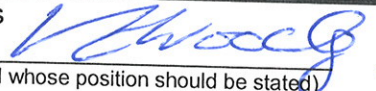
# ACCOUNTING POLICIES

(see notes 74 and 75)

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u>  Name: Peter Carter Date: <u>18.7.12</u>	Chairman's Signature: <u></u> (or other official whose position should be stated)  Name: Vanessa Woods (Head of Finance) Date: <u>18.7.12</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

# AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES  NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES  NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES  NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 85)

*See attached 'Consolidated group annual report and consolidated accounts.'*

## AUDITOR'S REPORT (continued)

The above responses merely reference matters set out in our attached independent auditors' report to The Royal College of Nursing the United Kingdom on the financial statements of The Royal College of Nursing of the United Kingdom for the year ended 31 March 2012 dated 25 July 2012 (the "annual financial statements auditors' report"). This report is not a substitute for reading the annual financial statements auditors' report and the financial statements to which they relate. We have not performed any additional procedures in giving this report except for agreeing that the amounts and disclosures in the return are accurately extracted from the attached annual financial statements.

The above responses and the annual financial statements auditors' report, including the opinion, are prepared for and only for the Council Members as a body in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 and section 17 of the Royal College of Nursing Royal Charter and for no other purpose. We do not, in giving the opinion, accept or assume responsibility for any other purpose or to any other person who receives our annual financial statements' auditors' report unless otherwise agreed by us in writing.

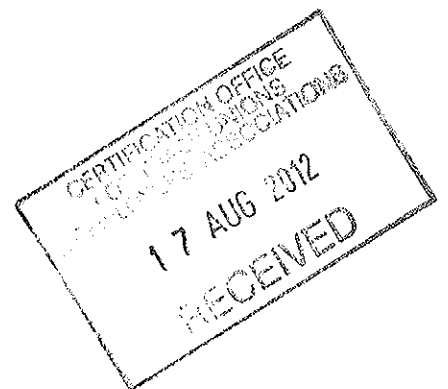
Signature(s) of auditor or auditors:	<i>PricewaterhouseCoopers LLP.</i>	
Name(s):	<i>PRICEWATERHOUSECOOPERS LLP.</i>	
Profession(s) or Calling(s):	<i>Chartered Accountants</i>	
Address(es):	<i>7 More London Riverside London SE1 2RT</i>	
Date:	<i>25 July 2012</i>	
Contact name and telephone number:	<i>Liz Hazell 0207 804 1235</i>	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

# **Combined group annual report and consolidated accounts**

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

**31 March 2012**



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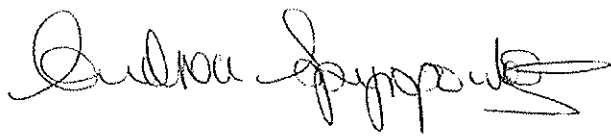
# Introduction

## Message from the President

People often ask me: "What is the best thing about being President of the RCN?" For me, it is an easy question with an obvious answer. In this role, I am lucky enough to meet inspirational people each and every week; ordinary nurses doing extraordinary things.

At Congress this year, I told delegates about some of the superb nursing staff I have met in the last year. I have been privileged enough to meet nursing staff who have gone above and beyond to deliver. Nurses who, despite attacks on their pensions, pay and reputation have stopped at nothing to ensure that the patient is put first. I've met nurses who have revolutionised dementia care, providing patients with an 'intensive' care unit, which enables each patient to constantly have a nurse by their side. I have seen nurses who have built their practice around young adults, providing care via Skype and in the evening, to make sure teenagers get the support they need. And I have met nurses working in a central London hospice who, when a patient said their dying wish was to spend time with horses, moved mountains to make it happen.

Stories like this make it all the more difficult to accept the critical coverage that nursing has attracted in some parts of the media in the past year. It is of course undeniable that poor care happens, but instead of only blaming the nursing profession, we must acknowledge the systemic failings that cause care to go wrong. When staffing levels are too low, nurses are stretched too thin and our healthcare assistants aren't given enough support and supervision, it is no surprise that patient care is sometimes affected. I am determined that the RCN, and our members, will continue to fight unfair criticism, promote excellent care and celebrate the values of nursing that make it so special.



Andrea Spyropoulos  
RCN President  
18 July 2012

## Message from the Chair of Council

If there is one word to sum up the past twelve months, it is 'pivotal'. The challenges that have presented themselves in the last twelve months have meant that your RCN Council has had to make some very hard decisions.

As many reading this will know, the last year has seen a lot of activity around the subject of NHS pensions. In the summer, the Government issued its first set of proposals, which would have meant all nurses and healthcare assistants would have had to work longer, pay more and, eventually, get less. The RCN worked hard to influence, engage and improve things for our members. We met regularly with Government officials and, come December 2011, the offer on the table was an improvement. It gave protection for a large number of RCN members, as well as an improvement in the accrual rate.

However, for many of our members the offer was still unacceptable and would see them work years longer, only to receive a reduced pension. We wanted to know what our members thought and in January 2012, RCN Council authorised a vote to understand whether members wanted to accept or reject the proposals. The result was disappointing. Only sixteen per cent of members cast their vote. Of those that did vote, the majority - sixty percent - voted to reject the proposals. RCN Council has taken this forward and in May decided to continue the fight against the most objectionable proposal, namely that nursing staff may have to work until the age of 68.

Looking ahead, the next year will see important activity around the 'This is Nursing' work streams. The seven areas of work will focus on the aspects of nursing which have the most significant impact on patient care and the public perception of nursing. They are: education and training, staffing levels, the development and regulation of our healthcare assistants, professional attitudes and behaviour, principles of nursing practice, leadership and the burden of paperwork.

The next twelve months will be just as important for our profession as the last and I very much hope you'll be at the heart of the action.



Professor Kathleen McCourt FRCN  
Chair of Council  
18 July 2012

## Message from the Chief Executive & General Secretary

Our Annual Report is one of the most important documents we produce each year. As you'll see from the pages within, it clearly sets out the financial position of the RCN, as well as detailing the work the College has undertaken in the last year. It demonstrates just how much the College does for people like you, our members; from legal representation to career advice, from welfare and counselling to campaigning against cuts in health budgets.

As you can see from this year's report, the RCN continues to be in strong financial health. This can only be a good thing, when our members are being asked to do more with less, jobs are being lost from the health service and the need for RCN help continues to grow.

The last twelve months have been incredibly busy.

The RCN has fought hard on behalf of our members and their patients. One example of this would be the activity around the Government's controversial Health and Social Care Bill, affecting the NHS in England. The RCN sought to engage with the reforms and influence the proposals for the better. Thanks to the work of our members, we saw some important amendments made. However, despite our hard work and promises to the contrary, the Government stopped listening. It soon became apparent that our concerns were not being heard and in January this year the RCN moved to oppose the legislation. Disappointingly, the Bill passed through Parliament and has become law. The RCN must now work to support our members on the ground, as they will be the ones tasked with making the reforms a reality.

We have worked tirelessly in the other countries of the UK too. In Northern Ireland, we have worked on the Review of Health and Social Care. The RCN outlined a range of workforce and professional issues, highlighting the key role of nursing in securing the vision outlined in the Review. In Wales, we have used our 'Time to Care' campaign to draw political attention to the positive contribution of nursing and the real need to protect numbers, skills and time to ensure quality of care for patients.

For the first time, members of the Scottish Parliament's Health Committee and Local Government Committee were brought together, to discuss the integration of health and social care at an event organised by the RCN. Coupled with the development of the RCN's *Principles for Delivering the Integration of Care*, this allowed the RCN to represent the views of our members at the Health Committee's inquiry into integration and influence its report on the issue, as the Scottish Government's plans to change the way health and social care work together continue to progress.

The challenges that face the nursing profession are significant and will require all of our strength and resolve. However, I have no doubt that nursing will use its voice and campaign for what we all know to be right: high quality care, fair terms and conditions and the reputation of nurses and healthcare assistants everywhere.



Dr Peter Carter OBE  
Chief Executive & General Secretary  
18 July 2012

# The Report of Council

## Our 2011/12 Council Priorities

Each year RCN Council provides the organisation with a picture of the significant activities and targets required during the next financial year – and how these link to the five-year strategic plan. RCN Council's priority activities for 2011/12 are given below, with a summary of their purpose and the outcomes being sought.

The 2011/12 Priorities were grouped into three key areas of RCN activity:

- being a trade union
- being a professional organisation
- being a business.

These groups were further divided to address objectives that were:

- business as usual
- transformational.

Finally, the Priorities themselves were described by their:

- outputs
- outcomes.

### 1. Trade union – business as usual

- a. Partnership working in a new political and economic climate.

Protecting, supporting, and representing members in a difficult economic climate (using the Frontline First campaign). Achieve maximum facilities time, and increase and improve the capabilities of our activists.

Leading to:

Greater co-operation between trade unions / employers.

Increased influence with employers and government (and their health policies).

Increased membership and retention.

Right pay, terms and conditions, and equality for members.

- b. Maintain investment in all our activists (including branches and forums).

Leading to:

Implementation of mentorship throughout Future Activist programme.

Proficient, effective, and valued activists.

Optimised officer resources.

Convenor development.

- c. *Future Officer* programme.

Leading to:

RCN officer programme implemented.

Proficient, effective officers.

Trade union and professional role balance.

Engaged forums.

## **2. Trade union – transformational**

- a. The RCN's position and involvement at a time of workforce modernisation and new ways of working in the health care sector.

Leading to:

New jobs, roles.

Better support for trade union activity.

- b. Become an organisation that thinks globally.

Leading to:

Increased influence at European level.

Take advantage of international opportunities.

Involvement in and influence of European health and employment policy and European Union directives.

Participation in activities which aim to achieve the millennium development goals.

Ensure European Union and International dimension to professional activity eg patient safety and nursing education.

## **3. Professional – business as usual**

- a. Campaigning on key health care issues.

Leading to:

*Frontline First and Time to Care*

- b. Working on key healthcare projects.

Leading to:

Tools and resources to assist health care professionals in the fields of dementia, patient safety, community nursing and health visiting.

## **4. Professional – transformational**

- a. Bringing health care assistants (HCA) in to full membership and striving for HCA regulation.

Leading to:

Health care assistants fully integrated into RCN decision-making and business.

Culture changes in terms of staff and members recognising the importance of their inclusion.

Regulation of health care assistants.

- b. Nursing education.

Leading to:

Develop a clear position regarding education, including lobbying the Nursing and Midwifery Council.

- c. Positioning of nursing in health care.

Leading to:

New models of health care delivery, led by nursing.

Nurses leading multi-professional policy, practice, and projects across the UK.

- d. Continue to build an authoritative body of RCN professional knowledge.

Leading to:

Guidelines, standards, good practice, patient and public engagement.

Evidence based papers, briefings.

Communications based on this evidence.

Professional standing and engagement at local and national level, with public and patients

Professional influences on policy and practice.

Work with other Royal Colleges.

## **5. Business – business as usual**

- a. Membership growth in a time of economic challenge.

Leading to:

An objective for all members of staff.

Publicise our successes.

Enhancing our recruitment processes.

Higher profile recruitment and marketing initiatives.

Improved membership growth and retention.

- b. Broaden our focus beyond the NHS.

Leading to:

A dedicated independent sector strand in our stakeholder strategy.

More targeted material for non-NHS sectors.

More specific membership database for independent sector.

Different roles for different sectors.

Relationship building/networking with non-NHS sectors.

More recognition agreements in the independent sector.

More business relationships and partnerships.

A higher percentage of independent sector membership.

## **6. Business – transformational**

### **a. RCN workforce modernisation and ways of working.**

Leading to:

Appropriate forums for this work.

Incentivised staff (and members).

Collaborative working using new technology.

Better realisation of existing investments eg Political Leadership Programme.

Better staff engagement.

Positive staff survey outcomes.

Better skills signposting.

### **b. Ethical/sustainability/internal development.**

Leading to:

More formal relationships with organisations sharing this interest.

A reputation amongst such organisations that the RCN is an exemplar organisation.

Publicising relevant stories and relevant key performance indicators to support that reputation.

### **c. Implementation of the customer service programme.**

Leading to:

Improved member experience.

Accreditation for our service delivery with the Institute of Customer Service (ICS).

## Our 2011/12 activities and achievements

### Trade union – business as usual

1. Consult with members regarding pay, pensions and workforces issues – and represent RCN views in the media and lobbying strategies to safeguard our members' jobs, pay, terms and conditions.

Members have been involved extensively on multiple consultations on pay issues – mostly on specific employer proposals, for example NHS Direct, Care Quality Commission and Central Manchester University Hospitals Foundation Trust – and nationally on pensions issues, backed by a high-profile media communications strategy. In particular, all members were sent voting papers in a ballot asking whether they wanted to accept or reject the Government's NHS pension proposals. And RCN Council members have steered a task group involving a wide range of representatives from across the UK. This work generated principles which RCN national negotiators have successfully incorporated in staff side approaches on pay and pensions nationally. The extent of coverage of RCN views in the media and parliamentary lobbying is reported to RCN Council on a weekly basis.

2. Understand and influence finance and workforce planning across the health care sector, to ensure an evidence-based authoritative voice on issues of safe staffing and equality of access within the context of economic downturn.

The findings of our *Frontline First* campaign regarding cuts, waste and innovation were presented to RCN Congress 2011 and regular reports were sent to policy makers and the press.

We tabled amendments on the Health and Social Care Act regarding safe staffing levels, and contributed to forums about workforce planning complexity and its associated concerns. Our recommendations on safe staffing levels were produced in March 2012.

3. Deliver effective election campaigns.

Across the countries, we engaged with members, influenced national politicians on their behalf, and ensured the voice of nursing was heard. Our methods ensured that members were involved from the start in developing campaign key tasks and then remained involved throughout the campaigns. A full range of member communication channels was utilised, and for the first time a range of online tools supported member participation.

4. Seek to safeguard time off arrangements for activists by working with employers to clearly establish the benefits that accredited representatives bring to the organisation.

Changes in NHS architecture have generated anxiety amongst members in terms of the potential for them to imply significant re-engineering and cost savings to the service. Our activists and staff have been fully engaged in responding to these agendas.

5. Maximise the recruitment of representatives, and progress our learning and development response that delivers and evaluates a UK-wide framework that will quality assure the learning and development of RCN activists.

Our learning and development pathway for representatives has been externally accredited and quality assured; the feedback received during accreditation confirmed consistently high standards of pathway management and delivery.

The rights and responsibilities of our representatives have been clarified in our RCN representatives' *statement of expectations* document.

Research was undertaken into the ICT skills of activists and an action plan implemented. Information literacy competences have been embedded within the activists' programme, with accompanying skills sessions.

6. Monitor and assess the level of RCN support for members being provided, ensuring an equitable level across the UK through the most effective use of resources.

We have supported members through guidance and advice on welfare, careers, immigration, and through our counselling service and the work injured nurses group and disability nurses network. More



than 13,000 sessions have been delivered in support of members, during a year when referrals for counselling increased by 9 percent and significant growth was experienced in emergency counselling.

We supported an unprecedented number of members facing job insecurities, advising more than 1,700 members on benefit entitlement in circumstances such as ill health, job loss, suspension or bereavement – providing a 100 percent success rate on welfare benefit and ill health retirement appeals.

We have assisted more than 400 members to negotiate in excess of £500,000 worth of debt during periods of sudden drop in income or job loss, and helped more than 100 members avoid repossession of their property.

7. Manage the *Future Officer Programme* to support the changing role of the RCN officer in line with the direction of the organisation.

The third cohort is going through the programme, after which there will be an evaluation before the fourth cohort in 2013. Feedback has been positive from participants and their managers. The programme has been timely in terms of the changes in NHS architecture and the roles our officer community have in delivering these changes in a strategic fashion.

### Trade union – transformational

8. Transition to a new phase of the *Frontline First* campaign: cuts, waste and innovations. Develop further external campaigning partnerships, and deliver learning and development content that matches the top 10 call-drivers from the *Frontline First* activity.

*Frontline First* has continued its core work to monitor and expose cuts, but has also evolved to become a tool with which we effectively engage members and empower them to speak out on a range of other important issues eg the Health and Social Care Act and NHS pension changes.

We closely monitored the issues raised by members, and used their top 10 call-drivers to ensure our learning and development content aligned with members' concerns. For example, issues relating to disciplinary matters gained prominence throughout the year, and we subsequently produced a number of films on disciplinary matters, appeals and investigations.

External partnerships and opportunities for joint working with key stakeholders continued to develop: for example working with Mencap on cuts in learning disability nurse posts.

9. Use the *Frontline First* campaign and other strategies to gather intelligence, disseminate information and briefings and co-ordinate local activities to underpin successful action on NHS deficits and cuts. Gather and verify intelligence on finance and workforce issues at NHS board level, and support activists with the tools to understand, influence and communicate NHS board workforce and financial plans. Profile nursing as a force for positive change in health and social care.

The *Frontline First* campaign has been critical in conveying the impact of job losses and other cuts on patient care and the working lives of our members. It has supported the RCN's ongoing influencing work on finance and workforce issues and has been widely recognised and respected by key stakeholders and in the media. The campaign has continued to gain momentum with members and key external audiences including: media, politicians and influential organisations and individuals.

10. Undertake policy lobbying for European Union mutual recognition arrangements and international migration and mobility for nurses, patients and services.

Extensive member consultation has taken place to inform an EU mutual recognition response. Indeed, much of the RCN's green paper position has been integrated into the European Commission's subsequent draft legislation.

Specific topics of work have been focused on minimum standards of nursing education, and the mobility of nurses across Europe (especially the European Federation of Public Service Unions' work on reviewing migration), both of which require mutual recognition agreements.

11. Work with the Home Office, Department of Health, and internal stakeholders to provide a regulatory framework meeting the legal procedures and safeguards required by members.

We have been a continuing influence on the Law Commission's review of a single Act for health professional regulation.

Our legal challenge to the Home Secretary's advice to chief constables (alongside continued lobbying) about levels of disclosure of non-conviction material held on police records led to our involvement with 54 cases, including 14 civil court claims, about prejudicial disclosure.

A judicial review of the Home Office about Secretary of State guidance for the Police on information to be disclosed in CRB enhanced certificates, directly resulted in an invitation to the RCN to contribute to the drafting of new guidance.

The Nursing and Midwifery Council (NMC) withdrew, in the face of threatened legal proceedings, potentially unfair guidance for their Fitness to Practice panels on appropriate sanctions, and is now consulting on revised guidance.

In handling more than 1,000 cases before the NMC, we secured 'no case to answer' in 87.5 percent of all referrals.

12. Determine country and regional targets for safe operating levels of accredited representatives and develop plans to meet those targets.

A mapping exercise of our representatives to their regions/organisations/workplaces has identified the number of active stewards we currently have representing our members. This allows us to set regional targets throughout 2012 to ensure an appropriate numbers of stewards to meet regional requirements. Progress towards meeting the targets is monitored on an ongoing basis and the targets are an organisational key performance indicator.

13. Implement the accredited representatives marketing plan to ensure the RCN has the optimal number to support recruitment and retention strategies.

We have analysed and audited data around RCN representatives, such that gaps in representative data are being identified and addressed. This allows us to set and monitor evidence-based recruitment and retention targets and to implement representing and influencing strategies for our representatives.

14. Create a targeted campaign to encourage health care assistants to become workplace representatives.

The RCN has designed a leaflet aimed at recruiting health care assistant members as representatives – based on the current representative recruitment leaflet with a focus on the skills that being a representative will give you. This was published in April 2012.

As part of the *Future Activist Programme* a film "Why become an RCN Rep?" has been distributed, uploaded to YouTube, and appears on the RCN website, as well as the Activists' Zone.

Campaign messages are to be incorporated into future health care assistant materials and opportunities from April 2012.

15. Further develop the role of learning representatives through implementing learning agreements with employers which ensure learning is protected.

Twenty six employers have been working with us to develop learning agreements, of which six are currently ready for signature. Subsequently, an online learning agreement toolkit and e-learning package for staff and activists has been prepared for 2012, along with publications for employers in the NHS and independent sector.

16. Increase our influence at European level and take advantage of international opportunities. Address the organisation's position as a member of the International Council of Nurses (ICN). Link with international immigration services and respond to issues affecting current and prospective members.

We have refreshed and reshaped our European and international work, capitalising on our strong networks to bring in evidence of good nursing practice outside the UK which can be brought in to UK policy work. Our relationships with other nursing associations led to pilot projects that support nursing in other countries, through development of partnerships with National Nursing Associations (NNAs).

There has been RCN leadership in both European Public Services Union and European Federation of Nurses activities. In particular on European Health and Safety issues such as the needlestick injuries agreement, and on EU health workforce development.

The RCN has been proactive in its work with the ICN, providing significant contribution into proposed changes to the ICN membership fees model and provided recommendations to the next ICN strategic plan.

17. Review the organisation's provision of legal indemnity for members, ensuring an appropriate framework for dealing with future cases aligned to the changing health care environment.

The RCN has reviewed the nature and scope of the financial protection provided by its legal indemnity arrangements. Changes to the scheme were approved by Council which minimise future financial risks to the RCN by limiting claims from those members employed by general practitioners.

18. Ensure that Phase 3 of the Legal and Governance Review clarifies the trade union governance structure, ways of working and decision-making processes across the organisation.

The RCN Board review activity has clarified our Governance structure, with RCN Council re-affirming the priorities for 2012 to update election processes, to review the Congress constitution and rules, and to proceed with proposals to address the composition of boards and consider transition plans for each.

### **Professional – business as usual**

19. Continue to gather and share information to inform areas of the wider RCN with an aim to gather member feedback and shape policy, particularly with regards to *Frontline First*.

We have delivered tools that have enabled members to share their views on issues, including NHS pension changes, and have developed processes by which these are relayed to senior staff in the organisation.

The campaign has also allowed us to survey our members on issues relating to policy and practice, and then use this data to shape briefings and advice we deliver.

Furthermore, using social media, we have continuously engaged with staff on issues raised by members, constantly assessing the issues being faced and feeding local intelligence to relevant RCN staff.

20. Support activity to conduct a scoping exercise to identify the specialist skills and input to commissioning services on: mental health, long-term conditions, learning disabilities, primary care and infection prevention. We have been successful in some areas, for example we have defined the role of commissioning nurse on Clinical Commissioning Groups – and plans are in place to continue the scoping and identification of specialist skills in these areas.

21. Extend and develop RCN activities to promote the image of nursing. Promote the objectives and information to members, maximising impact through the RCN website, publications, e-communications and other communications initiatives.

Trusts are using the Principles of Nursing Practice (PON) in quality improvement, recruitment and preceptorship. Nursing schools have incorporated the principles into curricula and students on placement are trialling them as a reflective learning tool. Workshops about PON continued eg with the Parliamentary and Health Service Ombudsman, now trialling them in investigations and advice. Macmillan Cancer Support aligned its Human Rights Framework in cancer care practice development to PON and is developing associated behavioural quality standards.

22. Develop and build links and/or networks with existing Royal Colleges.

We have successfully worked with other Royal Colleges on the Health and Social Care Act, and ensured all our profession work-streams have been developed in partnership with other Royal Colleges. We have continued our work with the National Institute for Health and Clinical Excellence and the Healthcare Quality Improvement Partnership.

In addition, we have worked with Care Quality Commission (CQC) to share information about regulation and monitoring compliance, ensuring our members are continually updated with the latest information. The PON were mapped to the CQC's essential standards of quality and safety, helping members to understand how they could contribute to compliance with essential standards.

RCN members have sat on CQC specialist advisory groups, and provided advice and support for work programmes, such as our domiciliary care and dignity and nutrition thematic inspections.

23. Continue to deliver the Clinical Leadership Programme across the UK and internationally.

We have continued to deliver facilitator development programmes to support the RCN Clinical Leadership Programme, and forecast further programmes throughout 2012/13.

In addition, we supported the Clinical Leadership Programme country leads in Australia and Switzerland.

The RCN Consultancy Service has run one cohort of the Leading for Quality Care programme, and is about to begin working with two further cohorts, and hoping to recruit to a further two cohorts.

24. Provide consultation responses, ensuring appropriate experts from the membership are engaged and contribute.

All live consultations were made available on the RCN website. Throughout 2011/12 eighty seven formal consultations were received through the Chief Executive & General Secretary's office, of which the RCN responded to sixty three. A wide variety of methods were used to facilitate member engagement including podcasts, short films and events. Furthermore, for some policy issues the RCN used a bespoke panel of expert members to advise and formulate policy responses – for example Social Care Policy.

In addition to consultation responses, the RCN also produced briefings for members on a range of policy issues.

#### **Professional – transformational**

25. Support the value and need for health care assistant regulation. Influence this policy by lobbying the views of RCN at relevant strategic partnerships.

Full RCN membership for healthcare assistants was recognised and approved at the RCN Annual General Meeting. In addition, the need for healthcare assistant regulation was tabled by the RCN in the amendments we submitted into the Health and Social Care Act consultation.

26. Consult with members and formulate a lobbying strategy on the Health bill and Public Health bill.

We have secured nursing involvement in the Clinical Commissioning Groups, and actively supported amendments to policy on staffing levels and HCA regulation.

We have been seen as one of the leading and influential players on this topic – not only inputting to the consultation, but also actively influencing it. We generated an extensive number of briefings used in political and parliamentary activities (press statements, MP lobbying). Extensive member consultation to inform white paper response on both health and social care and public health and numerous parliamentary briefing.

27. Establish closer relationships between RCN forums and branches. Work closely with forum activists and representatives, specifically supporting *Frontline First* campaign by engaging RCN forums and activists in identifying waste, cuts in services, and innovations.

Closer relationships are developing, with the active engagement of our forums in *Frontline First* campaigns, successful joint events, and the ongoing development of joint continuing professional development during 2012.

28. Manage forum projects and launch a transparent reporting system of forum contributions. Produce a comprehensive map of the different RCN networks across the four countries and recommendations for the future vision and structure. Support activity to map forum membership and activists to each region, to develop a comprehensive source of data on key local contacts/spokespeople.

This year we have approved the process for national and local networks. We still need to map activists in each region. We produced an annual report for forums.

29. Strengthen health care assistant integration into wider membership and decision-making at branch and board levels including professional forums.

The 2011 Annual General Meeting vote has led to health care assistants and assistant practitioners being given full membership of the RCN. Subsequently, the RCN's Governance Support Committee is to work on the required constitution upgrades.

30. In line with the RCN's management of change framework, review the Learning and Development Institute to ensure that it is fit for purpose by redefining its purpose and implementing an appropriate structure.

Our review of the RCN Accreditation Unit has developed a remodelling of the service to provide new processes, implementation of new pricing models, and an enhanced marketing plan: all for implementation during 2012.

31. Continue the wider educational work of the RCN, addressing all levels of nursing. Increase access to and uptake of learning and development programmes and resources by individuals and teams based in the independent sector and social care settings.

The RCN, in partnership with the RCN Foundation, is ensuring the modernisation of 20 Cavendish Square has a strong focus on educational resource; to incorporate a history of nursing centre, exhibition areas, seminar space, group working areas and café – all supported with a level of information technology, and supporting a remote eLibrary.

32. Ensure that the Legal and Governance Review reinforces the RCN's role in education and development as a Royal College and as the leading authority on nursing in health and social care – and encourages nurse leaders and Fellows to be active in all parts of our governance structure.

Work progressed throughout 2011/12, and this activity is now incorporated into the *Future Nurse Future Workforce* programme. The Nursing Practice and Policy Committee has taken a significant role in progressing this work, providing a governance lead in the RCN response to the issues that have been highlighted in nursing.

33. The RCN Ethics Committee to deliver an ethical decision-making framework for the organisation.

The RCN Ethics Committee has completed this activity, with the consequence that a series of processes and templates are to be embedded throughout the organisation to ensure that ethical considerations are a critical first-step for any RCN projects or activities undertaken by staff or members.

#### **Business – business as usual**

34. Agree country and regional membership targets and implement new higher profile marketing campaigns to grow overall membership by 0.5 percent.

There has been an ongoing increase in total membership numbers: overall membership grew by 0.7 percent, Full membership grew by 0.3 percent, Student membership grew by 0.4 percent, and HCA membership grew by 20 percent.

Membership categories have been reviewed, and planning put in place to use greater marketing intelligence to reach our targets. Meanwhile our marketing campaigns have been linked to the greater inclusion of all RCN staff.

35. Continue to develop networking opportunities for the pharmaceutical industry - promoting the way in which the RCN works with corporate partners and showcases best practice.

We have showcased our work to our sponsors through invitation to our corporate events and receptions, creating valuable ways in which sponsors can support our work. Also, we ensured a presence at exploratory meetings with potential sponsors, involving ourselves in discussions on key nursing issues.

We also attend the communications sub group on ethical relations between the pharmaceutical industry and health care organisations, working to support a high-level group of presidents and chief executives.

36. Enhance existing activities which maximise the non-membership income in to the organisation. Income-generate through the marketing and delivery of RCN support and advice services to an external market eg RCN Consultancy Service.

It is recognised that the current marketplace makes non-membership income generation more difficult. However, the importance of income generation has registered across the organisation, and processes such as quarterly trading accounts are in place that makes better information available for decision-making on income generation.

## Business - transformational

37. Implement a five year workforce planning strategy. Engage with managers to create and support the desired culture through the choices made at recruitment, and provide skills and personality profiling to enable managers to develop their teams.

A workforce strategy has been drafted, and is to be consulted on by RCN senior managers and the GMB trade union during 2012.

A 360-degree assessment programme is currently being piloted, before wider rollout among the RCN's management team.

38. Provide regular reports to governance committees and senior managers on RCN staff absence, turnover, and workforce profile.

Staff absence/turnover data is collected and formally reported to the Executive Team monthly, quarterly, and in an Annual Report. Key highlights are published to Council as an RCN key performance indicator.

39. Continue the RCN HQ replan: ensure it supports new ways of working in staff areas, enhances conference services and the library.

The Cavendish Square HQ replan is on schedule, with a fifteen-month work programme which started in February 2012.

40. Contribute to, and implement the recommendations from, the customer service project – working across the organisation to achieve customer service accreditation and embed the customer service ethos with all staff.

We continue working towards accreditation and compliance, changing attitudes and identifying training needs within the organisation.

41. Optimise the use of IT and electronic systems used by the organisation – to enable more effective working internally, with our members, with stakeholders, and with the wider public. Improve and redevelop the membership database in line with the changing demands of the organisation and make it fit for purpose moving forward.

Following a review of the RCN information systems, it is recognised that the linchpin is the underlying infrastructure: work has progressed to enhance this, in advance of planned enhancements to associated software and services.

The membership database project is underway, and investigations have led to a consideration of alternatives that will realise organisational benefits quicker than originally planned.

42. Evaluate and publish a review of outcomes delivered from the implementation of the *Single Equality Scheme*.

While a number of uncertainties have occurred around the content and implementation of the legislation, these have been resolved during the year and the RCN's *Single Equality Scheme* was published in April 2012.

43. Review the organisation's procurement processes to ensure value for money and a restructure appropriate to organisational needs.

The RCN Executive Team and the Business Committee approved a new procurement process in October 2011. This will be launched during 2012 alongside the RCN's new financial regulations.

## Our future plans

Our key activities will be aligned with Council's priorities, the organisation's five-year strategy, and our key performance indicators. In addition, the activities will reflect our planning framework ie being a trade union, being a professional organisation, and being a business.

We will be working tirelessly to safeguard members' jobs, pay, terms and conditions. Consequently, there will be significant focus on both our *Frontline First* and *This is Nursing* work streams campaigns, supporting activists, and further developing customer services. Our energies will also focus on continuing to drive up the quality of patient care by rigorously promoting and implementing our standards.

During the year, we will be working towards a new five-year strategic plan for the period 2013-2018. This will be launched at Congress 2013.

### Summary of our future plans

#### Trade union:

- ❖ Campaign and act to safeguard and enhance members' working conditions. Increase national-level lobbying activities with government for protection of pensions, pay and jobs.
- ❖ Deliver, evaluate and improve learning and development for activists.
- ❖ Ensure satisfaction with services and that the highest standard of representation is achieved for our customers.
- ❖ Develop commercial relationships that promote the value of RCN trade union knowledge to the non-NHS independent sectors.

#### Professional:

- ❖ Embed the Principles of Nursing Practice and nursing innovations, and contribute to national quality and research initiatives that support and develop the nursing family – to improve the patients' experience and health outcomes.
- ❖ Use *Frontline First* findings to build on our activists' base information, preparing them for local issues and providing necessary tools.
- ❖ Influence local providers of services to adopt RCN Principles of Nursing Practice in the local development of metrics/standards.
- ❖ Provide quality assured learning and development products/services through our Learning Zone, Clinical Leadership Programme, consultancy service and accreditation role - developing and supporting excellence in nursing practice.

#### Business:

- ❖ Pursue our independent sector strategy. In particular, identify suitable areas for pursuing equal pay claims in the independent sector.
- ❖ Ensure that the new RCN governance arrangements and ways of working embrace and support all members working in healthcare whomever they are employed by.
- ❖ Assess the learning gained from our success within Best Companies 2012, for relevant work streams for future years.

## **Thank you to our supporters**

Abbott Nutrition  
Alliance Pharmaceuticals  
Blackpool Fylde and Wyre Hospital  
Capital Health  
Care Quality Commission  
CareFusion  
Castlebeck Services  
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University of Durham  
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University of Teeside



## Reference and administrative details

### Registered Office

The main educational centre, library and central administrative office of the Royal College of Nursing of the United Kingdom (RCN) is:  
20 Cavendish Square, London W1G 0RN

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

### Bankers

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

### Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside, London SE1 2RT

### Lawyers

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

### Chief Executive & General Secretary

Dr Peter Carter OBE

## Structure, governance and management

### Legal structure – history

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

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

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

### Current legal structure

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

The RCN has three trading subsidiaries RCN Licensing Limited, RCN Membership Services Limited and RCN Publishing Company Limited.

The RCN Foundation is registered as a company limited by guarantee and the RCN is the sole member. The RCN Foundation is an independent registered charity, which forms part of the RCN Group.

## Governance

### Council

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

There are currently 29 members of RCN Council, with two members each from Scotland, Wales, Northern Ireland and from each of the nine English regions. They are directly elected by members in their region or country. RCN Council also includes the President and Deputy President, the Chair of RCN Congress and two student members. In October 2011, RCN members voted to amend the Standing Orders to establish two seats on Council to represent health practitioners such as health care assistants and assistant practitioners. This will take effect from October 2012 and mean that there are 31 members of Council in future.

### **Council committees**

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

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

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

### **Council sub-committees**

There are also four Council sub-committees, which assist Council with policy development and carry out work delegated by Council. Members of the diversity, ethics and international committees are appointed by Council based on their experience and skills. The agenda committee is elected by voting members at RCN Congress. They are:

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

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

**RCN Ethics Committee:** advises Council on all ethical issues.

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

### **Governance committees**

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

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

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

**RCN Remuneration Committee:** is appointed by Council to assist it in discharging its responsibilities for RCN staff, it advises Council on the pay and other terms and conditions for RCN staff, as well as agreeing the remuneration of the RCN Chief Executive & General Secretary. The chair of the committee will answer any questions from the membership at the AGM about all matters within its responsibilities.

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

### **Governance groups**

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

### **Reporting to Membership and Representation Committee:**

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

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

### **Reporting to Nursing Practice and Policy Committee:**

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

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

### **Representative committees**

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

### **Reporting into Nursing Practice and Policy Committee:**

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

### **Reporting into Membership and Representation Committee:**

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

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

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

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

**RCN HCA and AP Committee (Shadow Committee):** considers issues of importance to health care assistants (HCAs) and assistant practitioners (APs), promotes their role in the College and influences policy. This is a shadow committee until it is formally constituted in 2012 following the outcome of the RCN's Legal and Governance Review.

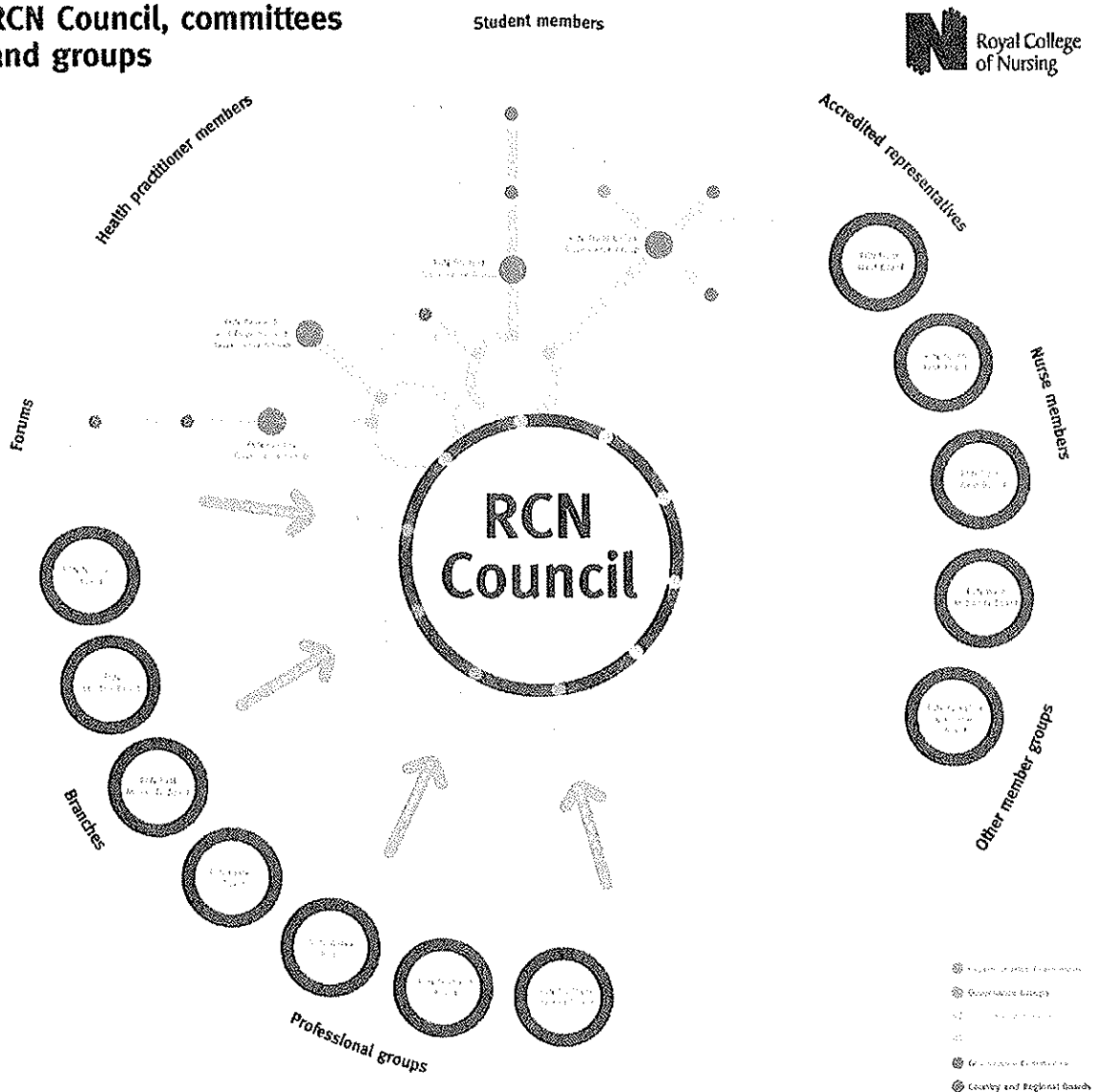
### **Country and Regional boards**

There are three country and nine regional boards to advise and support their directors on matters relating to the country or region. Boards also carry out work delegated to them by Council. During 2011/12 a review of boards was undertaken as part of the RCN's Legal and Governance Review and resulted in new terms of reference being agreed by Council in February 2012 and new regulations setting out the arrangements for the composition of boards.

## Working

The diagram below shows how the different committees and groups work together.

### RCN Council, committees and groups



Over the past two years we have put in place a new reporting and decision-making framework based on a scheme of delegation which sets out where decisions are made and by whom. It aims to ensure:

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

We are continuing to review our governance structures and improve our ways of working as part of the ongoing Legal and Governance Review and to ensure that the membership of Council and its committees and groups reflect as broad a range of our members and their skills and experience as possible.

### Elections and appointments

The core principles followed in all elections and appointments are that members are encouraged to participate, that our paperwork is as informative as possible and our systems and processes are objective, fair, equitable and transparent. All these systems and processes are being reviewed and documented as part of the Legal and Governance Review.

### **Induction and development**

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

### **Disciplinary policy**

In 2011 a new RCN disciplinary policy was launched which built on the work of the dignity charter launched the previous year.

## **Membership and communications**

### **General meetings**

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

### **RCN Congress**

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

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

### **Council**

Professor Kathleen McCourt FRCN (Northern) Chair of Council from October 2011

Michael Brown (Scotland) Vice Chair of Council from October 2011

Sandra James MBE (South East) Chair of Council until October 2011

Ann Marie O'Neill (Northern Ireland) Vice Chair of Council until October 2011

Andrea Spyropoulos RCN President

Cecilia Anim, RCN Deputy President

Lorrae Allford (South West)

Kevin Bell (Northern Ireland)

Jenifer Booth (South East) until October 2011

Jane Bovey (South West) until October 2011

Saffron Brown Student Member of Council until October 2011

Tracey Budding (West Midlands) until October 2011

Gill Cort (East Midlands) until October 2011

Tim Coupland (South West) from October 2011

Carol Evans (Eastern)

Sue Fern (West Midlands)

Eileen Frame (Scotland) until October 2011

Ann Griffiths (Wales) until October 2011

David Harding-Price (East Midlands) from October 2011

Stacey Hunter (Yorkshire and Humber) Honorary Treasurer until October 2011

Gaynor Jones (Wales)

Hamish Kemp (North West)

Anne Kennedy (Yorkshire & the Humber)

Professor Janet Marsden FRCN (North West) until October 2011

Andrew McGovern (London) Honorary Treasurer from October 2011

David Miller (East Midlands)

Ian Norris (London)

Andrew Patrick (Scotland) from October 2011

Christopher Piercy (Northern) from October 2011

Gemma Selby Student Member of Council from October 2011

Christine Thomas (Wales) from October 2011

Professor Rod Thomson FRCN Chair of Congress

Roy Tomlinson (Yorkshire and the Humber) from October 2011

Mike Travis (North West) from October 2011

Rachel Trencher (South East) from October 2011

Sue Warner (West Midlands) from October 2011

Anne Wells (Eastern)

Cate Woolley-Brown (Northern) until October 2011  
Stuart Young Student Member of Council

### **Governance Committees**

#### **Audit Committee**

Ian Norris, Vice Chair from December 2011  
Jane Bovey, Vice Chair until October 2011  
Lorrae Allford from October 2011  
Tracey Budding until October 2011  
Saffron Brown until October 2011  
Sue Fern  
Gaynor Jones  
Ann Marie O'Neill from October 2011  
Andrew Patrick from October 2011  
Gemma Selby from October 2011

#### **External Advisers**

Elizabeth Butler, Chair until February 2012  
Sophia Bhatti  
Michael Parker  
Geraldine Walters

#### **Observer**

Andrew McGovern, Honorary Treasurer from October 2011  
Stacey Hunter, Honorary Treasurer until October 2011

#### **Remuneration Committee**

Anne Wells, Chair from October 2011  
Michael Brown from October 2011  
Eileen Frame until October 2011  
Professor Janet Marsden FRCN until October 2011  
Christine Thomas from October 2011

#### **External Adviser**

Ann Smart

#### **Observer**

Andrew McGovern, Honorary Treasurer from October 2011  
Stacey Hunter, Honorary Treasurer until October 2011

#### **Governance Support Committee**

Sandra James, Chair from October 2011  
Kevin Bell, Vice Chair from October 2011  
Jenny Booth, Chair until October 2011  
Gill Cort, Vice Chair until October 2011  
Michael Brown  
Tim Coupland from October 2011  
Ann Griffiths until October 2011  
Stacey Hunter until October 2011  
Andrew McGovern  
Christopher Piercy from October 2011  
Andrea Spyropoulos  
Mike Travis from October 2011  
Anne Wells until October 2011

#### **External Adviser**

Frank McKenna

**Business Committee (created May 2011)**

Andrew McGovern, Chair from October 2011  
Stuart Young, Vice Chair from May 2011  
Stacey Hunter, Chair until October 2011  
Lorrae Allford until October 2011  
Ann Griffiths until October 2011  
David Harding-Price from October 2011  
Hamish Kemp from October 2011  
Anne Kennedy from October 2011  
Ian Norris from October 2011  
Cate Woolley-Brown until October 2011

**External Advisers**

Shona Brown  
Bernard Crotty  
Simon Ellen

**Council Committees****Nursing Policy and Practice Committee**

Ian Norris, Chair from October 2011  
Carol Evans, Vice Chair from October 2011  
Andrew McGovern, Chair until October 2011  
Jane Bovey, Vice Chair until October 2011  
Cecilia Anim  
Kevin Bell until October 2011  
Jenny Booth until October 2011  
Saffron Brown until October 2011  
Tim Coupland from October 2011  
Sue Fern  
Ann Griffiths until October 2011  
Hamish Kemp  
Professor Janet Marsden FRCN until October 2011  
Andy Patrick from October 2011  
Chris Piercy from October 2011  
Gemma Selby from October 2011  
Andrea Spyropoulos  
Rachel Trencher from October 2011  
Sue Warner from October 2011

**Membership and Representation Committee**

Anne Wells, Chair from October 2011  
David Miller, Vice Chair  
Tracey Budding, Chair until October 2011  
Lorrae Allford  
Cecilia Anim  
Kevin Bell from October 2011  
Michael Brown  
Gill Cort until October 2011  
David Harding-Price from October 2011  
Sandra James from October 2011  
Gaynor Jones  
Anne Kennedy  
Ann Marie O'Neill  
Christine Thomas from October 2011  
Roy Tomlinson from October 2011  
Mike Travis from October 2011  
Cate Woolley-Brown until October 2011  
Stuart Young

## **Council Committee Sub-groups**

### **Forums Governance Group**

David Miller, Chair from October 2011  
David Harding-Price from October 2011  
Sandra Grieve, Forum Chair from October 2011  
David Quayle, Chair of Forum Chairs Committee from October 2011  
Sue Warner from October 2011  
Barry Wroe, Forum Chair from October 2011

### **Research and Development Governance Group**

Sue Bale, Chair  
Helen Allbutt  
Claire Chatterton from October 2011  
Ruth Davies until October 2011  
Linda Dobrzanska  
Leslie Gelling  
Hamish Kemp from October 2011  
Professor Ruth Northway from October 2011  
Maqi Sque  
Annie Topping  
Alison Twycross

### **RCN Students Governance Group (established December 2011)**

Ian Norris, Chair  
Jayne Parker  
Gemma Selby  
Anne Wells  
Gavin Wollacott  
Stuart Young

### **Trade Union Governance Group**

Roy Tomlinson, Chair from October 2011  
Michael Brown, Chair until October 2011  
Lorrae Allford  
Tracey Budding until October 2011  
Lisa Falconer until March 2012  
Catriona Forsyth  
Paul Hopson until October 2011  
Anne Kennedy until October 2011  
Catherine Leach from October 2011  
Professor Janet Marsden FRCN from January 2012  
Margaret McCambridge  
Robert Moore  
Andrew Patrick from October 2011  
Pauline Pearsall  
Helen Williams until June 2011

## **Council sub-committees**

### **Agenda Committee**

Professor Rod Thomson FRCN, Chair  
Stuart McKenzie, Vice Chair  
Tom Bolger from April 2011  
Michael Brown  
Lisa Crooks until April 2011  
Billy Drysdale from April 2011  
Geoff Earl from April 2011  
Sandra James, Chair of Council until October 2011  
Professor Kathleen McCourt FRCN  
Maria Nicholson until April 2011  
Charlie Sloan until April 2011  
Dominic Walsh until April 2011  
BJ Waltho from April 2011



**Awards Committee**

Andrea Spyropoulos, Chair  
Cecilia Anim  
Michael Brown from October 2011  
Jane Denton, Fellow's Convenor from October 2011  
Sandra James until October 2011  
Professor Kathleen McCourt FRCN  
Ann Marie O'Neill

**Diversity Committee**

Sandra James, Chair  
Anne Wells, Vice Chair  
Jane Bovey until October 2011  
Michelle Cowen  
Vivienne Ferris  
Gill Francis  
Ali Handscomb  
Tamsin Kilgour  
Ofrah Mulflahi  
Rachael Ridley  
Rosemary Strange  
Jane Wray

**Ethics Committee**

Margaret Kelly, Chair  
Cecilia Anim  
John Bridson  
David Edwards  
Ann Gallagher  
Judith Hill from October 2011  
Janet Holt  
Martin Johnson  
Ann King  
Carolyn Roberts  
Sue Warner from October 2011  
Kerry Welch

**International Committee**

Professor Kathleen McCourt FRCN, Chair  
Cecilia Anim  
Saffron Brown until October 2011  
Andrew Clarke  
Alan Finnegan  
Paula Hancock  
Judith Malan  
Andrea Spyropoulos  
Rachel Trencher from October 2011

**External Advisers**

Dr Scott Greer  
Monika Kosinska  
Dr Kwalombota Kwalombota  
Pia McRae until December 2011

**Country and regional boards****Northern Ireland Board**

Ann Marie O'Neill, Board Chair  
Robert Moore, Vice Chair  
Michael Battersby  
Kevin Bell  
Eamonn Connolly  
Louise Dorman  
Martain Fiddis

Margaret Graham  
Donna Hanna  
Francis Lavery  
Joseph McCambridge  
Margaret McCambridge  
William McCormick  
Alison Milliken  
Margaret Meehan  
Lorna Mercer  
Gillian Moore  
Ann Scott  
Rosemary Strange  
Mary Walker

#### **Scotland Board**

Michael Brown, Board Chair from October 2011  
Stewart Donnelly, Vice Chair from October 2011  
Eileen Frame Chair until October 2011  
Evelyn Ryan Vice Chair until October 2011 (remained on board)  
Gordon Anderson  
Sean Bingham until January 2012  
Neil Brown  
Eilspeth Caithness  
Lisa Falconer  
Rosemary Glass  
Paul Hopson  
Kathy Kenmuir  
Norma Laurensen  
Mary Ann Lewis until May 2011  
Mary McDermott until April 2011  
Stuart McKenzie  
Joan McKie  
Kathleen McLaren  
Stuart McLauchlan  
Andy Patrick from October 2011  
Graham Revie  
Evelyn Ryan  
Jane Thompson until March 2012  
Eric Watson

#### **Wales Board**

Christine Thomas, Chair from October 2011  
Anne Stevenson, Vice Chair from October 2011  
Ann Taylor Griffiths, Chair until October 2011  
Dave Williams, Vice Chair until November 2011  
Jane Carroll  
Delyth Clarke  
Moira Davies  
Carol Dent until September 2011  
Christine Edwards-Jones  
Jan Evans  
Gaynor Jones  
Grace Jones  
Alison Kedward  
Tamara Morgan  
Pamela Parsons  
Elizabeth Rees  
Jim Richardson  
Sandra Robinson-Clark  
Fiona Salter  
Yvonne Thomas  
Yvonne Whitfield  
Helen Williams

**East Midlands Board**

David Miller, Chair from October 2011  
David Harding-Price, Acting Vice Chair  
Gill Cort, Chair until October 2011  
Laura Archer  
Martin Birchenall  
Marva Duncan  
Pat Edkins  
Ed Fairley  
Roger Hancock  
Ruth Hartley  
Michael Hayworth  
Robert Johnson  
Roger Milligan  
Pauline Smolak  
Simon Ralls  
Lindsey Randell  
Jeanette Robinson  
Liam Whitelaw

**Eastern Board**

Anne Wells, Chair  
Trevor Allen, Vice Chair  
Carol Evans  
Sue Devenish  
Becky Judge  
Pauline Kingston  
Jayne Mewis  
Pauline Newson  
Lisa Nobes  
Ed Phillips  
Bernadette Smith  
Marcia Turnham  
Tessa Woodcock

**London Board**

Andrew McGovern, Chair  
Christopher McDonnell, Vice Chair from December 2011  
Karen Barrett  
Ursula Gallagher  
Susan Howkins  
Hannah Marriage until August 2011  
Tom Morahan  
Ian Norris Vice Chair until October 2011  
Lisa Oluyinka  
Yemi Osho  
Karen Sanders  
Mike Smith  
Kevin Takooree until October 2011  
Zoe Tennant until August 2011  
Barbara Walters  
Neslyn Watson-Druée  
Andrew White

**Northern Board**

Chris Piercy, Chair from October 2011  
Professor Kathleen McCourt FRCN, Vice Chair  
Cate Woolley-Brown, Chair until October 2011  
Neil Anderson  
Karen Dutton  
Denise Elgie  
Pat Ferguson  
Sue Lawrence  
Amanda McEwan  
Denise McLaughlin

Mark Tull  
Margaret Wardrobe  
Jan Weightman

**North West Board**

Hamish Kemp, Chair  
Professor Janet Marsden FRCN, Vice Chair  
Suzanne Butler  
Claire Chatterton  
Catriona Forsyth  
Julie Gorry from May 2011  
Ali Handscomb  
Marcia Jones  
Hamish Kemp  
Cath Leach  
Amanda O'Connor  
Jean Rogers  
Shirley Smith from May 2011 to October 2011  
Alison Taylor  
Mike Travis from October 2011  
Pauline Wright until October 2011

**South East Board**

Sandra James MBE, Chair from October 2011  
David Collins, Vice Chair from October 2011  
Jenny Booth, Chair until October 2011  
Kathy Doughty  
Paul Irving  
Patricia Kemish  
Susan Kewell  
Karen McNay from July 2011  
Angela Mohamed  
Jayne Parker  
Beng Poh  
Trish Pullen  
Glyn Scott  
Sylvia Simmons  
Andrea Thorne  
Rachel Trencher from October 2011  
Malachy Ujam  
Karen Wood until January 2012

**South West Board**

Lorrae Allford, Chair  
Sharon McGinn, Vice Chair (voted Vice Chair in December 2011)  
Jane Bovey until October 2011  
Teresa Cole  
Tim Coupland from October 2011  
Darren Eaves  
Kathryn Lawrie  
Laura Matless  
Kathy Moore  
Debra Nicholson until October 2011  
Lesley Pallett  
Mena Parnell  
Verna Phillips until May 2011  
Susan Pickett  
Edna Piper  
Valerie Radmore  
Margaret Richens until December 2011  
Vanda Squire  
Amanda Yates

**West Midland Board**

Sue Fern, Chair from October 2011  
Lisa Evans-Dimmock, Vice Chair from October 2011  
Tracey Budding, Chair until October 2011  
Lesmarie Crawford  
Alex McKenzie-Slight  
Phil Noyes  
Pauline Pearsall  
Sue Warner  
Mitzi Wilson from October 2011

**Yorkshire & The Humber Board**

Roy Tomlinson, Chair from October 2011  
Pam McIvor, Vice Chair from October 2011  
Anne Kennedy, Chair until October 2011  
Richard Brownhill  
Cora Browning  
Tony Daniels  
Cath Gleason until September 2011  
Kate Harper  
Susan Panther  
John Pinney  
Carol Popplestone  
Paul Smith  
Tina Sykes  
Wendy Train

**RCN Student Committee**

Stuart Young, Chair  
Michelle Watt (Scotland) Vice Chair  
Saffron Brown until October 2011  
Gemma Selby from October 2011  
Alex Thompson (Scotland) until 2011  
Andrew Wyllie (Scotland) from October 2011  
Joanne Sharkey (Northern Ireland) until October 2011  
John McAteer (Northern Ireland) from October 2011  
Stephen Kells (Northern Ireland)  
Tamara Morgan (Wales)  
Susan Doyle (Wales) until October 2011  
Sadie Young (Wales) from October 2011 until March 2012  
Paul Young (Northern) until October 2011  
Steven Walton (Northern) from October 2011  
Joy Griffiths (North West)  
Craig Dominique-Smith (Yorkshire & Humber) until January 2012  
Helen Ballantyne (Yorkshire & Humber) from March 2012  
Phil Schneider (East Midlands) until October 2011  
Gavin Wollacott (East Midlands) from October 2011  
Alexis Mackenzie-Slight (West Midlands)  
Jessica Curtis (Eastern)  
Gary Stockwell (London)  
Claire Barber (South West) until October 2011  
Claire Jeeves (South West) from October 2011  
Jayne Parker (South East) from October 2011

## Management

### Executive Team

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

### Chief Executive & General Secretary

Dr Peter Carter OBE

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

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

## Risk management

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

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

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

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

In particular, we have considered:

- financial and economic risk including liquidity risk
- employee risk
- membership risk
- technological risk
- governance and management risk
- reputation risk
- legal risk
- compliance risk
- infrastructure risk.

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

## Financial Review

The group income and expenditure statement, balance sheet and cash flow statement for the year ended 31 March 2012 are set out on pages 37 and 40. These financial statements are presented under the format required by UK Generally Accepted Accounting Practice (UK GAAP) and the Trade Union and Labour Relations (Consolidation) Act 1992.

The group results report the combined results of the RCN, its three trading subsidiaries (RCN Licensing Limited, RCN Membership Services Limited and RCN Publishing Company Limited) and the RCN Foundation, consolidated on a line-by-line basis.

The financial statements also include a Statement of Recognised Gains and Losses (STRGL) on page 38. This represents the movement in the balance sheet, which is not included within the income and expenditure statement.

The group results for the year ended 31 March 2012 report a surplus before taxation of £9.7m (2010/11: £10.8m).

The total net assets of the RCN Group, including the effect of the RCN Pension Scheme deficit, decreased from £58.8m to £43.1m. This includes charitable funds of £24.9m which are not available for general use. The main reasons for the significant movement are the increase in the pension scheme deficit from £17.2m to £39.3m which has been partially offset by the surplus in the year.

The net assets of the RCN UK, including the effect of the RCN pension scheme deficit, decreased from £29.9m to £13.3m. The movement is a result of the increase in the pension scheme deficit offset in part by the surplus in the year. The RCN reported a net surplus before tax for the year ended 31 March 2012 of £7.9m (2010/11: £8.1m). The RCN did not incur a tax liability in 2011/12 and has surrendered its losses to the group resulting in no tax charges for any entity within the year.

Total income for the RCN was £72.0m (2010/11: £71.1m). This represented a 1.2 percent increase from the previous year. Subscription income increased by £1.0m due to continued membership growth which has increased by 0.7 percent during the year. There was no increase in member subscription rates in January 2012. Other operational income reduced slightly in year due to the challenges in generating income in the current economic climate. The RCN has also experienced a reduction in income from external venue hire due to the replan of 20 Cavendish Square.

Total RCN expenditure was £64.3m (2010/11: £63.1m). RCN expenditure in 2011/12 includes the continued heavy demand placed on the provision of legal representation services as well as costs for the pension ballot. The additional cost of legal representation was offset by higher than budgeted subscription income, VAT recovery and timing of recruitment to new posts for communication support staff in regions and RCN Direct.

The RCN total pension scheme liability at 31 March 2012 was £39.3m (2010/11: £17.2m). This represents an adverse movement of £22.1m. Despite the value of the scheme assets increasing by 7.5 percent this has been offset by the increase in the scheme's liabilities. The value of the scheme's liabilities has increased by 21.2 percent due to low bond yields which directly impact the discount rate used in calculating the liability. Council continues to be committed to reducing the deficit. A payment of £2.4m was paid against the scheme deficit in year; this was significantly higher than the amount required under the agreed deficit funding plan. Further details of pension scheme matters can be found in note 16 of the financial statements.

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) scheme deficit has been reclassified in 2011/12 from the pension scheme liability within the balance sheet. A provision for £1.7m has been made, as the deficit is likely to crystallise in the foreseeable future as the last active member leaves the scheme, more details can be found in note 16.2.

The RCN wholly owns three trading subsidiaries; RCN Publishing Company Limited (RCN PC), RCN Membership Services Limited (RCN MS) and RCN Licensing Limited (RCN L).

The principal activities of RCN PC are communications through journal publishing, exhibitions and public relations within nursing and related fields. This includes the publication of *Nursing Standard*. The company made a pre-tax profit of £935k for the financial year (2010/11: £924k), an increase of 1 percent on the previous year. Both income and expenditure increased at a similar rate within the year. Corporation tax due from HMRC is £6k for 2011/12 (2010/11: £215k tax liability).

The activities of RCN MS consist of procuring insurance, financial and ancillary products and services, and the marketing and publicising of the same, to the RCN and its members. The company receives its income from a share of commission generated by this service. The company made a pre-tax profit of £289k for the financial year (2010/11: £302k). The tax liability for the 2011/12 is nil (2010/11: £111k).

The activities of RCN L consist of licensing the RCN's logo and trademarks, the supply of catering and ancillary services, and the provision of the RCN Consultancy Service. The company made a pre-tax profit of £85k for the financial year (2010/11: £191k). Corporation tax credited to the income and expenditure account is £219 (2010/11: £52,000 charge).

The RCN is the sole member of the RCN Foundation, a charitable company limited by guarantee. The RCN Foundation prepares its financial statements following the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005, as updated in 2008. Its net assets of £24.9m are consolidated in these financial statements but are not available for non-charitable activity. The main asset base of the RCN Foundation is the investment portfolio, with a year end valuation of £17.1m. The remainder of its assets are cash. In 2012, the RCN Foundation reported net outgoing resources of £388k.



## Statement of Council members' responsibilities

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

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

In so far as the Council members are aware:

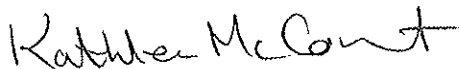
- There is no relevant information of which the RCN's auditor is unaware; and
- The Council members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The maintenance and integrity of the RCN website is the responsibility of RCN Council. The work carried out by the auditors does not involve the consideration of these matters, and accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

On behalf of Council



Professor Kathleen McCourt FRCN  
Chair of Council  
Date: 18 July 2012

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF NURSING IN THE UNITED KINGDOM**

We have audited the financial statements of the Royal College of Nursing in the United Kingdom for the year ended 31 March 2012 which comprise the Group and parent entity Income and Expenditure accounts, Group and parent entity Balance Sheets, Group and parent entity Statement of Total Recognised Gains and Losses, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Council Members' Responsibilities, the Council members are responsible for the preparation of financial statements in accordance with United Kingdom accounting standards.

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

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent entity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council members; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent entity's affairs as at 31 March 2012 and of its surplus and cash flows 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 (Consolidation) Act 1992 and section 25 of the Royal College of Nursing Standing Orders.

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

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

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

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors, London

Date: *25 July 2012.*

## Financial statements

### Income and expenditure accounts for the year ended 31 March 2012

	Note	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000
<b>Incoming resources</b>					
Membership income	4	69,108	68,114	69,108	68,114
Trading income		-	-	13,147	13,488
Other income	4	2,878	2,956	3,227	3,402
<b>Total income</b>		<b>71,986</b>	<b>71,070</b>	<b>85,482</b>	<b>85,004</b>
<b>Resources expended</b>					
Staff costs	9/10	39,031	37,394	43,974	42,185
Premises and estate costs	10	7,129	8,711	9,530	9,453
Travel and accommodation	10	2,692	2,972	2,717	3,080
Other service delivery costs	10	15,407	13,989	20,451	21,176
<b>Total costs</b>		<b>64,259</b>	<b>63,066</b>	<b>76,672</b>	<b>75,894</b>
<b>Operating surplus</b>		<b>7,727</b>	<b>8,004</b>	<b>8,810</b>	<b>9,110</b>
Investment income	5	165	84	750	371
Net investment gains	12	-	-	184	1,284
<b>Surplus on ordinary activities before taxation</b>		<b>7,892</b>	<b>8,088</b>	<b>9,744</b>	<b>10,765</b>
Tax	8	-	(222)	6	(607)
<b>Surplus on ordinary activities after taxation</b>		<b>7,892</b>	<b>7,866</b>	<b>9,750</b>	<b>10,158</b>

There is no difference between the surplus on continuing activities before for the year stated above and the historical cost equivalent.

The notes on pages 41 to 56 form part of these financial statements.

## Statement of total recognised gains and losses for the year ended 31 March 2012

	Note	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000
Actuarial (losses)/gains on defined benefit pension scheme – Pensions Trust	16.1	(25,636)	12,353	(25,636)	12,353
Actuarial gains on defined benefit pension scheme - NILGOSC	16.2	-	21	-	21
Recognition of NILGOSC	16.2	570	(777)	570	(777)
Revaluation reserve adjustment	21	(64)	(63)	(64)	(63)
Unrealised gains on fixed asset investments	12	-	-	(368)	9
Dividends received from subsidiary	6	708	-	-	-
Transfer of charitable funds to subsidiary charity		(111)	-	-	-
Transfer of reserves from subsidiary charity	1	-	32,269	-	-
Other net recognised (losses)/gains		(24,533)	43,803	(25,498)	11,543
Surplus in year		7,892	7,866	9,750	10,158
<b>Total recognised (losses)/gains since last financial statements</b>		<b>(16,641)</b>	<b>51,669</b>	<b>(15,748)</b>	<b>21,701</b>

## Reconciliation of movements in funds for the year ended 31 March 2012

	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000
Surplus in year	7,892	7,866	9,750	10,158
Other net recognised (losses)/gains	(24,533)	11,534	(25,498)	11,543
Movement of reserves following restructure	-	32,269	-	-
Net (deductions from)/additions to funds	(16,641)	51,669	(15,748)	21,701
<b>Accumulated funds at 1 April</b>	<b>29,911</b>	<b>(21,758)</b>	<b>58,837</b>	<b>37,136</b>
<b>Accumulated funds at 31 March</b>	<b>13,270</b>	<b>29,911</b>	<b>43,089</b>	<b>58,837</b>

Details of the 2010/11 group reorganisation and transfer can be found in note 1.

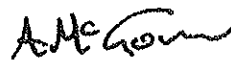
## Balance sheets as at 31 March 2012

Note	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000	
<b>Fixed assets</b>					
Tangible assets	11	23,237	23,203	23,434	23,454
Investments	12	-	-	17,103	17,286
<b>Total</b>		<b>23,237</b>	<b>23,203</b>	<b>40,537</b>	<b>40,740</b>
<b>Current assets</b>					
Stocks		8	9	8	9
Debtors and prepayments	13	2,259	2,283	3,113	3,183
Short-term deposits	18	43,639	33,966	54,327	45,185
Cash at bank and in hand	18	838	861	2,853	2,248
<b>Total</b>		<b>46,744</b>	<b>37,119</b>	<b>60,301</b>	<b>50,625</b>
<b>Creditors – amounts falling due within one year</b>					
Creditors and accrued charges	14.1	(8,219)	(7,302)	(9,205)	(9,376)
<b>Net current assets</b>		<b>38,525</b>	<b>29,817</b>	<b>51,096</b>	<b>41,249</b>
<b>Total assets less current liabilities</b>		<b>61,762</b>	<b>53,020</b>	<b>91,633</b>	<b>81,989</b>
Provisions for liabilities and charges	14.2	(9,181)	(5,931)	(9,233)	(5,974)
<b>Net assets (excluding pension scheme liability)</b>		<b>52,581</b>	<b>47,089</b>	<b>82,400</b>	<b>76,015</b>
Defined benefit pension scheme liability	16	(39,311)	(17,178)	(39,311)	(17,178)
<b>Total net assets (including pension scheme liability)</b>		<b>13,270</b>	<b>29,911</b>	<b>43,089</b>	<b>58,837</b>
<b>Represented by:</b>					
Pension Escrow Account	18	4,913	4,900	4,913	4,900
Revaluation reserve	21	2,420	2,484	3,557	3,989
Reserves for charitable purposes	7.2	-	-	24,894	25,282
Accumulated funds		45,248	39,705	49,036	41,844
<b>Reserves excluding pension liability</b>		<b>52,581</b>	<b>47,089</b>	<b>82,400</b>	<b>76,015</b>
Pension reserve	16	(39,311)	(17,178)	(39,311)	(17,178)
<b>Total reserves</b>		<b>13,270</b>	<b>29,911</b>	<b>43,089</b>	<b>58,837</b>

Notes on pages 41 to 56 form part of these financial statements.  
The financial statements were approved by Council on 18 July 2012



Professor Kathleen McCourt FRCN  
Chair of Council



Andrew McGovern  
Honorary Treasurer



Dr Peter Carter OBE  
Chief Executive &  
General Secretary

## Group cashflow statement for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
<b>Net cash inflow from operating activities</b>	<b>19.1</b>	<b>10,319</b>	<b>12,115</b>
<b>Returns on investments and servicing of finance</b>			
Interest		750	371
Taxation	8	6	(607)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	11.2	(1,327)	(985)
Acquisition of investments	12	(322)	(7,953)
Disposal of investments	12	473	7,888
(Increase)/decrease in investment cash	12	(152)	113
<b>Net cash inflow</b>		<b>9,747</b>	<b>10,942</b>
Management of liquid resources	17	(9,142)	(9,912)
<b>Increase in cash</b>	<b>18</b>	<b>605</b>	<b>1,030</b>

## Notes to the financial statements

### 1. GROUP RESTRUCTURING – 1 APRIL 2010

The RCN ceased to be a charity on 1 April 2010. The RCN Property and Income Charity (which was the charitable part of RCN UK) and the RCN Charitable Trust (RCN CT) have now been removed from the Charity Commission register. The charitable activities of the RCN are now carried out by the RCN Foundation. The assets of the RCN Charitable Trust were transferred between the RCN UK and the RCN Foundation as outlined in the Charity Commission Order.

As the RCN is no longer a charity the RCN UK no longer prepares its group financial statements in line with regulations outlined in the Charities SORP. These financial statements are prepared under the requirements of UK GAAP and the Trade Union and Labour Relations (Consolidated) Act 1992.

Under the old RCN Group structure which ceased to exist after 31 March 2010, any surpluses arising in RCN UK were transferred to RCN CT. In the old structure all fixed assets and related costs were held in Trust within RCN CT; these costs are now incurred within RCN UK. Also within the requirements of the Charity Commission Order the RCN CT has been released of all obligations relating to the RCN UK Pension Scheme.

The transfer of the RCN Charitable Trust's assets between the RCN UK and the RCN Foundation on 1 April 2010 are summarised below:

1. Fixed assets previously held on trust by RCN CT to the sum of £23.5m reverted to the RCN UK.
2. The Investment Portfolio which had been held in the name of RCN CT to the sum of £16.0 m transferred to RCN Foundation.
3. RCN CT was released of any obligation relating to the RCN UK Pension Scheme which is now the obligation solely of the RCN UK. No obligation for the pension scheme was transferred to the RCN Foundation.
4. Ownership of the three trading subsidiaries RCN Publishing Company Limited, RCN Licensing Limited and RCN Membership Services Limited previously wholly owned by RCN CT transferred to the RCN UK.
5. The 2010 gift aided amounts from the three RCN UK trading subsidiaries (£1.7m) transferred to the RCN Foundation from the RCN CT.
6. Of the remaining RCN CT net assets held on 1 April 2010, after any individual item clearly identified as belonging to RCN UK or RCN Foundation transferred as appropriate; 60% transferred to the RCN UK (£8.8m) and 40% transferred to the RCN Foundation (£5.8m).

### 2. ACCOUNTING POLICIES

The consolidated financial statements presented show the consolidated income and expenditure account, statement of total recognised gains and losses, balance sheet and cash flows of the RCN Group for the year ended 31 March 2012.

The group financial statements consolidate the accounts of the RCN UK, RCN Foundation and RCN UK's subsidiary companies. The trading subsidiary companies are RCN Publishing Company Limited (RCN PC), RCN Licensing Limited (RCN L) and RCN Membership Services Limited (RCN MS). The transactions of the RCN UK include amounts relating to activities as a Trade Union registered under the Trade Union and Labour Relations (Consolidated) Act 1992 as reported in these financial statements. RCN UK represents the combined Trade Union (representation) and professional college (other college) activities of the RCN UK.

#### (a) Accounting convention

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

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

#### (b) Income

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

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

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

#### (c) Deferred income

Subscription and membership income relating to the current 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) Basis of consolidation

The Group financial statements consolidate the results of the RCN UK's trading subsidiaries and its associated charity the RCN Foundation on a line by line basis.

**(e) 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 including the annual funding payment against the RCN UK Pension Scheme deficit. Other costs included in this category include the cost of temporary agency staff and staff seconded to the RCN UK from external organisations.

**Premises and estate costs**

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

**Travel and accommodation**

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

**Other service delivery costs**

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

**(f) Pensions**

Since 1 June 2007, the RCN UK offers its employees a defined benefit career average pension scheme, relating to salary and service. Prior to this date the scheme offered was a defined benefit final salary scheme. For the defined benefit scheme the amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. Current and past service costs, interest costs and expected return on assets are included within expenditure, allocated on the same basis as the staff costs of the scheme members. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the income and expenditure account under incoming resources.

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

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

**(g) Irrecoverable Value Added Tax**

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

**(h) Deferred tax**

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

**(i) Tangible fixed assets**

Tangible fixed assets are included at cost except the long leasehold building of 20 Cavendish Square which is held at the revalued amount. The re-valued book amounts have not been updated as the RCN UK has previously adopted the transitional arrangements permitted by FRS 15 "Tangible Fixed Assets". Dates of property valuations under the transitional arrangements are set out in note 11.

Expenditure of a capital nature over £1,000 is capitalised as fixed assets.

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

**(j) 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, as follows:

Freehold buildings	50 Years
Leasehold buildings	50 Years, or the period of the lease if less
Computer software	5 years
Computer equipment	3 years
Furniture and other equipment	5 years



**(k) Impairment of fixed assets**

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

**(l) Investments**

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

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

**(m) Leasing**

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

**(n) 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).

**(o) 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 accounts in the year in which they are incurred under representation. 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.

**(p) Onerous leases**

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present obligations under the lease.

**(q) Direct tax**

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

### 3. SURPLUS ON ORDINARY ACTIVITIES

Surplus on ordinary activities is stated after charging:

	RCN UK		RCN Group	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Depreciation	1,167	1,162	1,280	1,270
Operating leases:				
Land and buildings	1,118	1,255	1,380	1,436
Other leased assets	133	137	197	159
Auditors' remuneration:				
Audit services	105	82	142	112

### 4. INCOMING RESOURCES – RCN UK

	Representation activities £'000	Other college activities £'000	Total 2012 £'000	Total 2011 £'000
Membership income	44,417	24,691	69,108	68,114
Other income	746	2,132	2,878	2,956
	<b>45,163</b>	<b>26,823</b>	<b>71,986</b>	<b>71,070</b>

Representation is defined as relating to Trade Union activities.

Membership income is split – 64% representation and 36% other college activities in line with expenditure. See note 10 for basis of allocation.

### 5. INVESTMENT INCOME – GROUP

	2012 £'000	2011 £'000
UK equities	340	100
Overseas equities	64	10
UK fixed interest	159	176
Bank interest	187	85
	<b>750</b>	<b>371</b>

### 6. RCN UK TRADING SUBSIDIARY UNDERTAKINGS

#### 6.1 Subsidiary results

RCN Publishing Company Limited (RCN PC) is a publisher of nursing journals. RCN Membership Services Limited (RCN MS) receives commission income from companies that provide affinity type benefits to RCN UK members. RCN Licensing Limited (RCN L) receives income from companies granted licenses to use the RCN UK's logo and trademarks, the supply of catering services and the provision of the RCN UK Consultancy Service. All the subsidiaries are incorporated in the United Kingdom.

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

	RCN PC 2012 £'000	RCN PC 2011 £'000	RCN MS 2012 £'000	RCN MS 2011 £'000	RCN L 2012 £'000	RCN L 2011 £'000
Income	13,833	13,610	347	328	408	672
Costs	12,898	(12,687)	(58)	(26)	(323)	(482)
Net profit	<b>935</b>	<b>923</b>	<b>289</b>	<b>302</b>	<b>85</b>	<b>190</b>
Taxation	6	(215)	-	(111)	-	(52)
Retained in subsidiary	<b>941</b>	<b>708</b>	<b>289</b>	<b>191</b>	<b>85</b>	<b>138</b>

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

6.2 Summarised balance sheet of subsidiary trading companies:

	RCN PC 2012 £'000	RCN PC 2011 £'000	RCN MS 2012 £'000	RCN MS 2011 £'000	RCN L 2012 £'000	RCN L 2011 £'000
Fixed assets	196	251	-	-	-	-
Current assets	4,757	5,325	489	311	265	414
<b>Creditors: falling due within one year</b>						
Creditors and accrued charges	(1,347)	(2,211)	(10)	(120)	(41)	(276)
Provisions for liabilities and charges	(52)	(44)	-	-	-	-
<b>Total net assets</b>	<b>3,554</b>	<b>3,321</b>	<b>479</b>	<b>191</b>	<b>224</b>	<b>138</b>
<b>Capital and reserves</b>	<b>3,554</b>	<b>3,321</b>	<b>479</b>	<b>191</b>	<b>224</b>	<b>138</b>

During the year a dividend was paid from RCN PC to RCN for £708k.

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

500,000	500,000	2	2	2	2
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7. OTHER GROUP ENTITIES

7.1 Results of charitable company for whom RCN UK is sole member

RCN Foundation is a grant making charity that supports nursing to improve health and well-being of the public.

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

	RCN Foundation 2012 £'000	RCN Foundation 2011 £'000
Income	673	1,696
Exceptional Income	-	24,012
Costs	(1,061)	(426)
<b>Net surplus/(deficit)</b>	<b>(388)</b>	<b>25,282</b>

Refer to note 1 for details of exceptional income in 2011.

7.2 Summarised balance sheets of RCN Foundation:

	RCN Foundation 2012 £'000	RCN Foundation 2011 £'000
Fixed assets	17,103	17,286
Current assets	8,530	8,157
<b>Creditors: falling due within one year</b>		
Creditors and accrued charges	(739)	(161)
<b>Total net assets</b>	<b>24,894</b>	<b>25,282</b>
<b>Reserves</b>	<b>24,894</b>	<b>25,282</b>

8. TAXATION NOTE

Taxation on surplus on ordinary activities

	RCN UK		RCN Group	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
UK corporation tax	-	222	-	444
Current tax on surplus for the year	-	-	(1)	163
Adjustments in respect of prior years	-	-	-	-
<b>Total current tax</b>	<b>-</b>	<b>222</b>	<b>(1)</b>	<b>607</b>
<b>Deferred tax</b>				
Movement in period	-	-	(5)	(6)
<b>Taxation on surplus on ordinary activities</b>	<b>-</b>	<b>222</b>	<b>(6)</b>	<b>601</b>

The tax assessed for the year is lower (2011: lower) than the main rate of corporation tax in the UK. The differences are explained below:

	RCN UK		RCN Group	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Surplus on ordinary activities before tax	7,892	8,088	9,744	10,765
Surplus on ordinary activities at the main rate of corporation tax in the UK of 26% (2011: 26%)	2,052	2,264	2,533	3,014
Capital gain in capacity of trustee	-	222	-	222
Accelerated capital allowances and other timing differences	(6)	-	(2)	(14)
Sundry timing differences	(24)	-	(21)	-
Expenses not deductible for tax purposes	-	-	5	5
Group relief (claimed)/surrendered	349	-	-	-
Donation under Gift Aid	-	-	-	(166)
Losses carried forward	121	-	121	-
Adjustments in respect of prior periods	-	-	(1)	163
Income with uncertain tax status	-	(2,264)	-	(2,264)
Non-taxable income	(2,432)	-	(2,432)	-
Income covered by tax exemptions	(60)	-	(204)	(353)
<b>Current tax charge</b>	-	<b>222</b>	<b>(1)</b>	<b>607</b>

#### Deferred tax asset balance

The group has a deferred tax asset arising from timing differences as set out below. Shown as 24% rate for the current year (2011: 27%).

#### Analysis of deferred tax asset

Brought forward as at 1 April  
Excess of capital allowances over depreciation  
Short term timing differences  
Pension provision  
Carried forward as at 31 March

	2012 £'000	2011 £'000
Brought forward as at 1 April	34	27
Excess of capital allowances over depreciation	(11)	(16)
Short term timing differences	12	12
Pension provision	10	11
<b>Carried forward as at 31 March</b>	<b>45</b>	<b>34</b>

## 9. STAFF COSTS – GROUP

Salaries  
Social security  
Pensions  
**Total**

	2012 £'000	2011 £'000
Salaries	35,477	34,542
Social security	3,014	2,799
Pensions	5,483	4,844
<b>Total</b>	<b>43,974</b>	<b>42,185</b>

Of the total staff costs £25,298,000 (2011: £18,710,000) has been allocated to representation activities. In 2012, we have reviewed the allocation of costs between representation and other. This has resulted in an increase of approximately £7.0m of staff costs in the representation category due to allocation of support costs between representation and other on the same basis as allocation of direct costs.

In respect of pensions, an amount of £4,343,000 (£2,444,000 for the Pensions Trust and £1,899,000 for NILGOSC) has been paid or provided for (2011: £2,294,000) in excess of the historic employers contribution rate so as to reduce the pension fund deficit.

In 2012 we have credited the income and expenditure accounts with £2,933,000 (2011: £1,387,000) being the difference between the current annual service cost and pension contributions made. This adjustment is made every year in line with the pension calculation and is showing against pension costs in 2012.

The average number of staff employed during the year was 968 (2011: 931). The full time equivalent number of staff was 871 (2011: 844).

#### Full time equivalent staff numbers by department category:

National Boards  
English Regions  
RCN Institute  
RCN Direct  
Other  
RCN Publishing  
**Total**

	2012	2011
National Boards	106	106
English Regions	221	208
RCN Institute	80	88
RCN Direct	92	91
Other	284	262
RCN Publishing	88	89
<b>Total</b>	<b>871</b>	<b>844</b>

#### Total staff numbers

RCN UK  
RCN Publishing  
**Total**

	2012	2011
RCN UK	866	829
RCN Publishing	102	102
<b>Total</b>	<b>968</b>	<b>931</b>

The total emoluments for the Chief Executive & General Secretary in the year were £149,169 (2011: £148,851). 2012 staff costs include £518,170 (2011: £399,445) in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCN UK's operations.

The number of staff whose emoluments (salary and other taxable benefits) are over £60k are as follows (including RCN Publishing):

	2012	2011
£60,000 - £70,000	31	34
£70,000 - £80,000	15	12
£80,000 - £90,000	3	3
£90,000 - £100,000	6	4
£100,000 - £110,000	1	1
£110,000 - £120,000	2	2
£140,000 - £150,000	1	1
<b>Total</b>	<b>59</b>	<b>57</b>

#### 10. BREAKDOWN OF RCN UK EXPENDITURE

	Representation activities £'000	Other college activities £'000	Total 2012 £'000	Total 2011 £'000
Staff costs	25,298	13,733	39,031	37,394
Premise and estate costs	4,543	2,586	7,129	8,711
Travel and accommodation	1,695	997	2,692	2,972
Other service delivery costs	9,764	5,643	15,407	13,989
<b>Total expenditure</b>	<b>41,300</b>	<b>22,959</b>	<b>64,259</b>	<b>63,066</b>

	Representation activities £'000	Other college activities £'000	Total 2012 £'000	Total 2011 £'000
Employment related issues	23,222	-	23,222	21,257
Communications	259	3,455	3,714	3,361
Advisory Services	1,770	556	2,326	1,971
Education and training	2,188	7,043	9,231	9,316
Nursing Department	-	3,833	3,833	3,624
Administrative Expenses	13,861	8,072	21,933	23,537
<b>Total expenditure</b>	<b>41,300</b>	<b>22,959</b>	<b>64,259</b>	<b>63,066</b>

Representation is defined as relating to trade union activities.

Direct costs are allocated to the relevant activity. Non-direct costs are apportioned on the same proportion as the allocation of direct costs. Refer to note 9 for commentary on staff cost apportionment.

#### 11. FIXED ASSETS

##### 11.1 Fixed assets – RCN UK

	Freehold land & buildings £'000	Leasehold improvements £'000	Furniture & equipment £'000	Computer Software £'000	Assets under construction £'000	Total £'000
<b>Cost or Valuation</b>						
Cost at 1 April 2011	3,225	26,905	7,294	1,510	79	39,013
Additions	125	35	54	187	868	1,269
Disposals	-	(159)	(954)	-	-	(1,113)
Transfer of assets under construction	70	-	-	9	(79)	-
Reclassification of assets	-	(113)	(87)	101	-	(99)
<b>Balance at 31 March 2012</b>	<b>3,420</b>	<b>26,668</b>	<b>6,307</b>	<b>1,807</b>	<b>868</b>	<b>39,070</b>
<b>Depreciation</b>						
Accumulated depreciation at 1 April 2011	1,213	6,844	6,696	1,057	-	15,810
Charge for year	115	688	257	175	-	1,235
Disposals	-	(162)	(951)	-	-	(1,113)
Reclassification of assets	-	(125)	(26)	52	-	(99)
<b>Balance at 31 March 2012</b>	<b>1,328</b>	<b>7,245</b>	<b>5,976</b>	<b>1,284</b>	<b>-</b>	<b>15,833</b>
<b>Net book value at 31 March 2012</b>	<b>2,092</b>	<b>19,423</b>	<b>331</b>	<b>523</b>	<b>868</b>	<b>23,237</b>
<b>Net book value at 31 March 2011</b>	<b>2,012</b>	<b>20,061</b>	<b>598</b>	<b>453</b>	<b>79</b>	<b>23,203</b>

The historical cost of re-valued assets is:

Cost  
Accumulated depreciation based on historical cost  
Historical cost net book value

2012 Leasehold improvements £'000	2011 Leasehold improvements £'000
22,167	22,167
(6,487)	(6,044)
15,680	16,123

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

Reclassification of assets relates to a reallocation of historic cost and depreciation, to more accurately reflect the categorisation of the assets.

## 11.2 Fixed assets – Group

	Freehold land & buildings £'000	Leasehold improvements £'000	Furniture & equipment £'000	Computer Software £'000	Assets under construction £'000	Total £'000
<b>Cost or Valuation</b>						
Balance at 1 April 2011	3,225	27,286	7,857	1,510	79	39,957
Additions	125	39	108	187	868	1,327
Disposals	-	(159)	(995)	-	-	(1,154)
Transfer of assets under construction	70	-	-	9	(79)	-
Reclassification of assets	-	(113)	(87)	101	-	(99)
<b>Balance at 31 March 2012</b>	<b>3,420</b>	<b>27,053</b>	<b>6,883</b>	<b>1,807</b>	<b>868</b>	<b>40,031</b>
<b>Depreciation</b>						
Balance at 1 April 2011	1,213	7,108	7,125	1,057	-	16,503
Charge for year	115	724	333	175	-	1,347
Disposals	-	(162)	(992)	-	-	(1,154)
Reclassification of assets	-	(125)	(26)	52	-	(99)
<b>Balance at 31 March 2012</b>	<b>1,328</b>	<b>7,545</b>	<b>6,440</b>	<b>1,284</b>	<b>-</b>	<b>16,597</b>
<b>Net book value at 31 March 2012</b>	<b>2,092</b>	<b>19,508</b>	<b>443</b>	<b>523</b>	<b>868</b>	<b>23,434</b>
<b>Net book value at 31 March 2011</b>	<b>2,012</b>	<b>20,178</b>	<b>732</b>	<b>453</b>	<b>79</b>	<b>23,454</b>

Reclassification of assets relates to a reallocation of historic cost and depreciation, to more accurately reflect the categorisation of the assets.

## 12. INVESTMENTS – GROUP

Market value at 1 April  
Additions at cost  
Disposals at carrying value  
Realised gain  
Unrealised (loss)/gain

Investments at market value at 31 March  
Cash held for reinvestment

UK unlisted securities:  
Cost at 1 April  
UK unlisted securities

Market value at 31 March

Historical cost at 31 March

Investments at market value comprise:

Listed investments

Fixed interest (Government securities and bonds)  
UK equities  
Global equities  
Alternative assets  
Liquid assets

UK unlisted securities

Total

2012 £'000	2011 £'000
17,181	15,823
322	7,953
(473)	(7,888)
184	1,284
(368)	9
<b>16,846</b>	<b>17,181</b>
253	101
<b>4</b>	<b>4</b>
<b>4</b>	<b>4</b>
<b>17,103</b>	<b>17,286</b>
<b>15,960</b>	<b>15,777</b>

2012 £'000	2011 £'000
4,576	4,207
5,235	5,664
6,287	6,451
748	859
253	101
<b>17,099</b>	<b>17,282</b>
<b>4</b>	<b>4</b>
<b>17,103</b>	<b>17,286</b>

### Holdings over 5%

Sarasin Equisar Global Thematic Fund	
Sarasin Sterling Class A income Bonds	
Sarasin CI Equisar Sterling Global Thematic Sterling Hedged	
Treasury Bonds – 2.25%	
Sarasin Charity – Thematic UK equity	

	2012	2011
	23.5%	25%
	8.2%	7.6%
	12.3%	12%
	7.7%	7.5%
	30.6%	33%

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

### 13. DEBTORS

	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000
<b>Due within one year:</b>				
Trade debtors	239	191	887	933
Amounts due from subsidiaries and associated undertakings	2	173	-	-
Other debtors	489	347	477	349
Taxation	-	-	6	-
Prepayments and accrued income	1,529	1,572	1,743	1,901
	<b>2,259</b>	<b>2,283</b>	<b>3,113</b>	<b>3,183</b>

There are no amounts falling due in greater than one year (2011: Nil)

### 14. CREDITORS AND ACCRUED CHARGES

#### 14.1 Amounts falling due within 1 year

	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000
Bank overdrafts and loans	135	217	-	-
Trade creditors	868	875	1,494	1,727
Amount due to subsidiaries and associated undertakings	313	292	-	-
Pension contribution	442	428	442	428
PAYE, social security and taxation	865	801	877	1,226
Payments on account	-	-	4	146
Other creditors	265	328	362	395
Accruals and deferred income	5,331	4,361	6,026	5,454
	<b>8,219</b>	<b>7,302</b>	<b>9,205</b>	<b>9,376</b>

#### 14.2 Provision for liabilities and charges

	RCN UK 2012 £'000	RCN UK 2011 £'000	RCN Group 2012 £'000	RCN Group 2011 £'000
Onerous leases	-	60	-	60
Provision for dilapidations	191	202	243	246
Provision for professional indemnity claims	6,174	4,629	6,174	4,629
Provision for restructuring	196	-	196	-
Provision for pension (NILGOSC)	1,679	-	1,679	-
Other provisions	941	1,040	941	1,039
	<b>9,181</b>	<b>5,931</b>	<b>9,233</b>	<b>5,974</b>

#### Movements – provision for liabilities and charges

	2011 £'000	New provisions £'000	Released £'000	Utilised £'000	2012 £'000
Onerous leases	60	-	-	(60)	-
Provision for dilapidations	246	21	-	(24)	243
Professional indemnity claims	4,629	3,986	(892)	(1,549)	6,174
Provision for restructuring	-	196	-	-	196
Provision for pension (NILGOSC)	-	1,679	-	-	1,679
Other provisions	1,039	18	(109)	(7)	941
	<b>5,974</b>	<b>5,900</b>	<b>(1,001)</b>	<b>(1,640)</b>	<b>9,233</b>

Provisions likely to fall due within one year: £4,684,000 (2011: £5,707,000). Provisions likely to fall due between one and five years: £4,523,000 (2011: £207,000). Provisions likely to fall due over five years: £26,000 (2011: £60,000).

15. LEASING COMMITMENTS

15.1 Operating leases – RCN UK

The annual commitment as at 31 March 2012 under non-cancellable operating leases was:

	Land and Buildings 2012 £'000	Other Assets 2012 £'000	Land and Buildings 2011 £'000	Other Assets 2011 £'000
Leases expiring:				
Within one year	105	33	77	249
Within two to five years	495	237	212	116
Over five years	637	-	1,107	-
	1,237	270	1,396	365

15.2 Operating leases – RCN Group

The annual commitment as at 31 March 2012 under non-cancellable operating leases was:

	Land and Buildings 2012 £'000	Other Assets 2012 £'000	Land and Buildings 2011 £'000	Other Assets 2011 £'000
Leases expiring:				
Within one year	105	39	77	256
Within two to five years	676	253	393	132
Over five years	637	-	1,107	-
	1,418	292	1,577	388

16. PENSIONS

RCN UK staff are currently enrolled in one of two defined benefit pension schemes. Virtually all who have taken advantage of this are enrolled in the RCN UK pension scheme (16.1), a small number of staff employed within Northern Ireland have been enrolled in the NILGOSC scheme (16.2).

16.1 RCN UK defined benefit pension scheme

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

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

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

The market value of the fund as at 31 March 2012, net of additional voluntary contributions was £131.7m. There was no holding greater than 5% of the value of the fund at 31 March 2012.

Total FRS17 pension costs charged to the Income and Expenditure account in the year amounted to £5,483,000 (2011: £4,931,000). As at 31 March 2012 £442,000 was due to the Pension Scheme (2011: £432,000).

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

**Employer**

From 30 September 2010 the employer's annual contribution is 12.9% (2011: 12.7%) of pensionable salaries plus additional annual lump sum contributions to offset the pension scheme deficit. Estimated employer contributions to be paid by the RCN UK in 2012/13 are £4.1m.

The current required annual lump sum contributions set out in the schedule of contributions agreed with the Pension Regulator and effective from 1 April 2012 are £1.5m until the end of the recovery period to 31 March 2022, with subsequent payments increasing by RPI + 2% thereafter. The total deficit funding paid in 2012 was £2,444,000, which equates to £2m plus 5% (RPI) plus 2% accumulated since 2009.

**Contributory employees**

5.7% (2011: 5.7%) or 2.8% (2011: 2.8%) of pensionable salaries (depending on benefit scale) as set out in the schedule of contributions.

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



## FRS 17 Retirement benefits

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

Under the provision of FRS 17 the current deficit in the defined benefit scheme of £39,311,000 has been included as a separate liability on the balance sheet. The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation by a qualified independent actuary at 30 September 2010 to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2012.

The principal actuarial assumptions were as follows:

	2012	2011	2010	2009	2008
Discount rate	4.6%	5.5%	5.7%	6.7%	6.0%
Inflation assumptions (RPI)	3.1%	3.4%	3.5%	3.0%	3.5%
Inflation assumptions (CPI)	2.2%	2.9%	-	-	-
Allowance for pension payments increases accrued before 1 June 2007 (with LPI of 5%)*	3.0%	3.4%	3.5%	3.0%	3.5%
Allowance for pension payments increases accrued after 31 May 2007 (with LPI of 5%)*	(RPI)	(RPI)	(RPI)	(RPI)	(RPI)
Rate of increase in pension deferment with LPI of 5%	2.2%	2.9%	3.5%	3.0%	3.5%
	(CPI)	(CPI)	(RPI)	(RPI)	(RPI)
	3.1%	3.4%	3.5%	3.0%	3.5%

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

### Life expectancies

	2012 Years	2011 Years	2010 Years	2009 Years
Longevity at age 65 for current pensioners				
- Men	23.1	22.4	22.4	22.3
- Women	24.9	24.2	25.1	25.0
Longevity at age 65 for future pensioners*				
- Men	25.4	24.6	24.5	24.4
- Women	26.8	26.1	27.1	27.0

\* assumed currently aged 45

An analysis of the scheme and the expected long term return rates at 31 March were as follows:

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Equities	95,713	88,694	81,787	53,946	64,598
Bonds	43,736	43,134	34,997	23,596	28,160
Property	6,485	5,874	5,227	6,049	7,230
Other	3,546	1,293	3,782	8,503	5,373
Insured pensioners	887	905	1,128	1,169	3,242
<b>Total market value of assets</b>	<b>150,367</b>	<b>139,900</b>	<b>126,921</b>	<b>93,263</b>	<b>108,603</b>
Actuarial value of liability	(189,678)	(156,508)	(157,083)	(111,390)	(125,476)
<b>Net pension liability</b>	<b>(39,311)</b>	<b>(16,608)</b>	<b>(30,162)</b>	<b>(18,127)</b>	<b>(16,873)</b>

	2012 %	2011 %	2010 %	2009 %	2008 %
Equities	64	63	64	58	59
Bonds	29	31	28	25	26
Property	4	4	4	6	7
Other	2	1	3	9	5
Insured pensioners	1	1	1	2	3
<b>Total market value of assets %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

	2012 Expected rate of return	2011 Expected rate of return	2010 Expected rate of return	2009 Expected rate of return	2008 Expected rate of return
Equities	7.3%	8.0%	8.4%	8.2%	8.0%
Bonds	4.3%	5.1%	5.2%	5.7%	4.7%
Property	6.3%	7.0%	7.4%	8.2%	8.0%
Other	0.5%	0.5%	0.5%	0.5%	5.25%
Insured pensioners	4.2%	5.1%	5.2%	5.7%	4.7%
<b>Average rate of return</b>	<b>6.18%</b>	<b>7.0%</b>	<b>7.21%</b>	<b>6.83%</b>	<b>6.91%</b>

The above asset values as at 31 March 2012, 31 March 2011, 31 March 2010 and 31 March 2009 are at bid value, as required under FRS17.

### Analysis of amounts charged to income and expenditure account

	2012 £'000	2011 £'000
Current service cost*		
Interest on obligation	5,088	5,189
(Expected return on scheme assets)	8,514	9,044
<b>Total</b>	<b>(9,918)</b>	<b>(9,302)</b>
	3,684	4,931

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

### Change in the present value of the defined benefit obligation

	2012 £'000	2011 £'000
Opening defined benefit obligation		
Service cost	156,508	157,083
Interest cost	5,088	5,189
Contributions by employees	8,514	9,044
Actuarial losses / (gains)	1,792	1,766
Benefits paid	22,366	(12,842)
	(4,590)	(3,732)
<b>Closing defined benefit obligation</b>	<b>189,678</b>	<b>156,508</b>

### Change in the fair value of the scheme assets

	2012 £'000	2011 £'000
Opening fair value of the scheme assets		
Expected return	139,900	126,921
Actuarial gains / (losses)	9,918	9,302
Contributions by employer	(3,270)	(489)
Contributions by employees	6,617	6,132
Benefits paid	1,792	1,766
	(4,590)	(3,732)
<b>Closing fair value of the scheme assets</b>	<b>150,367</b>	<b>139,900</b>
<b>Actual return on scheme assets</b>	<b>6,648</b>	<b>8,813</b>

The history of experience gains and losses are as follows:-

	Years ending on 31 March				
	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined benefit obligation	(189,678)	(156,508)	(157,083)	(111,390)	(125,476)
Scheme assets	150,367	139,900	126,921	93,263	108,603
(Deficit)	(39,311)	(16,608)	(30,162)	(18,127)	(16,873)

### Experience gains / (losses) on scheme liabilities

Amount	2012	2011	2010	2009	2008
	-	9,364	201	(1,989)	-
Percentage of the present value of scheme liabilities	-	6.2%	0.1%	1.8%	-

### Actual return less expected return on scheme assets:

Amount	2012	2011	2010	2009	2008
	(3,270)	(489)	22,673	(33,091)	(11,716)
Percentage of scheme assets	(2.2%)	(0.3%)	17.9%	35.5%	10.8%

## 16.2 NILGOSC – Northern Ireland Local Government Officers' Pension Fund

The RCN UK currently has 18 members of the NILGOSC defined benefit scheme, 1 of which is active, and 17 are drawing their pension. The one active member will cease to be a member of the scheme within the foreseeable future, therefore a prudent approach has been taken and a cessation payment of £1.679m has been provided.

The pension scheme deficit was included in the Statement of Realised Gains and Losses in the 31 March 2011 financial statements and its valuation calculated in accordance with FRS17. This deficit has now been removed and replaced by the provision now shown in the balance sheet. As a result FRS 17 disclosures have not been disclosed below for the year ended 31 March 2012.

An independent review of the funding position was undertaken following the applicable Technical Actuarial Standards. The table below shows the funding position as at 22 April 2012.

### Funding position

	2012 £'000
Past service liabilities	4,651
Asset share	2,972
<b>Deficit included in provisions (note 14.2)</b>	<b>1,679</b>

The following assumption has been made in calculating the provision:

**Financial assumptions**

Discount rate  
 Salary increases\*  
 Pension increases

	Cessation 22 April 2012
	3.3%
	4.8%
	2.8%

\*Salary increases are 1% pa nominal until 31 March 2012, reverting to the long-term rate shown thereafter.

**Mortality**

Life expectancy is based on the SAPS year of birth tables with improvements from 2007 in line with the Medium Cohort and a 1% pa minimum improvement.

Mortality loadings were applied to the SAPS tables based on membership class. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	24.7 years	27.2 years
Future Pensioners	27.6 years	30.4 years

\*Future pensioners are assumed to be 45 as at 31 March 2010

The demographic assumptions used are the same as the most recent formal valuation. Please see the formal valuation report for further details.

**Commutation**

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

The pension cost for statutory accounts purposes in 31 March 2011 financial statements are assessed in accordance with FRS17: Retirement Benefits, based on the advice of independent qualified actuaries using the projected unit method.

**Employer**

Up to 31 March 2012 the employer's annual contribution was 15.2% of pensionable salaries plus additional annual lump sum contributions to offset the pension scheme deficit. Estimated employer contributions to be paid by the RCN UK in 2012 are £4,000. From 1 April the rate rises to 17.7%.

The current required annual lump sum contributions set out in the schedule of contributions agreed with the Pension Regulator and effective to 31 March 2014 was £220,000.

**Contributory employees**

Up to 31 March 2012 the employees contribution was 7.2% of pensionable salaries.

**FRS 17 Retirement benefits**

The tables below state the FRS 17 actuarial assumptions upon which the valuation of the scheme was based as at 31 March 2011.

The latest actuarial valuation was at 31 March 2010. The valuation used for FRS 17 disclosures has been based on this valuation at 31 March 2010 and updated by a qualified independent actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2011.

The principal actuarial assumptions were as follows:

Discount rate  
 Inflation assumptions  
 Rate of increase in pension deferral and payment

	2011	2010
	5.5%	5.7%
	4.9%	5.0%
	2.9%	3.5%

**Life expectancies**

Longevity at age 65 for current pensioners  
 - Men  
 - Women  
 Longevity at age 65 for future pensioners\*  
 - Men  
 - Women

	2011 Years	2010 Years
	21.5	21.5
	23.6	23.6
	22.7	22.7
	24.6	24.6

\*assumed currently aged 45

An analysis of the scheme and the expected long term return rates at 31 March 2012 were as follows:

	2011 £'000	2011 Proportion	2010 £'000	2010 Proportion
Equities	2,335	77%	2,279	77%
Bonds	425	14%	414	14%
Property	182	6%	178	6%
Other	91	3%	89	3%
<b>Total market value of assets</b>	<b>3,033</b>	<b>100%</b>	<b>2,960</b>	<b>100%</b>
Actuarial value of liability	(3,603)		(3,737)	
<b>Net pension liability</b>	<b>(570)</b>		<b>(777)</b>	

	2011 Expected rate of return	2010 Expected rate of return
Equities	8.0%	8.0%
Bonds	5.1%	4.7%
Property	7.0%	8.0%
Other	0.5%	0.5%
<b>Average rate of return</b>	<b>7.3%</b>	<b>7.7%</b>

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

**Analysis of amounts charged to income and expenditure account**

	2011 £'000
Current Service Cost*	14
Interest on obligation	200
(Expected return on scheme assets)	(220)
Past service recognition	(169)
<b>Total</b>	<b>(175)</b>

**Change in the present value of the defined benefit obligation**

	2011 £'000
<b>Opening defined benefit obligation</b>	<b>3,737</b>
Service cost	14
Interest cost	200
Contributions by employees	4
Actuarial losses	39
Past service gains	(169)
Benefits paid	(222)
<b>Closing defined benefit obligation</b>	<b>3,603</b>

	2011 £'000
<b>Opening fair value of the scheme assets</b>	<b>2,960</b>
Expected return	220
Actuarial gains	60
Contributions by employer	11
Contributions by employees	4
Benefits paid	(222)
<b>Closing fair value of the scheme assets</b>	<b>3,033</b>
<b>Actual return on scheme assets</b>	<b>280</b>

The effect of the provision for the cessation of the NILGOSC defined benefit scheme deficit is as follows:

	2012 £'000
RCN deficit in NILGOSC defined benefit scheme	(626)
Section 75 payment provision	1,679
<b>Settlement loss</b>	<b>(1,053)</b>

**17. MANAGEMENT OF LIQUID RESOURCES**

	2011 £'000	Cash flow £'000	2012 £'000
Cash invested in UK money market and deposit accounts	45,185	9,142	54,327

18. ANALYSIS OF CHANGES IN NET FUNDS

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	2,248	605	2,853
Short-term deposits (including Pension Escrow Account)	45,185	9,142	54,327
	47,433	9,747	57,180

19. NOTES TO THE CASH FLOW

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

	Note	2012 £'000	2011 £'000
Net incoming resources		9,560	9,481
Interest	5	(750)	(371)
Depreciation	11.2	1,347	1,270
Total pension contributions less current service and finance costs		(2,933)	(610)
Recognition of NILGOSC	16.2	-	(777)
Revaluation reserve adjustment		(63)	(63)
Decrease in stock		1	-
Decrease in debtors	13	69	1,034
Decrease in creditors due within one year	14.1	(171)	255
Increase in provisions for liabilities and charges	14.2	3,259	1,896
<b>Net cash inflow from operating activities</b>		<b>10,319</b>	<b>12,115</b>

19.2 Reconciliation of net cash flow to increase in net funds

	Note	2012 £'000	2011 £'000
Net funds at 1 April	18	47,433	36,491
(Decrease)/increase in liquid resources		605	1,030
Cash used to increase liquid resources	17	9,142	9,912
Change in net cash resulting from cash flows	18	9,747	10,942
Net funds at 31 March	18	57,180	47,433

20. ALLOCATION OF RCN UK BALANCE SHEET BETWEEN REPRESENTATION AND OTHER ACTIVITIES

	Representation activities £'000	Other college activities £'000	Total 2012 £'000	Representation activities £'000	Other college activities £'000	Total 2011 £'000
<b>Fixed assets</b>						
Tangible assets	-	23,237	23,237	-	23,203	23,203
<b>Total fixed assets</b>	-	23,237	23,237	-	23,203	23,203
<b>Current assets</b>						
Stock	8	-	8	9	-	9
Trade debtors	62	177	239	49	142	191
Other debtors	166	325	491	89	431	520
Prepayments and accrued income	936	593	1,529	615	957	1,572
Cash at bank and in hand	17,193	27,284	44,477	10,253	24,574	34,827
<b>Total current assets</b>	<b>18,365</b>	<b>28,379</b>	<b>46,744</b>	<b>11,015</b>	<b>26,104</b>	<b>37,119</b>
<b>Liabilities</b>						
Bank overdraft	(68)	(67)	(135)	(79)	(138)	(217)
Trade creditors	(551)	(317)	(868)	(333)	(542)	(875)
Other creditors	(1,051)	(834)	(1,885)	(755)	(1,094)	(1,849)
Accruals and deferred income	(2,175)	(3,156)	(5,331)	(1,938)	(2,423)	(4,361)
<b>Total liabilities</b>	<b>(3,845)</b>	<b>(4,374)</b>	<b>(8,219)</b>	<b>(3,105)</b>	<b>(4,197)</b>	<b>(7,302)</b>
<b>Total assets less current liabilities</b>	<b>14,520</b>	<b>47,242</b>	<b>61,762</b>	<b>7,910</b>	<b>45,110</b>	<b>53,020</b>
Provisions	(7,728)	(1,453)	(9,181)	(4,981)	(950)	(5,931)
<b>Net assets (excluding pension deficit)</b>	<b>6,792</b>	<b>45,789</b>	<b>52,581</b>	<b>2,929</b>	<b>44,160</b>	<b>47,089</b>

For assets and liabilities in the name of the RCN UK there is no distinction between representation and other college. Current assets and liabilities, which can be identified as representation or other college, are allocated directly to the appropriate activity type. Other current assets and liabilities are apportioned based on direct income/expenditure.

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

21. REVALUATION RESERVE

	Balance 31 March 2011 £'000	Transfers to accumulated funds £'000	Investment unrealised gain £'000	Balance 31 March 2012 £'000
Land and buildings	2,484	(64)	-	2,420
Investments	1,505	-	(368)	1,137
	<b>3,989</b>	<b>(64)</b>	<b>(368)</b>	<b>3,557</b>

22. CAPITAL COMMITMENTS

The value of contracts committed to but not provided for was £2,210,277 (2011: nil). Of this figure, £2,064,344 relates to work on the HQ replan.

23. CONTINGENT LIABILITIES

Contingent liabilities are estimated at £580,000 (2011: £930,000) which relates to the member's professional indemnity scheme. The 2011 figure included amounts for other legal and trading disputes of approximately £500,000, which did not materialise.

In 2011 there was a contingent liability due to the uncertain tax status of the RCN as a result of the group reorganisation. The tax status of the RCN is now agreed with HMRC.

24. 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 trustees of the property of the union, the auditor or 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 or trustees, he should consider obtaining independent legal advice.

25. COUNCIL EXPENSES AND REMUNERATION

25.1 Council expenses

Out of pocket expenses to Council members while carrying out their governance duties in 2012 amounted to £155,618 (2011: £102,326). Out of pocket expenses related predominantly to travel expenses incurred while carrying out Council duties. The number of Council members who received reimbursement within the year was 39 (2011: 36).

25.2 Council remuneration

Council members do not receive remuneration for undertaking the role, however a total of £78,252 was paid to the employers of the current President, previous President and Chair of Council as recompense for time spent on services for the RCN UK (2011: £67,261). Breakdown as follows:

	2012 £'000	2011 £'000
Chair of Council	19	24
Current President	59	25
Previous President	-	18
<b>Total</b>	<b>78</b>	<b>67</b>

26. RELATED PARTY TRANSACTIONS

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

During the financial year a service level charge of £70,000 from RCN UK to RCN Foundation was incurred (2011: £82,688).