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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Royal College of Nursing		
Year ended:	31 December 2015		
List no:	528T		
Head or Main Office:	20 Cavendish Square London W1G 0RN		
Website address (if available)	www.rcn.org.uk		
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:	Janet Davies		
Telephone Number:	+442076473963		
Contact name for queries regarding	Lynsey Hamilton		
Telephone Number:	+442076473505		
E-mail:	lynsey.hamilton@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	42,491	965	55	272	<b>43,783</b>
FEMALE	383,669	13,393	410	3,430	<b>400,902</b>
TOTAL	426,160	14,358	465	3,702	A <b>444,685</b>

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

6,480
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Number of members at end of year contributing to the General Fund

444,257
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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
General Secretary	Peter Carter	Janet Davies	01/08/2015

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:

## **Membership of the Council, Governance and Council Committees, and Country and Regional Boards**

### **Council**

Michael Brown (*Scotland*) *Chair of Council*  
Lorrae Allford (*South West*) *Vice Chair of Council*  
Cecilia Anim *RCN President*  
Professor Rod Thomson *FRCN RCN Deputy President*  
Kevin Bell (*Northern Ireland*), until 31 December 2015  
Tracey Budding (*West Midlands*)  
David Cardwell *Health Practitioner member of Council*  
Gill Cort (*East Midlands*)  
Fiona Devlin (*Northern Ireland*)  
Sylvia Duval *Student member of Council, from April 2015*  
Carol Evans (*Eastern*)  
Brendan Garry *Student member of Council, until 31 December 2015*  
Rachel Greaves (*South East*), until 31 December 2015  
David Harding-Price (*East Midlands*) *Honorary Treasurer, until 31 December 2015*  
Gaynor Jones (*Wales*)  
Anne Kennedy (*Yorkshire and Humber*)  
Joanne Kerr (*North West*), until 31 December 2015  
Gordon Lees (*Northern*)  
Stuart McKenzie *Chair of Congress*  
Brenda McIlmurray *Health Practitioner member of Council*  
Andrew Nelson (*Northern*), from March 2015 until 31 December 2015  
Ian Norris (*London*), until 31 December 2015  
Margaret North (*South West*), until 31 December 2015  
Andrew Patrick (*Scotland*), until 31 December 2015  
Sylvia Simmons (*South East*)  
Christine Thomas (*Wales*), until 31 December 2015  
Roy Tomlinson (*Yorkshire and Humber*), until 31 December 2015  
Mike Travis (*North West*), until 31 December 2015  
Peter Walsh, until 31 December 2015  
Sue Warner (*West Midlands*)  
Anne Wells (*Eastern*), until 31 December 2015

### **Governance Committees**

#### **Audit Committee**

Ian Norris *Vice Chair*  
Tracey Budding  
David Cardwell  
Sylvia Duval *from April 2015*

Carol Evans  
Gordon Lees  
Sylvia Simmons  
Sue Warner  
**External Advisers**  
Paul Rees *Chair*  
Sophia Bhatti  
Hugh Spicer  
Mike Weaver

#### **Observers**

David Harding-Price *Honorary Treasurer*

#### **Remuneration Committee**

Anne Wells *Chair*  
Michael Brown  
Anne Kennedy  
Christine Thomas

#### **External Adviser**

*Vacant*

#### **Observers**

David Harding-Price *Honorary Treasurer*

#### **Governance Support Committee**

Kevin Bell *Chair*  
Michael Brown  
Gill Cort  
Fiona Devlin  
Andy Patrick  
Andrew Nelson *from March 2015*  
Prof Rod Thomson *FRCN from January 2015*  
Mike Travis

#### **External Advisers**

Frank McKenna  
Jon Walsh

#### **Business Committee**

David Harding-Price *Chair*  
Lorrae Allford *Vice Chair*  
Brendan Garry  
Gaynor Jones  
Brenda McIlmurray  
Ian Norris

Margaret North  
Roy Tomlinson  
Peter Walsh *until May 2015*

**External Advisers**

Simon Ellen  
David Hopton  
Simon McClean

**Observers**

Paul Rees

**Investment Subcommittee (of Business Committee)**

David Harding-Price *Chair*  
Lorrae Allford *Vice Chair*

**External Advisers**

Simon Ellen  
Simon McClean  
Paul Rees

**Council Committees**

**Nursing Practice and Policy Committee**

Ian Norris *Chair*  
Rachel Greaves *Vice Chair*  
Lorrae Allford  
Carol Evans  
Brendan Garry  
David Harding-Price  
Joanne Kerr *until July 2015*  
Brenda McIlmurray  
Margaret North  
Andrew Nelson *from March 2015*  
Andy Patrick  
Roy Tomlinson  
Professor Rod Thomson *RCN Deputy President*  
Peter Walsh *until May 2015*  
Sue Warner

**Membership and Representation Committee**

Anne Wells *Chair*  
Tracey Budding *Vice Chair*  
Cecilia Anim  
Kevin Bell  
Gill Cort  
Fiona Devlin

Sylvia Duval *from April 2015*  
Claire Jeeves  
Gaynor Jones  
Anne Kennedy  
Gordon Lees  
Sylvia Simmons  
Christine Thomas  
Mike Travis

**Health Practitioner Committee**

Brenda McIlmurray *Chair*  
David Cardwell  
Maive Coley  
Tracie Cuptitt  
David Herring *until April 2015*  
Lorraine Hicking-Woodison  
Lynda High *from July 2015*  
Deborah Jackson *until March 2015*  
Helen Lloyd *until July 2015*  
Brian Murphy *returned from six-month RCN staff  
secondment in April 2015*  
Judith Page  
Joanie Spiegel *until June 2015*  
Philip White *from October 2015*  
Catherine Davies *from October 2015*  
Lyndsey Caldwell *from September 2015*

**Student Committee**

Brendan Garry *Chair*  
Lisa Mickleburgh *Vice Chair until December 2015*  
Grant Byrne  
Katie Douglas  
Hannah Doyle  
Sylvia Duval *from April 2015*  
Emily Gartshore  
Rhys Mood  
Kieran Mahoney  
Conor McElwee  
David Morgan  
Rebecca Richards *until December 2015*  
Graeme Stokes *from May 2015*  
Suzanne Wilton-Baker

## **Council Committee Sub-Groups**

### **Forums Governance Group**

Rachel Greaves *Chair*  
Felicia Cox *from September 2015*  
Tara Bartley *FRCN*  
Dr Michael Brown *FRCN*  
Major Chris Carter  
Lorraine Hicking-Woodison  
Professor Janet Marsden *FRCN*  
David Quayle  
Peter Walsh *until May 2015*  
Sue Warner

### **Students' Governance Group**

Ian Norris *Chair*  
Carol Evans  
Brendan Garry  
Sylvia Duval *from April 2015*  
Lisa Mickleburgh  
Anne Wells *Chair MRC*

### **Trade Union Governance Group**

Tracey Budding *Chair*  
Elspeth Caithness  
Karen Dutton  
Catriona Forsyth *until June 2015*  
Anne Kennedy  
Catherine Leach  
Gordon Lees  
Professor Janet Marsden *frcn*  
Denis McLaughlin  
Brian Murphy *from April 2015*  
Phil Noyes  
Andrew Patrick  
Graham Revie  
Karen Sanders  
Sylvia Simmons

## **Council Subcommittees**

### **Agenda Committee**

Stuart McKenzie *Chair*  
BJ Waltho *Vice Chair*  
Tom Bolger *until June 2015*  
Michael Brown *Chair of Council*  
Maureen Dolan *from June 2015*  
Billy Drysdale *until June 2015*  
Geoff Earl *until June 2015*  
Catriona Forsyth *from June 2015*  
Anthony McGeown *from June 2015*  
Dominic Walsh

### **Awards Committee**

Cecilia Anim *Chair*  
Lorrae Allford  
Michael Brown  
Jane Denton *cbe FRCN*  
Professor Rod Thomson *FRCN*  
Christine Thomas

### **Ethics Committee**

Janet Holt *Chair*  
Cecilia Anim  
Judith Dyson  
David Edwards  
Jeannette Foley  
Ann King  
Zoe Lambert  
Carolyn Roberts  
Sue Warner

### **International Committee**

Professor Kathleen McCourt *CBE FRCN Chair*  
Paula Hancock *FRCN Vice Chair*  
Cecilia Anim  
Andrew Clarke  
Kevin Davies  
Geoff Earl  
Colonel Alan Finnegan *FRCN*  
Judith Malan  
Professor Rod Thomson *FRCN from June 2015*

## Country and Regional Boards

### Northern Ireland

Fiona Devlin *Chair and Council member*  
Maureen Dolan *Vice Chair*  
Kevin Bell *Council member*  
Anne Campbell  
Laura Crowley  
Roisin Devlin  
Siobhan Donald  
Eileen Dunlop  
Kathryn Gault  
Francis Lavery  
Ann Marie Marley MBE  
Joseph McCambridge *until January 2015*  
Joanna McCormick *from April 2015*  
Paul McElwee  
Karen Oakes

### Scotland

Michael Brown *Chair and Council member*  
James Stewart Donnelly *Vice Chair*  
Elspeth Caithness  
Garry Campbell  
Yvonne Chapple  
Diane Coleman  
Teresa Connor  
Alistair Grant  
Vicky Kier  
Martin MacGregor  
Stuart McLauchlan  
Andrew Notman  
Andrew Patrick *Council member*  
Richard Watters  
Tom Wilson

### Wales

Gaynor Jones *Chair and Council member*  
Kate Parry *Vice Chair*  
Stuart Attridge  
Jane Carroll  
Jacqueline Davies  
Christine Edwards-Jones  
Ann Griffiths  
Owain Jones  
Professor Donna Mead  
Tamara Morgan  
Billy Nichols

Pamela Parsons  
Gareth Phillips  
Liz Rees  
Christine Thomas *Council member*  
Gill Williams *resigned 20 January 2015*

### Eastern Region

Anne Wells *Chair and Council member*  
Carol Evans *Vice Chair and Council member*  
Carol Evans  
Laura Falconer  
Sandra Gover  
Dean Hall  
Carla Lewinton  
Sam Neville  
Valeria Outhwaite  
Michael Oyeleye  
Gina Newton  
Helen Oatham  
Richard Quigley  
Andi Robinson

### East Midlands Region

Gill Cort *Chair and Council member*  
Helen Varney *Vice Chair*  
Jenny Creasey  
Rachel Forster  
David Harding-Price  
Jacqueline Hill  
Helen Inskip *from September 2015*  
Stephen Jobling *from July 2015*  
Sharon Johnston  
Helen Morrison  
Helen Ritchie *until January 2015*  
Ian Thomas  
Neil Thompson  
Gavin Wollacott *until April 2015*

### London Region

Ian Norris *Chair and Council member*  
Dr Matthew Hodson MBE *Vice Chair*  
Selven Armon  
Noeleen Behan  
Cynthia Davis  
Neville de Silva  
Susan Howkins  
Andrew McGovern  
Yemi Osho

Dr Maria Ponto  
Philip Roud  
Gary Stockwell  
Faith Thornhill

#### **Northern Region**

Gordon Lees *Chair and Council member*  
Cynthia Agbo *until September 2015*  
Michael Appleby  
Ann Fox *until September 2015*  
Judith Hunter  
Amanda McEwan  
Janet Mortimer  
Andrew Nelson *Council member from March 2015*  
Trevor Peel  
Rachael Ridley  
Michael White

#### **North West Region**

Joanne Kerr *Chair and Council member until August 2015*  
Jean Rogers *Vice Chair*  
Mike Travis *Chair from August 2015 and Council member*  
Suzanne Butler  
Dr Claire Chatterton  
David Dawes  
Shelia Dunbar  
Julie Gregory  
Maggy Heaton  
Karen Lister  
Professor Janet Marsden *FRCN*  
Ben Mott  
Tom Palin  
Verna Philips  
Ali Richards

#### **South East Region**

Rachel Greaves *Chair and Council member*  
Brian Bostock *Vice Chair from March 2015*  
Claire Drot  
Richard Hurn  
Kenny Lloyd  
Karen McNay  
Heather Mercer  
Maria Nicholson  
Queen Nwokporo *from May 2015*  
Wayne Pavey *until August 2015*  
Sylvia Simmons *Council member*  
Sue Symmons

Malachy Ujam  
Cecelia Wigley  
Mary Williamson

#### **South West Region**

Lorrae Allford *Chair and Council member*  
Debra Nicholson *Vice Chair resigned November 2015*  
Dawn Cooper  
Lindsay Jones  
Kathy Lawrie  
Kathy Moore  
Margaret North *Council member*  
Lesley Pallett  
Kristina Rees  
Margaret Ritchie  
Vanda Squire  
Jaydee Swarbrick  
Nicholas White

#### **West Midlands Region**

Sue Warner *Chair and Council member*  
Becky Hoskins *Vice Chair*  
Christopher Barber  
Greta Alleyne  
Tracey Budding *Council member*  
Colin Burgess  
Cathy Briggs  
John Kelsall  
Shaunee Irvine  
Merry Pearcey

#### **Yorkshire & the Humber Region**

Roy Tomlinson *Chair and Council member*  
Pam McIvor *Vice Chair*  
Kay Crawford  
Roger Cowell  
Annette Else  
John Hill  
Anne Kennedy *Council member*  
Anne Penny  
Bron Roberts  
Julie Santy-Tomlinson  
Mathew Sidebottom  
Tracey Slater  
Paul Smith  
Tina Sykes

## 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) meets quarterly and supports ET in delivering corporate policies.

### Chief Executive & General Secretary

Janet Davies *FRCN from 1 August 2015*

Dr Peter Carter *OBE until 31 July 2015*

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

Jane Clarke *Director, Governance Support (until 30 November 2015)*

David Cooper *Director, Human Resources, Estates and Organisational Development (until 30 November 2015); Director, Organisational Capability and Change (from 1 December 2015)*

Chris Cox *Director, Legal Services (until 30 November 2015); Director of Membership Relations (from 1 December 2015)*

Janet Davies *FRCN Director, Nursing and Service Delivery (until 31 July 2015)*

Tina Donnelly *CBE Director, RCN Wales*

Theresa Fyffe *Director, RCN Scotland*

Tim Golbourn *Director, Finance & Corporate Services (until 30 November 2015); Director, Finance and Business Enablement (from 1 December 2015)*

Fiona Johnson *Director, Communications (until 30 November 2015)*

Dame Professor Donna Kinnair *Director, Nursing Policy and Practice (from 1 January 2016)*

Patricia Marquis *Director, RCN England (from 1 August 2015 until 31 December 2015)*

Janice Smyth *Director, RCN Northern Ireland*

Tom Sandford *FRCN Director, Nursing and Service Delivery (from 1 August 2015 until 31 December 2015); Director, RCN England (until 31 July 2015 and from 1 January 2016 to date)*

## Risk Management

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

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

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

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

Over the 12 months, we have focused on:

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

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



# GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		47,615
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		47,615
<b>Investment income (as at page 12)</b>		602
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	2,591	
<b>Total of other income (as at page 4)</b>		50,808
		<b>TOTAL INCOME</b>
		50,808
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		27,349
<b>Administrative expenses (as at page 10)</b>		16,749
<b>Federation and other bodies (specify)</b>		
<b>Total expenditure Federation and other bodies</b>		44,098
<b>Taxation</b>		
		<b>TOTAL EXPENDITURE</b>
		44,098
		Surplus (deficit) for year
		6,710
		Amount of general fund at beginning of year
		19,111
		Amount of general fund at end of year
		25,821

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

(see notes 19 and 20)

DESCRIPTION	£'000	£'000
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Conference income	611	
Commission income	179	
Grant income	325	
Sponsorship income	332	
Conference services	398	
Other income	746	
<b>TOTAL OTHER INCOME</b>		2,591
<b>TOTAL OF ALL OTHER INCOME</b>		2,591

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues	23,514	<b>brought forward</b>	25,615
		Education and Training services	1,734
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications	17	Salary Costs	
Advisory Services	2,084	Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
<b>carried forward</b>	25,615	<b>Total (should agree with figure in General Fund)</b>	27,349

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£'000</b>	<b>£'000</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	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>		

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£'000</b>	<b>£'000</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	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 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£'000</b>	<b>£'000</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	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>			

<b>FUND 7</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£'000</b>	<b>£'000</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	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)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£'000</b>	<b>£'000</b>
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total income	
<b>Expenditure</b>	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			

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		<b>£'000</b>	<b>£'000</b>
<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	
		Total income	
<b>Expenditure</b>	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)

<b>Administrative Expenses</b>		£'000
Remuneration and expenses of staff		8,719
Salaries and Wages included in above	£8,158	
Auditors' fees		62
Legal and Professional fees		1,089
Occupancy costs		2,917
Stationery, printing, postage, telephone, etc.		530
Expenses of Executive Committee (Head Office)		852
Expenses of conferences		389
Other administrative expenses (specify)		
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		84
Mortgages		
Other loans		
Depreciation		1,452
Taxation		0
Outgoings on land and buildings (specify)		
Insurance		337
Other outgoings (specify)		
Public Relations & Marketing		318
	<b>Total</b>	16,749
Charged to:	General Fund (Page 3)	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	16,749







# BALANCE SHEET as at

31 December 2015

(see notes 47 to 50)

Previous Year		£'000	£'000
	<b>Fixed Assets</b> (at page 14)		
	<b>Investments</b> (as per analysis on page 15)		
	Quoted (Market value £ )	27,306	
	Unquoted		
	<b>Total Investments</b>		27,306
	<b>Other Assets</b>		
	Loans to other trade unions		
2,103	Sundry debtors		1,622
10,748	Cash at bank and in hand		6,564
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
12,851	<b>Total of other assets</b>		8,186
	<b>TOTAL ASSETS</b>		35,492
	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		
(66)	Bank overdraft		(37)
	Tax payable		
(1,391)	Sundry creditors		(2,470)
(500)	Accrued expenses		(314)
(8,693)	Provisions		(6,850)
	Other liabilities		
(10,650)	<b>TOTAL LIABILITIES</b>		(9,671)
19,111	<b>TOTAL ASSETS</b>		25,821

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £'000	Motor Vehicles £'000	Not used for union business £'000	Total £'000
	Freehold	Leasehold				
	£'000	£'000				
<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)

<b>QUOTED</b>		All Funds Except Political Funds £'000	Political Fund  £'000
	Equities (e.g. Shares)		
	UK Equities	2,157	
	Global Equities	13,462	
	Government Securities (Gilts)		
	Fixed Interest (Government Securities & Bonds)	7,973	
	Other quoted securities (to be specified)		
	Alternative Assets	3,304	
	Liquid Assets	410	
	<b>TOTAL QUOTED (as Balance Sheet)</b>	<b>27,306</b>	
	Market Value of Quoted Investment	27,306	
<b>UNQUOTED</b>	Equities		
	Government Securities (Gilts)		
	Mortgages		
	Bank and Building Societies		
	Other unquoted investments (to be specified)		
	<b>TOTAL UNQUOTED (as Balance Sheet)</b>		
	Market Value of Unquoted Investments		

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/>
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	47,615		
From Investments	602		
Other Income (including increases by revaluation of assets)	2,591		
<b>Total Income</b>	50,808		
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	44,098		
<b>Funds at beginning of year</b> (including reserves)	19,111		
<b>Funds at end of year</b> (including reserves)	25,821		
<b>ASSETS</b>			
Fixed Assets			
Investment Assets			27,306
Other Assets			8,186
		<b>Total Assets</b>	35,492
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	(9,671)
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			25,821

# 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.**

See statutory accounts



# ACCOUNTING POLICIES

(see notes 74 and 75)

See statutory accounts

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>Janet Davies</i></u> Name: <u>JANET DAVIES</u> Date: <u>27/04/16</u>	Chairman's Signature: <u><i>Michael Brown</i></u> (or other official whose position should be stated) Name: <u>MICHAEL BROWN</u> Date: <u>27/04/16</u>
--	--

## 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)	ENCLOSE D	<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.

See 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.

See 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.

See 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 combined RCN Group annual report and consolidated financial statements for the year ended 31 December 2015.

## AUDITOR'S REPORT (continued)

The above responses merely reference matters set out in our attached independent auditor's report to The Royal College of Nursing of the United Kingdom on the financial statements of The Royal College of Nursing of the United Kingdom for the year ended 31 December 2015 dated 28 April 2015 (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 made solely to the College'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. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature(s) of auditor or auditors:	<u>See attached audit opinion.</u>	
Name(s):	Reza Motazed	
Profession(s) or Calling(s):	Chartered Accountant	
Address(es):	Deloitte LLP 2 New Street Square London EC4A 3BZ	
Date:	27 April 2016	
Contact name and telephone number:	Reza Motazed 020 7007 7646	

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

## Financial review

The RCN Group is made up of the RCN UK, a special registered trade union, RCNi, RCN Foundation registered charity and the recently created subsidiary, RCN Holdco Ltd. RCN Holdco Ltd was created in 2015 and has entered into a Limited Liability Partnership (RCN Law LLP) and has been dormant to date.

The RCN Group statement of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows for the year ended 31 December 2015 are set out on pages 51, 52, 53 and 54. These financial statements are presented in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Trade Union and Labour Relations (Consolidation) Act 1992.

The RCN Group statements report the consolidation on a line-by-line basis of the RCN UK, its trading subsidiary RCNi and the RCN Foundation.

### RCN Group results

The RCN Group results for the year ended 31 December 2015 report a surplus on ordinary activities before taxation of £12.9m (31 December 2014: £7.2m).

This was made up of:

- total income for the RCN Group for the year ended 31 December 2015 of £89.4m (31 December 2014: £87.8m); and
- total RCN Group expenditure for the year ended 31 December 2015 of £80.5m (31 December 2014: £82.1m).

The surplus on ordinary activities before taxation for the group excluding the charitable activities of RCN Foundation were £13m as stated in note 3.1.

Total income for the group rose by £1.6m due primarily to an increase in membership numbers during the year. A combination of internal and external factors will have contributed to this increase including the pay campaign as well as support for the introduction of revalidation.

Group expenditure reduced by £1.6m in the year due to changes in project delivery in building works, as well as a significant reduction in legal indemnity provisions. Operational efficiency savings also contributed to a contraction of spending compared to the prior year.

The RCN Group non-operating transactions for the year ended 31 December 2015 include investment income,

generated from investment assets held by each of the group entities of around £4m, including realised gains. This is an increase of £2.5m against the prior year investment income. This was due to the year ended 31 December 2015 being the first year where RCN UK operated with a complete investment portfolio.

The RCN Group defined benefit pension scheme liability at 31 December 2015 was £40.4m (31 December 2014: £54.5m). Council continue to be committed to reducing the deficit. RCN Council approved the latest actuarial valuation of the defined benefit scheme based on the position at 30 September 2013 in November 2014. Because of that valuation, RCN Council agreed a revised deficit recovery plan with the scheme's Trustees, The Pensions Trust; this included a one-off lump sum payment of £15m. £10.1m of this was paid in December 2014. The amounts held in the Pension Escrow fund (£4.9m) were paid over in March 2015.

Further details of pension scheme matters can be found in note 15 of the financial statements. The full pension scheme deficit is recognised in the RCN UK balance sheet although RCNi, who have staff members in the scheme, contributes to the annual deficit payment.

The non charitable assets of the RCN Group were £36.6m.

The total net assets of the RCN Group, including the effect of the RCN Pension Scheme deficit, increased from £45.7m to £65.8m. This includes charitable funds of the RCN Foundation of £29.2m (31 December 2014: £29.4m), which are not available for general use.

The RCN Group is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing and there is no indication to question the Groups ability to operate as a going concern for the foreseeable future.

### RCN UK results

Total income for the RCN UK was £75.7m (31 December 2014: £74.2m). Subscription income rose to £71.8m (31 December 2014: £70.4) inline with increased membership numbers.

Total RCN UK operating expenditure in the year ended 31 December 2015 was £66.5m (31 December 2014: £68.5m).

The reduction compared to the prior year was a result of changes to project delivery on building works and a reduction in legal indemnity provisions; shown under other service delivery. It should be noted that in 2015 the expenditure related to clinical indemnity was particularly low, partly due to the release of some significant claims and partly due to a general trend downwards. This is consistent with similar movement beginning in 2014. Meanwhile, travel and accommodation expenditure increased by £0.3m due to increased activity on strategic projects; such as the pay campaign, the new customer relationship management (CRM) system and the new RCN website.

The operating surplus for the year ended 31 December 2015 is £9.2m (31 December 2014: £5.7m).

The net assets of the RCN UK, including the effect of the RCN pension scheme deficit, increased from £12.2m to £32.3m. The positive movement reflects the impact of the actuarial gains on the defined benefit pension scheme of £8.6m along with the operating surplus in the year.

In the period to 31 December 2015 the investment portfolio generated gross investment income of £1.2m (31 December 2014: £0.6m), net realised gains of £1m (31 December 2015: £23k) and unrealised losses in the market value of the investments of £0.5m during the year. Investments stand at £53.5m at 31 December 2015.

RCN received a dividend from its wholly owned subsidiary, RCN Publishing of £0.6m (31 December 2014: £0.6m).

### RCNi

The principal activities of RCNi are communications through journal publishing, exhibitions and public relations within nursing and related fields. The company had a year ended 31 December 2015 pre tax profit of £0.8m (31 December 2014: £0.9m).

The major strategic goal for RCNi is to become the lifelong nursing knowledge partner for the whole nursing team. In addition to the current portfolio of journals, events and online tools RCNi provides, the company plans to expand into education and training. This will ensure RCNi provides essential information to the nursing team at all stages of their career development to help them to deliver the best patient care in a global context.

The company launched its new branding, RCNi, to signal its new direction and this has been very well received by customers and stakeholders. Work has

begun on raising awareness of the new branding and the ethos of the company to inspire, inform and champion the cause of nursing.

The new RCNi website, rcni.com was launched in March 2015, winning the PPA Digital Brand of the Year award. RCNi also launched an e-portfolio tool to the individual and institutional market to support nurses with revalidation, and this has developed a new revenue stream for the company.

In the second half of the year, the company invested in a new learning platform, RCNi Learning, which will be launched in March 2016.

Turnover for the year was £14.5m, which is marginally higher than the comparative figure for 2014. The increase in income was a result of the success of the Jobs Fairs (events category) and royalties and archives.

Meanwhile expenditure was consistent with the prior year. The combination of factors resulted in an operating profit margin of 5.6% (31 December 2014: 6.3%). The decrease in profit margin is mainly due to the cost of brand development activities in 2015 and includes exceptional re-organisation costs.

### RCN Foundation

The RCN UK is the sole member of the RCN Foundation, a charitable company limited by guarantee. The RCN Foundation was set up to support nursing staff to improve the health and wellbeing of the public. It is an independent charity that supports UK nurses, midwives, health care assistants and nursing students by providing scholarships, financial support and career development opportunities. The Foundation also supports nurse-led projects to improve patient care. During the past year, the Foundation awarded bursaries to individuals to undertake higher education, presented at international conferences and developed leadership in nursing. In the year a major research study was completed that will allow for practical proposals to be made moving forward.

The Foundation also assists the nursing community in times of need with financial grants and support services to enable them to get their lives back on track, from disability aids for retired nurses to housing costs for those escaping domestic violence. The Foundation relies on the support of its donors to be able to provide its services and this year has seen people run, climb, cycle and bake to raise money for the RCN Foundation.

## Statement of Council members' responsibilities

The RCN Foundation prepares its financial statements following the Statement of Recommended Practice on Accounting and Reporting for Charities (SORP) 2015, as amended for the Financial Reporting Standards 102 and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). Its net assets of £29.2m are consolidated in these financial statements but are not available for general use. The main asset base of the RCN Foundation is a long term investment portfolio, with a year end valuation of £27.7m.

The RCN Foundation Investments reported investment income of £1m and net gains of £4k with unrealised losses of £0.7m (31 December 2014: investment income of £0.9m; net gains of £0.9m and unrealised losses of £0.8m). In the year ended 31 December 2015 the RCN Foundation reported a negative net movement of funds of £0.1m (31 December 2014: £1m surplus).

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

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

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

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

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



**Michael Brown**  
Chair of Council

## Independent auditor's report to the Council members of the Royal College of Nursing of the United Kingdom

We have audited the financial statements of the Royal College of Nursing of the United Kingdom for the year ended 31 December 2015 which comprise the Group and College Statement of comprehensive income, The Group and College Statement of changes in equity, the Group and College Statement of financial position, and the Group Statement of cash flows and the related notes 1 to 27. 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), including FRS 102, the Financial Reporting Standard applicable in the UK.

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

### Respective responsibilities of Council members and auditor

As explained more fully in the Statement of Council members' responsibilities, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### 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 the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the

Council members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual

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

### Opinion on financial statements

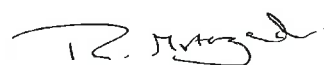
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the College's affairs as at 31 December 2015 and of the group and College's surplus 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

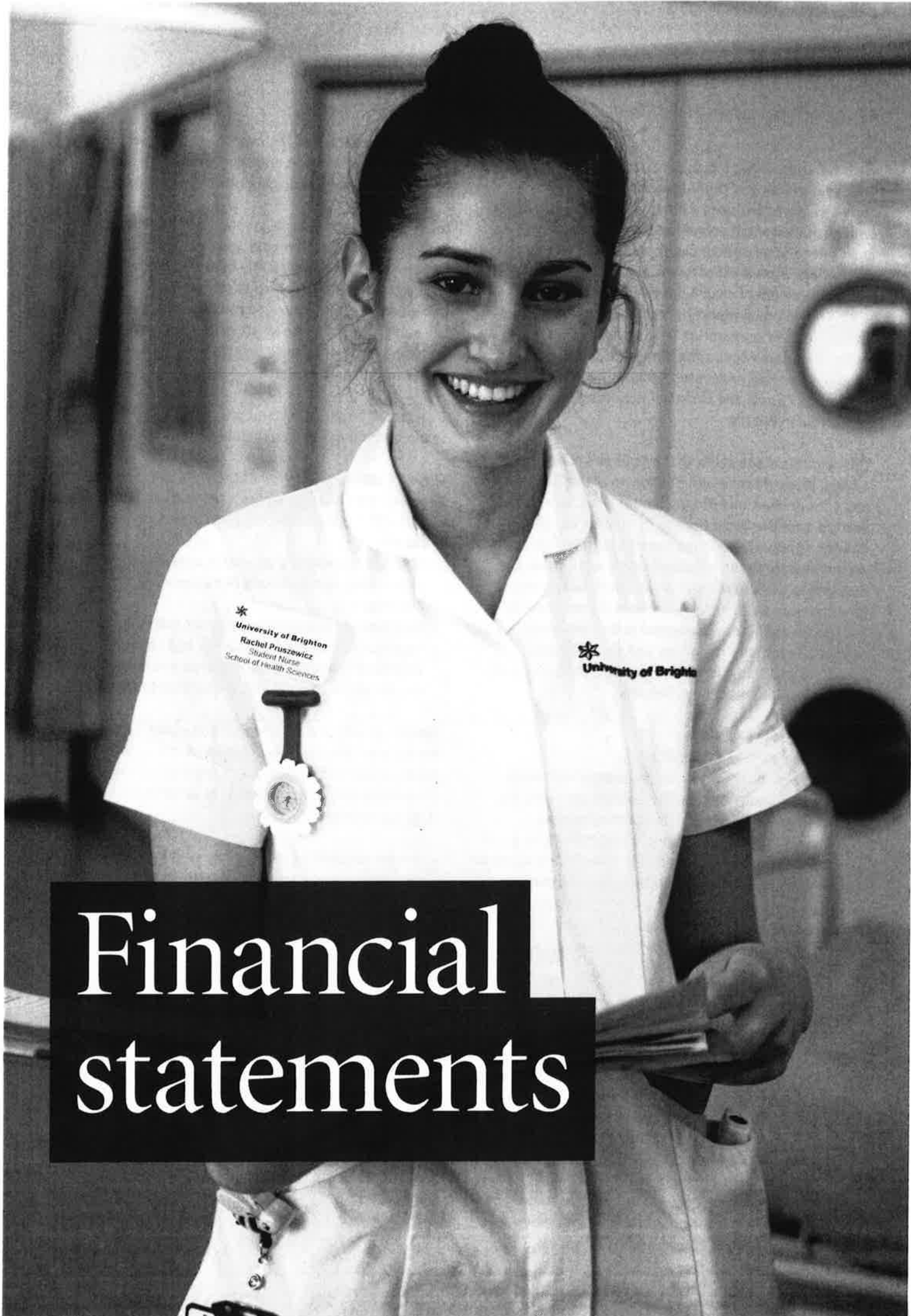
We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

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



**Reza Motazedi (Senior statutory auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, 27 April 2016





# Financial statements



## Statement of comprehensive income for the year ended 31 December 2015

	Note	RCN UK 31 December 2015 £'000	As restated RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	As restated RCN Group 31 December 2014 £'000
<b>Income</b>					
Membership income	3	71,818	70,360	71,818	70,360
Trading income		-	-	13,906	13,805
Other income	3	3,908	3,829	3,653	3,666
<b>Total income</b>		<b>75,726</b>	<b>74,189</b>	<b>89,377</b>	<b>87,831</b>
<b>Expenditure</b>					
Staff costs	8	43,770	41,171	49,610	46,983
Premises and estate costs		7,660	8,845	9,400	9,847
Travel and accommodation		2,863	2,589	3,014	2,715
Other service delivery costs		12,202	15,874	18,499	22,559
<b>Total expenditure</b>	9	<b>66,495</b>	<b>68,479</b>	<b>80,523</b>	<b>82,104</b>
<b>Operating surplus</b>		<b>9,231</b>	<b>5,710</b>	<b>8,854</b>	<b>5,727</b>
Investment income	4	1,181	567	2,171	1,551
Net realised gains/(losses) on investments	11	1,002	23	1,621	(31)
Dividends received from subsidiary	5.2	611	596	-	-
Other finance income/expense		91	(29)	206	-
<b>Surplus on ordinary activities before taxation</b>	2	<b>12,116</b>	<b>6,867</b>	<b>12,852</b>	<b>7,247</b>
Taxation	7	-	-	(59)	(143)
<b>Surplus on ordinary activities after taxation and surplus for the financial period</b>		<b>12,116</b>	<b>6,867</b>	<b>12,793</b>	<b>7,104</b>
Actuarial gains/(losses) on defined pension scheme	15.2	8,598	(14,192)	8,598	(14,192)
Revaluation reserve adjustment	19	(64)	(64)	(64)	(64)
Net unrealised (losses)/gains on fixed asset investment	11	(544)	2,877	(1,273)	3,710
<b>Total comprehensive income for the period</b>		<b>20,106</b>	<b>(4,512)</b>	<b>20,054</b>	<b>(3,442)</b>
<b>Reserves brought forward</b>		<b>12,215</b>	<b>16,727</b>	<b>45,722</b>	<b>49,164</b>
<b>Reserves carried forward</b>		<b>32,321</b>	<b>12,215</b>	<b>65,776</b>	<b>45,722</b>

All the above results derive from continuing operations. There is no difference between the surplus on ordinary activities before tax for the periods stated above and the historical cost equivalent.

Statement of changes in equity for the year ended 31 December 2015 | RCN UK

	<b>Pension Escrow account</b> £'000	<b>Revaluation reserve</b> £'000	<b>Accumulated funds</b> £'000	<b>Pension reserve</b> £'000	<b>Total funds</b> £'000
<b>Accumulated funds at 1 January 2014 as previously reported</b>	<b>4,934</b>	<b>2,309</b>	<b>59,161</b>	<b>(49,677)</b>	<b>16,727</b>
Surplus in period	12	–	(2,556)	9,411	6,867
Other comprehensive surplus in period	–	–	–	–	–
Other comprehensive income	–	(64)	2,877	(14,192)	(11,379)
<b>Accumulated funds at 31 December 2014</b>	<b>4,946</b>	<b>2,245</b>	<b>59,482</b>	<b>(54,458)</b>	<b>12,215</b>
Surplus in period			6,623	5,493	12,116
Other comprehensive surplus in period	(4,946)		4,946		–
Other comprehensive income		(64)	(544)	8,598	7,990
<b>Accumulated funds at 31 December 2015</b>	<b>-</b>	<b>2,181</b>	<b>70,507</b>	<b>(40,367)</b>	<b>32,321</b>

Statement of changes in equity for the year ended 31 December 2015 | RCN Group

	<b>Reserves for charitable purposes</b> £'000	<b>Pension Escrow account</b> £'000	<b>Revaluation reserve</b> £'000	<b>Accumulated funds</b> £'000	<b>Pension reserve</b> £'000	<b>Total funds</b> £'000
<b>Accumulated funds at 1 January 2014 as previously reported</b>	<b>28,387</b>	<b>4,934</b>	<b>2,309</b>	<b>63,211</b>	<b>(49,677)</b>	<b>49,164</b>
Surplus in period	149	12	–	(2,468)	9,411	7,104
Other comprehensive surplus in period	–	–	–	–	–	–
Other comprehensive income	833	–	(64)	2,877	(14,192)	(10,546)
<b>Accumulated funds at 31 December 2014</b>	<b>29,369</b>	<b>4,946</b>	<b>2,245</b>	<b>63,620</b>	<b>(54,458)</b>	<b>45,722</b>
Surplus in period	588			6,712	5,493	12,793
Other comprehensive surplus in period		(4,946)		4,946		–
Other comprehensive income	(729)		(64)	(544)	8,598	7,261
<b>Accumulated funds at 31 December 2015</b>	<b>29,228</b>	<b>-</b>	<b>2,181</b>	<b>74,734</b>	<b>(40,367)</b>	<b>65,776</b>

## Statement of financial position as at 31 December 2015

	Note	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	As restated RCN Group 31 December 2014 £'000
<b>Property, plant and equipment</b>					
Property, plant and equipment	10	22,573	22,014	22,940	22,211
Long term financial assets	11.1	50,525	42,930	78,225	70,625
<b>Total</b>		<b>73,098</b>	<b>64,944</b>	<b>101,165</b>	<b>92,836</b>
<b>Current assets</b>					
Inventory		16	9	16	9
Debtors and prepayments	12	2,445	3,127	3,989	4,217
Short term financial assets	11.2	3,004	5	4,006	1,006
Short-term deposits	17	9,777	15,291	13,003	19,703
Cash at bank and in hand	17	124	119	1,138	1,070
<b>Total</b>		<b>15,366</b>	<b>18,551</b>	<b>22,152</b>	<b>26,005</b>
<b>Creditors – amounts falling due within one year</b>					
Creditors and accrued charges	13.1	(8,773)	(7,599)	(10,114)	(9,372)
<b>Net current assets</b>		<b>6,593</b>	<b>10,952</b>	<b>12,038</b>	<b>16,633</b>
<b>Total assets less current liabilities</b>		<b>79,691</b>	<b>75,896</b>	<b>113,203</b>	<b>109,469</b>
Provisions for liabilities and charges	13.2	(7,003)	(9,223)	(7,060)	(9,289)
<b>Net assets (excluding pension scheme liability)</b>		<b>72,688</b>	<b>66,673</b>	<b>106,143</b>	<b>100,180</b>
Defined benefit pension scheme liability	15.2	(40,367)	(54,458)	(40,367)	(54,458)
<b>Net assets (including pension scheme liability)</b>		<b>32,321</b>	<b>12,215</b>	<b>65,776</b>	<b>45,722</b>
<b>Represented by:</b>					
Pension Escrow Account	19	-	4,946	-	4,946
Revaluation reserve	19	2,181	2,245	2,181	2,245
Accumulated funds	19	70,507	59,482	74,734	63,620
<b>Reserves excluding reserves for charitable purposes and pension liability</b>		<b>72,688</b>	<b>66,673</b>	<b>76,915</b>	<b>70,811</b>
Pension reserve	15.2	(40,367)	(54,458)	(40,367)	(54,458)
<b>Total reserves excluding reserves for charitable purposes</b>		<b>32,321</b>	<b>12,215</b>	<b>36,548</b>	<b>16,353</b>
Reserves for charitable purposes	6.2	-	-	29,228	29,369
<b>Total reserves</b>		<b>32,321</b>	<b>12,215</b>	<b>65,776</b>	<b>45,722</b>

Notes on pages 55 to 81 form part of these financial statements.

The financial statements were approved by Council on 27 April 2016.



Michael Brown  
Chair of Council



David Dawes  
Honorary Treasurer



Janet Davies  
Chief Executive & General  
Secretary

## RCN Group statement of cash flows for the year ended 31 December 2015

	Note	31 December 2015 £'000	31 December 2014 £'000
<b>Surplus from operating activities</b>		<b>8,854</b>	<b>5,769</b>
Depreciation		2,499	2,316
Write off Property, plant and equipment		(4)	104
Net realised investment gains		(1,825)	(42)
Taxation		(59)	(143)
Total pension contributions less current service and finance costs		(5,493)	(9,411)
Revaluation reserve adjustment		(64)	(64)
(Increase)/decrease in inventories		(7)	5
Decrease/(increase) in debtors		228	(61)
increase/(decrease) in creditors		742	928
(Decrease)/increase in provisions		(2,229)	2,728
<b>Net cash generated from operating activities</b>	18.1	<b>2,642</b>	<b>2,129</b>
<b>Investing activities</b>			
Interest received	4	2,171	1,478
Purchase of property, plant and equipment		(3,228)	(2,563)
Acquisition of financial assets		(46,589)	(52,217)
Disposal of financial assets		37,496	11,822
Decrease in financial asset cash		1,009	(46)
<b>Net cash inflow</b>		<b>(6,499)</b>	<b>(39,397)</b>
Management of liquid resources		6,700	39,036
(Decrease) in cash		(144)	(361)
Cash and cash equivalents at beginning of year		20,639	60,036
<b>Cash and cash equivalents at end of year</b>		<b>14,141</b>	<b>20,639</b>
<b>Components of cash and cash equivalents</b>			
Cash		1,138	936
Cash equivalents		13,003	19,703
		<b>14,141</b>	<b>20,639</b>

## Notes to the financial statements

### 1. Accounting policies and assessment of going concern

The consolidated financial statements presented show the consolidated statement of comprehensive income, statement of changes in equity, statement of financial position and the statement of cash flows of the RCN Group for the year ended 31 December 2015.

The RCN Group financial statements consolidate the accounts of the RCN UK, RCN Foundation and RCN UK's wholly owned trading subsidiary RCNi. 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.

These accounts are prepared on the going concern basis. The Council considers that there are no material uncertainties about the Royal College of Nursing's ability to continue as a going concern and the Council members have a reasonable expectation that the RCN Group has adequate resources in operational existence to meet obligations as they fall due for at least 12 months from the date of signing and beyond. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with financial asset investments and pensions. With respect to the next reporting period 2016, the most significant area of uncertainty that affect the carrying values of assets held by the Royal College of Nursing are external economic factors.

#### a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation investments at market value, and are in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. There were no material departures from that standard. These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014. The financial statements are prepared in Sterling and rounded to the nearest £'000.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. An explanation of how the transition

to FRS 102 has affected the reported financial position and financial performance is given in notes 26–27. The Royal College of Nursing constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with the accounting policies set out below, all of which have been applied consistently.

#### b. Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. Membership and other income is apportioned between representation activities and other college activities in line with expenditure.

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

#### c. Deferred income

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

#### d. Accrued income

Incoming resources are accrued and included in the income and expenditure accounts when there is a probably future economic benefit that can be reliably measured.

#### e. Basis of consolidation

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

#### f. Expenditure

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

##### Staff costs

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

#### **Premises and estate costs**

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

#### **Travel and accommodation**

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

#### **Other service delivery costs**

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

### **g. Judgements and key sources of estimation and uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

#### **Pensions**

The RCN UK operates defined benefit and defined contribution schemes.

#### **Defined benefit pension schemes**

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

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

For defined benefit schemes, the amount charged to the statement of comprehensive income in respect of

pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the period, adjusted to reflect variations from that cost. Current and past service costs and net interest are included within expenditure, allocated on the same basis as the staff costs of the scheme members. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the statement of comprehensive income under incoming resources.

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

Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each statement of financial position date. The pension scheme assets are measured at bid value. The costs, assets and liabilities of the defined benefit schemes operating by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out in note 15. The resulting pension scheme deficit is included on the statement of financial position. A pension scheme asset is recognised on the statement of financial position 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 statement of financial position date.

#### **Defined contribution pension scheme**

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

#### **Legal provision**

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. However, legal indemnity fluctuates with changes in the status of legal cases that can be unforeseen, giving

rise to estimation uncertainty. The uncertainty is linked to the progress of cases and the percentage likelihood of success.

### Reorganisation

The provision for restructuring has a lower degree of uncertainty and is likely to be realised within three months of signing the accounts.

### Dilapidations

Similarly the provision for dilapidations has a lower degree of uncertainty but amounts are subject to changes in wear and tear of leasehold properties and negotiations with landlords.

### h. Irrecoverable Value Added Tax

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

### i. Direct tax

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

### j. Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion for gains and losses in tax assessments in periods difference from thoes in which they are recognised in the financial statements.

### k. Property, plant and equipment

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

Expenditure in the RCN UK of a capital nature over £1,000 is capitalised as Property, plant and equipment. Expenditure in RCNi of a capital nature over £500 is capitalised as Property, plant and equipment. Minor items of furniture and equipment below £1,000 (£500 for RCNi) are charged to the income and expenditure account in the year of purchase.

### l. Depreciation

Depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation of the assets less any residual value over their estimated useful lives.

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

### m. Impairment of Property, plant and equipment

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

### n. Financial assets

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

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



#### **o. Leasing**

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

#### **p. Liquid resources**

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

#### **q. Provisions**

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

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

#### **r. Financial Instruments**

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



## 2. Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
<b>Depreciation</b>	2,390	2,105	2,499	2,201
<b>Operating leases:</b>				
Land and buildings	919	1,022	1,110	1,204
Other leased assets	179	335	193	349
<b>Auditors' remuneration:</b>				
Audit services	97	104	105	116

## 3. Incoming resources — RCN UK

	Representation activities £'000	Other college activities £'000	Total 31 December 2015 £'000	Total 31 December 2014 £'000
Membership income	47,615	24,203	71,818	70,360
Other income	2,591	1,317	3,908	3,829
<b>Total</b>	<b>50,206</b>	<b>25,520</b>	<b>75,726</b>	<b>74,189</b>

Representation is defined as relating to Trade Union activities.

Membership and other income is split — 66.3% representation and 33.7% other college activities in line with expenditure. See note 9 for basis of allocation.

### 3.1. Group results less charitable activities

Total RCN Group results less RCN Foundation charitable activities before taxation were equal to £13m (31 December 2015: £6.3m)

## 4. Investment income

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
UK equities	261	136	1,182	561
Overseas equities	510	234	571	507
UK fixed interest	398	58	398	243
Bank interest	12	139	20	167
<b>Total</b>	<b>1,181</b>	<b>567</b>	<b>2,171</b>	<b>1,478</b>

Investment income is split — 51% representation (£602,000) and 49% other college activities (£579,000) in line with investment holdings. See note 19 for allocation of investment assets.

## 5. RCN UK trading subsidiary undertakings

### 5.1. Trading results (RCNi)

RCNi is a publisher of nursing journals. RCNi is incorporated in the United Kingdom. Details of the trading activities are set out below.

	RCN i 31 December 2015 £'000	RCN i 31 December 2014 £'000
Income	14,474	14,277
Costs	(13,617)	(13,366)
<b>Profit</b>	<b>855</b>	<b>911</b>
Taxation	(59)	(143)
<b>Profit after tax</b>	<b>796</b>	<b>768</b>

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

### 5.2. Summarised statement of financial position RCNi

	RCN i 31 December 2015 £'000	RCN i 31 December 2014 £'000
Property, plant and equipment	318	173
Current assets	5,364	6,079
<b>Creditors: falling due within one year</b>		
Creditors and accrued charges	(1,737)	(2,575)
Provisions for liabilities and charges	(85)	—
<b>Total net assets</b>	<b>3,860</b>	<b>3,677</b>
<b>Capital and reserves</b>	<b>3,860</b>	<b>3,677</b>
<b>Ordinary share capital held by the RCN UK (£) is:</b>	<b>500,000</b>	<b>500,000</b>

During the year a dividend was paid from RCNi of £611k (31 December 2014: £596k).

## 6. RCN Foundation

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

### 6.1. Summarised statement of financial activities

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

	RCN Foundation 31 December 2015 £'000	RCN Foundation 31 December 2014 £'000
Income and endowments	1,192	1,044
Expenditure	(1,337)	(943)
Net gains/(losses) on investment	4	881
<b>Net movement in funds</b>	<b>(141)</b>	<b>982</b>

## 6.2. Summarised balance sheet of RCN Foundation

	RCN Foundation 31 December 2015 £'000	RCN Foundation 31 December 2014 £'000
Tangible property, plant and equipment	48	24
Investments	27,700	27,695
Current assets	1,916	1,952
<b>Creditors: falling due within one year</b>		
Creditors and accrued charges	(436)	(302)
<b>Total net assets</b>	<b>29,228</b>	<b>29,369</b>
Revaluation reserve	1,471	2,276
Other funds	27,757	27,093
<b>Reserves</b>	<b>29,228</b>	<b>29,369</b>

## 7. Taxation note

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	As restated RCN Group 31 December 2014 £'000
<b>Taxation on surplus on ordinary activities</b>				
UK corporation tax				
Current tax on surplus for the period	-	-	-	186
Adjustments in respect of prior years	-	-	(22)	(11)
<b>Total current tax</b>	-	-	<b>(22)</b>	<b>175</b>
<b>Deferred tax</b>				
Movement in period	-	-	81	(32)
<b>Taxation on surplus on ordinary activities</b>	-	-	<b>59</b>	<b>143</b>

The tax assessed for the period is higher (31 December 2014: lower) than the main rate of corporation tax in the UK.

The differences are explained below:

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	As restated RCN Group 31 December 2014 £'000
Surplus on ordinary activities before tax	12,116	6,867	12,852	7,247
Surplus on ordinary activities at the main rate of corporation tax in the UK of 20.25% (December 2014: 21.49%)	2,454	1,476	2,602	1,558
Accelerated capital allowances and other timing differences	-	(28)	-	(40)
Sundry timing differences	231	34	231	80
Expenses not deductible for tax purposes	12,253	13,859	12,391	13,863
Group relief (claimed)/ surrendered	97	48	-	-
Adjustments in respect of prior periods	(461)	-	(461)	(11)
Deferred tax not recognised	130	-	130	-
Change in tax rates	56	-	52	-
Group income	(124)	(128)	(124)	(128)
Non-taxable income	(14,636)	(15,260)	(14,740)	(15,137)
Adjustments to tax charge in respect of previous periods	-	-	(22)	-
Income covered by tax exemptions	-	-	-	(10)
<b>Current tax charge</b>	-	-	59	175

#### Deferred tax asset balance

The RCN Group has a deferred tax asset arising from timing differences as set out below, shown at 20% rate for the current year (31 December 2014: 20%).

	31 December 2015 £'000	31 December 2014 £'000
<b>Analysis of deferred tax asset</b>		
Excess of capital allowances over depreciation	(37)	(6)
Short-term timing differences	12	62
Pension provision	-	-
<b>Carried forward as at period end</b>	<b>25</b>	<b>56</b>

There are also unrecognised deferred tax assets totalling £547,000 in respect of tax losses, fixed asset timing differences and other short term timing differences in relation to the Royal College of Nursing.

## 8. Staff costs – RCN Group

	31 December 2015 £'000	As restated 31 December 2014 £'000
Wages and salaries	38,344	36,715
Social security costs	3,277	3,137
Other pensions costs	7,989	7,131
<b>Total</b>	<b>49,610</b>	<b>46,983</b>

Of the total staff costs £29,026,000 (31 December 2014: £25,829,000) has been allocated to RCN UK representation activities.

The total pension cost comprises of:

	31 December 2015 £'000	As restated 31 December 2014 £'000
RCN Defined Benefit scheme (see note 15.2)	6,930	6,496
Expense Charge	(299)	–
RCN Defined Contribution scheme (see note 15.1)	1,358	635
<b>Total</b>	<b>7,989</b>	<b>7,131</b>

The average number of staff employed during the year was 996 (31 December 2014: 968). The full time equivalent number of staff was 899 (31 December 2014: 883).

### Representation and other college activities

	2015 Average FTE	2014 Average FTE
Representation activities	557	545
Other college activities	260	249
RCNi	82	89
<b>Total</b>	<b>899</b>	<b>883</b>

### Total staff numbers

	2015 Average	2014 Average
RCN UK (including staff that support the RCN Foundation)	895	869
RCNi	101	99
<b>Total</b>	<b>996</b>	<b>968</b>

During the year ended 31 December 2015 there were two post holders in the position of Chief Executive & General Secretary. The total emoluments, pro-rated for the duration that each post holder was in the role, for the Chief Executive & General Secretary for the year were £163,897 (31 December 2014: £149,169). The total emoluments of the 10 (31 December 2014: 10) members of the Executive Team for the year was £1,037,565 (31 December 2014: £1,027,669).

RCN UK staff costs in the year include £229,035 (31 December 2014: £274,764) in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCN UK's operations.

RCNi staff costs in the year include £575,495 (31 December 2014: £487,625) in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCNi operations.

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

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

	31 December 2015	31 December 2014
£60,000–£70,000	56	33
£70,000–£80,000	23	21
£80,000–£90,000	11	4
£90,000–£100,000	4	5
£100,00–£110,000	6	5
£110,000–£120,000	2	3
£130,000–£140,000	1	-
£140,000–£150,000	-	1
£170,000–£180,000	1	-
<b>Total</b>	<b>104</b>	<b>72</b>

**9. Breakdown of RCN UK expenditure**

**Products and services — split by representation and other college activities 2015**

	2015 Representation activities £'000	2015 Other college activities £'000	Total 31 December 2015 £'000
Representation and Member support	34,574	-	34,574
Partnership working and collective representation	4,620	-	4,620
Clinical Negligence Indemnity	4,904	-	4,904
Education	-	6,411	6,411
Professional advice, practice and support	-	9,524	9,524
Shaping Policy	-	4,955	4,955
Research	-	1,507	1,507
<b>Total expenditure</b>	<b>44,098</b>	<b>22,397</b>	<b>66,495</b>

## Products and services – split by representation and other college activities 2014

	2014 Representation activities £'000	2014 Other college activities £'000	As restated Total 31 December 2014 £'000
Representation and Member support	31,036	–	31,036
Partnership working and collective representation	4,610	–	4,610
Clinical Negligence Indemnity	11,113	–	11,113
Education	–	6,286	6,286
Professional advice, practice and support	–	9,319	9,319
Shaping Policy	–	4,714	4,714
Research	–	1,401	1,401
<b>Total expenditure</b>	<b>46,759</b>	<b>21,720</b>	<b>68,479</b>

It is felt these categories best represent the broad categories of the products and services the RCN provides to its members' and other stakeholders in its roles as a Royal College and a special registered Trade Union.

### Further analysis of RCN UK expenditure

	Representation activities £'000	Other college activities £'000	Total 31 December 2015 £'000	As restated Total 31 December 2014 £'000
Staff costs	29,026	14,744	43,770	41,171
Premise and estate costs	5,080	2,580	7,660	8,845
Travel and accommodation	1,900	963	2,863	2,589
Other service delivery costs	8,092	4,110	12,202	15,874
<b>Total expenditure</b>	<b>44,098</b>	<b>22,397</b>	<b>66,495</b>	<b>68,479</b>

Representation is defined as relating to trade union activities.

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

## 10. Property, plant and equipment

### 10.1. Property, plant and equipment – RCN UK

	Freehold land and buildings £'000	Leasehold improvements £'000	Furniture and equipment £'000	Computer software £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>						
Balance at 1 January 2015	3,435	27,191	4,448	2,189	1,293	38,556
Additions	-	462	40	1,685	762	2,949
Disposals	-	-	(30)	(5)	-	(35)
Transfer of assets under construction	-	-	-	382	(382)	-
<b>Balance at 31 December 2015</b>	<b>3,435</b>	<b>27,653</b>	<b>4,458</b>	<b>4,251</b>	<b>1,673</b>	<b>41,470</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2015	1,660	10,185	2,923	1,774	-	16,542
Charge for year	120	1,274	754	242	-	2,390
Disposals	-	-	(30)	(5)	-	(35)
<b>Balance at 31 December 2015</b>	<b>1,780</b>	<b>11,459</b>	<b>3,647</b>	<b>2,011</b>	<b>-</b>	<b>18,897</b>
<b>Net book value at 31 December 2015</b>	<b>1,655</b>	<b>16,194</b>	<b>811</b>	<b>2,240</b>	<b>1,673</b>	<b>22,573</b>
<b>Net book value at 31 December 2014</b>	<b>1,775</b>	<b>17,006</b>	<b>1,525</b>	<b>415</b>	<b>1,293</b>	<b>22,014</b>

The historical cost of the revalued asset is:

	31 December 2015 Leasehold improvements £'000	31 December 2014 Leasehold improvements £'000
Cost	22,167	22,167
Accumulated depreciation based on historical cost	(8,259)	(7,816)
<b>Historical cost net book value</b>	<b>13,908</b>	<b>14,351</b>



## 10.2. Property, plant and equipment — RCN Group

	Freehold land and buildings £'000	Leasehold improvements £'000	Furniture and equipment £'000	Computer software £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>						
Balance at 1 January 2015	3,435	27,577	5,169	2,189	1,404	39,774
Additions	-	463	170	1,684	911	3,228
Disposals	-	-	(85)	(5)	-	(90)
Transfer of assets under construction	-	-	87	382	(469)	-
<b>Balance at 31 December 2015</b>	<b>3,435</b>	<b>28,040</b>	<b>5,341</b>	<b>4,250</b>	<b>1,846</b>	<b>42,912</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2015	1,660	10,571	3,558	1,774	-	17,563
Charge for year	121	1,274	862	242	-	2,499
Disposals	-	-	(85)	(5)	-	(90)
<b>Balance at 31 December 2015</b>	<b>1,781</b>	<b>11,845</b>	<b>4,335</b>	<b>2,011</b>	<b>-</b>	<b>19,972</b>
<b>Net book value at 31 December 2015</b>	<b>1,654</b>	<b>16,195</b>	<b>1,006</b>	<b>2,239</b>	<b>1,846</b>	<b>22,940</b>
<b>Net book value at 31 December 2014</b>	<b>1,775</b>	<b>17,006</b>	<b>1,611</b>	<b>415</b>	<b>1,404</b>	<b>22,211</b>

## 11. Financial assets

### 11.1. Long-term financial assets

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
Market value at start of period	42,501	-	69,950	25,876
Additions at cost	21,742	42,613	31,589	52,217
Disposals at carrying value	(15,159)	(2,940)	(25,363)	(11,294)
Redemptions	(102)	(72)	(141)	(528)
Net realised gains/(losses)	1,002	23	1,621	(31)
Net unrealised gains	(544)	2,877	(1,273)	3,712
<b>Financial assets at market value at period end</b>	<b>49,440</b>	<b>42,501</b>	<b>76,383</b>	<b>69,952</b>
Cash held for reinvestment	1,085	429	1,842	673
<b>Market value at period end</b>	<b>50,525</b>	<b>42,930</b>	<b>78,225</b>	<b>70,625</b>
<b>Historical cost at period end</b>	<b>48,166</b>	<b>40,052</b>	<b>74,395</b>	<b>62,589</b>

Financial assets at market value comprise:

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
<b>Listed financial assets</b>				
Fixed interest (Government securities and bonds)	14,759	13,406	19,326	17,883
UK equities	3,990	5,657	13,296	14,723
Global equities	24,913	21,537	35,325	32,507
Alternative assets	6,101	1,792	7,427	3,379
Property	-	-	1,401	1,306
Liquid assets	761	538	1,450	827
<b>Total</b>	<b>50,525</b>	<b>42,930</b>	<b>78,225</b>	<b>70,625</b>

#### Holdings over 5%

The following investments represented holdings in excess of 5% of the investment portfolio at 31 December 2015.

	RCN UK 31 December 2015	RCN UK 31 December 2014	RCN Group 31 December 2015	RCN Group 31 December 2014
Treasury 1.25%	7.6%	9.5%	7.6%	9.5%
Treasury 3.25%	-	7.5%	-	7.5%
Blackrock	5.6%	-	5.6%	-

#### 11.2. Short-term financial assets

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
Market value at start of period	-	-	1,000	1,002
Additions at cost	3,000	3,000	3,000	8,000
Redemptions	-	(3,000)	-	(8,000)
(Losses)/gains on short-term investments	-	-	-	(2)
<b>Financial assets at market value at period end</b>	<b>3,000</b>	<b>-</b>	<b>4,000</b>	<b>1,000</b>
Cash held for reinvestment	4	5	6	6
<b>Market value at period end</b>	<b>3,004</b>	<b>5</b>	<b>4,006</b>	<b>1,006</b>
<b>Historical cost at period end</b>	<b>3,004</b>	<b>5</b>	<b>4,006</b>	<b>1,005</b>

## 12. Debtors

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
Trade debtors	90	187	1,149	1,011
Amount due from subsidiaries and associated undertakings	-	48	-	-
Other debtors	278	378	514	352
Taxation	264	186	264	148
Prepayments and accrued income	1,813	2,328	2,062	2,706
<b>Total</b>	<b>2,445</b>	<b>3,127</b>	<b>3,989</b>	<b>4,217</b>

All amounts included in debtors are receivable within one year except deferred tax of £(28)k included within RCN Group taxation (31 December 2014 deferred tax of £56k included within RCN Group taxation).

## 13. Creditors and accrued charges

### 13.1. Amounts falling due within 1 year

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
Bank overdrafts and loans	58	97	58	134
Trade creditors	1,413	474	2,421	1,541
Amount due to subsidiaries and associated undertakings	488	530	-	-
Pension contribution	751	383	743	390
PAYE, social security and taxation	894	865	844	1,055
Payments on account	-	-	-	-
Other creditors	371	316	976	532
Accruals and deferred income	4,798	4,934	5,072	5,720
<b>Total</b>	<b>8,773</b>	<b>7,599</b>	<b>10,114</b>	<b>9,372</b>

### 13.2. Provision for liabilities and charges

	RCN UK 31 December 2015 £'000	RCN UK 31 December 2014 £'000	RCN Group 31 December 2015 £'000	RCN Group 31 December 2014 £'000
Provision for dilapidations	115	396	172	462
Professional indemnity claims	6,786	8,693	6,786	8,693
Provision for restructuring	68	134	68	134
General provision	34	-	34	-
<b>Total</b>	<b>7,003</b>	<b>9,223</b>	<b>7,060</b>	<b>9,289</b>

#### RCN UK Movements - provision for liabilities and charges

	31 December 2014 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2015 £'000
Provision for dilapidations	396	(356)	75	-	115
Professional indemnity claims	8,693	3,389	(3,381)	(1,915)	6,786
Provision for restructuring	134	68	-	(134)	68
General provision	-	34	-	-	34
<b>Total</b>	<b>9,223</b>	<b>3,135</b>	<b>(3,306)</b>	<b>(2,049)</b>	<b>7,003</b>

#### RCN Group Movements - provision for liabilities and charges

	31 December 2014 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2015 £'000
Provision for dilapidations	462	(356)	79	(13)	172
Professional indemnity claims	8,693	3,389	(3,381)	(1,915)	6,786
Provision for restructuring	134	68	-	(134)	68
General provision	-	34	-	-	34
<b>Total</b>	<b>9,289</b>	<b>3,135</b>	<b>(3,302)</b>	<b>(2,062)</b>	<b>7,060</b>

Provision for dilapidations relates to the expected cost of alterations, wear and tear on 10 leasehold properties. Amounts are uncertain and are payable at the end of the lease term.

Professional indemnity claims in progress are of uncertain timing and amount until each case is settled.

\*Provision for restructuring is of uncertain amount as settlement negotiations are ongoing.

## 14. Leasing commitments

### 14.1 Operating leases – RCN UK

The total future minimum lease payments as at 31 December 2015 under non-cancellable operating leases were:

	<b>Assets 31 December 2015 £'000</b>	<b>Assets 31 December 2014 £'000</b>
Within one year	469	237
Within two to five years	671	915
Over five years	1	54
<b>Total</b>	<b>1,141</b>	<b>1,206</b>

### 14.2 Operating leases – RCN Group

The total future minimum lease payments as at 31 December 2015 under non-cancellable operating leases were:

	<b>Assets 31 December 2015 £'000</b>	<b>Assets 31 December 2014 £'000</b>
Within one year	470	297
Within two to five years	1,453	929
Over five years	1	54
<b>Total</b>	<b>1,924</b>	<b>1,280</b>

## 15. Pensions

### 15.1. RCN Group defined contribution pension scheme

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

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

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

RCN Group employer contributions paid during the year ended 31 December 2015 were £906,000 (year ended 31 December 2014: £635,000). The increase in employer contributions is due to the number of employees enrolled increasing year on year. Contributions outstanding at 31 December 2015 in respect of this scheme amounted to £nil (31 December 2014: £nil).

### 15.2. RCN Group defined benefit pension scheme

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

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

The pension scheme was subject to an actuarial valuation at 30 September 2013 by a qualified independent actuary. The valuation reported a deficit of £58.5m, compared to a deficit of £19.6m in September 2010. The 30 September 2013 valuation was completed during 2014 and formed the basis for the updated results of the valuation as at 31 December 2014.

The September 2013 valuation has resulted in a revised deficit-funding plan of £3m per annum from 1 April 2015 rising by RPI annually thereafter. Also included in the revised recovery plan was a one-off lump sum payment of £15m. This was made up of £10.1m paid in December 2014 and £4.9m that represented the monies in the pension escrow account, which was paid to the scheme in March 2015.

The market value of the fund assets as at 31 December 2015, net of additional voluntary contributions was £223,603,000. There was no investment holding greater than 5% of the value of the fund at 31 December 2015.

Following the actuarial valuation at 30 September 2013, revised contribution rates to the scheme were agreed, at the following rates.

#### Employer

From 1 November 2013, changes to the scheme were implemented resulting in an employer's annual average contribution of 10.5%. Estimated employer contributions to be paid by the RCN UK for the year ending 31 December 2016 are £7,777,000.

Prior to 1 April 2015, the required annual lump sum contributions set out in the schedule of contributions agreed with the Pension Regulator and effective from 1 April 2012 were £1,540,000, subsequent payments increasing by RPI + 2% thereafter until 31 March 2015 when the new recovery plan began. The total deficit funding paid in the year ended 31 December 2015 was £2,678,000.

The defined benefit plan contributions received by the scheme were £11,915,000. At the end of the year, £398,000 representing the unpaid contributions for December 2015 were outstanding along with £110k adjustments from 31 December 2014 accrual.

#### RCN Group 31 December 2015 £'000

#### 2015 actual Pension contribution payments (excluding accruals)

One off deficit payment	4,946
Agreed annual deficit payment	2,678
Individual CARE contributions (excluding December 2015)	4,291
<b>Total contribution paid</b>	<b>11,915</b>
Accruals	508
<b>Total contributions</b>	<b>12,423</b>

#### Contributory employees

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

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

### FRS 102 Retirement benefits

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

Under the provision of FRS 102 the current deficit in the defined benefit scheme of £40,367,000 has been included as a separate liability on the statement of financial position. The valuation used for FRS 102 disclosures has been based on the most recent actuarial valuation by a qualified independent actuary at 30 September 2013 to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 December 2014. The next actuarial valuation by a qualified independent actuary for the period ending 30 September 2016, will be received by spring 2017.

The principal actuarial assumptions were as follows:

	31 December 2015	31 December 2014	31 December 2013	31 March 2013	31 March 2012
Discount rate	3.8%	3.6%	4.6%	4.4%	4.6%
Inflation assumptions (RPI)	3.1%	3.1%	3.5%	3.3%	3.1%
Inflation assumptions (CPI)	2.1%	2.1%	2.6%	2.4%	2.2%
Allowance for revaluation of deferred and CARE pensions accrued before 1 November 2013 (with LPI of 5%)*	3.1%	3.1% (RPI)	3.5% (RPI)	3.3% (RPI)	3.1% (RPI)
Allowance for CARE revaluation of pensions accrued after 1 November 2013 (with LPI cap of 2.5%)*	1.7% (CPI)	1.7% (CPI)	2.1% (CPI)	—	—
Allowance for pension payments increases accrued before 1 June 2007 (with LPI cap of 5%)*	3.0% (RPI)	3.0% (RPI)	3.5% (RPI)	3.3% (RPI)	3.0% (RPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 5%)*	2.1% (CPI)	2.1% (CPI)	2.6% (CPI)	2.4% (CPI)	2.2% (CPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 3%)*	1.9% (CPI)	1.9% (CPI)	2.4% (CPI)	2.2% (CPI)	2.0% (CPI)
Allowance for commutation of pension for cash at retirement	No allowance	No allowance	No allowance	No allowance	No allowance

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

	31 December 2015 Years	31 December 2014 Years	31 December 2013 Years	31 March 2013 Years	31 March 2012 Years
<b>Life expectancies</b>					
Longevity at age 65 for current pensioners					
— Men	23.0	23.3	23.0	23.3	23.1
— Women	24.7	24.9	25.0	25.3	24.9
Longevity at age 65 for future pensioners*					
— Men	24.7	25.1	25.2	25.5	25.4
— Women	26.2	26.4	26.9	27.2	26.8

	<b>31 December 2015</b> £'000	<b>31 December 2014</b> £'000	<b>31 December 2013</b> £'000	<b>31 March 2013</b> £'000	<b>31 March 2012</b> £'000
Equities	137,835	128,120	116,721	110,309	95,713
Bonds	70,152	63,777	51,591	50,205	43,736
Property	13,629	12,355	10,853	10,042	6,485
Other	1,199	10,312	383	1,847	3,546
Insured pensioners	788	862	574	1,443	887
<b>Total market value of assets</b>	<b>223,603</b>	<b>215,426</b>	<b>180,122</b>	<b>173,846</b>	<b>150,367</b>
Actuarial value of liability	(263,970)	(269,884)	(229,799)	(221,945)	(189,678)
<b>Net pension liability</b>	<b>(40,367)</b>	<b>(54,458)</b>	<b>(49,677)</b>	<b>(48,099)</b>	<b>(39,311)</b>

	<b>31 December 2015</b> %	<b>31 December 2014</b> %	<b>31 December 2013</b> %	<b>31 March 2013</b> %	<b>31 March 2012</b> %
Equities	62	59	64	64	64
Bonds	31	30	28	28	29
Property	6	6	6	1	4
Other	1	4	1	6	2
Insured pensioners	-	1	1	1	1
<b>Total market value of assets %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The above asset values are at bid value, as required under FRS102.

	<b>31 December 2015</b> £'000	<b>31 December 2014</b> £'000
Current service cost*	5,103	4,475
Interest on obligation	9,676	10,575
Interest on assets	(7,849)	(8,554)
<b>Total</b>	<b>6,930</b>	<b>6,496</b>



## Analysis of amounts charged to Statement of comprehensive income

	31 December 2015 £'000	31 December 2014 £'000
Return on plan assets	(4,881)	14,987
Experience loss arising on the scheme liabilities	-	(4,148)
Changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	13,479	(25,031)
<b>Actuarial gains/(losses) charged to other comprehensive income</b>	<b>8,598</b>	<b>(14,192)</b>

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income since adoption of FRS102 is a loss of (£5,594,000) (31 December 2014: cumulative loss of £14,192,000).

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

	31 December 2015 £'000	31 December 2014 £'000
<b>Opening defined benefit obligation</b>	<b>269,884</b>	<b>229,799</b>
Service cost	5,103	4,475
Interest cost	9,676	10,575
Contributions by employees	1,068	1,185
Actuarial (gains)/losses	(13,479)	29,179
Benefits paid	(8,282)	(5,329)
<b>Closing defined benefit obligation</b>	<b>263,970</b>	<b>269,884</b>

## Change in the fair value of the scheme assets

	31 December 2015 £'000	31 December 2014 £'000
<b>Opening fair value of the scheme assets</b>	<b>215,426</b>	<b>180,122</b>
Expected return	7,849	8,554
Actuarial gains/(losses)	(4,881)	14,987
Contributions by employer	12,423	15,907
Contributions by employees	1,068	1,185
Benefits paid	(8,282)	(5,329)
<b>Closing fair value of the scheme assets</b>	<b>223,603</b>	<b>215,426</b>
<b>Actual return on scheme assets</b>	<b>2,968</b>	<b>23,692</b>

The history of experience gains and losses are as follows:

The impact of using a more recent valuation is to introduce gains and losses that arose between 30 September 2010 and 30 September 2013, resulting in the experience loss arising on the liabilities during 2014 in the disclosures, which amounts to around 1.5% of the liabilities.

	<b>31 December 2015</b> £'000	<b>31 December 2014</b> £'000	<b>31 December 2013</b> £'000	<b>31 March 2013</b> £'000	<b>31 March 2012</b> £'000
Defined benefit obligation	(263,970)	(269,884)	(229,799)	(221,945)	(189,678)
Scheme assets	223,603	215,426	180,122	173,846	150,367
<b>(Deficit)</b>	<b>(40,367)</b>	<b>(54,458)</b>	<b>(49,677)</b>	<b>(48,099)</b>	<b>(39,311)</b>
<b>Experience gains/(losses) on scheme liabilities:</b>					
Amount	—	(4,148)	—	—	—
Percentage of the present value of scheme liabilities	—	1.5%	—	—	—
<b>Actual return less expected return on scheme assets:</b>					
Amount	(4,881)	14,987	(3,370)	10,785	(3,270)
Percentage of scheme assets	2.2%	5.5%	(1.9%)	6.2%	(2.2%)

## 16. Management of liquid resources

	<b>31 December 2014</b> £'000	<b>Cash flow</b> £'000	<b>31 December 2015</b> £'000
Cash invested in UK money market and deposit accounts	19,703	(6,700)	13,003

## 17. Analysis of changes in net funds

	<b>31 December 2014</b> £'000	<b>Cash flow</b> £'000	<b>31 December 2015</b> £'000
Short-term deposits (including Pension Escrow Account)	19,703	(6,700)	13,003
Cash at bank and in hand	1,070	68	1,138
Bank overdrafts and loans	(134)	76	(58)
<b>Total</b>	<b>20,639</b>	<b>(6,556)</b>	<b>14,083</b>

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

	Representation activities	Other college activities	Total 31 December 2015	Representation activities	Other college activities	Total 31 December 2014
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Property, plant and equipment</b>						
Tangible assets	-	22,573	22,573	-	22,014	22,014
Investments	27,306	26,223	53,529	16,910	26,020	42,930
<b>Total property, plant and equipment</b>	<b>27,306</b>	<b>48,796</b>	<b>76,102</b>	<b>16,910</b>	<b>48,034</b>	<b>64,944</b>
<b>Current assets</b>						
Stock	-	16	16	-	9	9
Trade debtors	60	30	90	128	59	187
Other debtors	360	182	542	385	227	612
Prepayments and accrued income	1,202	611	1,813	1,590	738	2,328
Cash at bank and in hand	6,564	3,337	9,901	10,748	4,667	15,415
<b>Total current assets</b>	<b>8,186</b>	<b>4,176</b>	<b>12,362</b>	<b>12,851</b>	<b>5,700</b>	<b>18,551</b>
<b>Liabilities</b>						
Bank overdraft	(37)	(21)	(58)	(66)	(31)	(97)
Trade creditors	(909)	(504)	(1,413)	(585)	(272)	(857)
Other creditors	(1,561)	(943)	(2,504)	(806)	(905)	(1,711)
Accruals and deferred income	(314)	(4,484)	(4,798)	(500)	(4,434)	(4,934)
<b>Total liabilities</b>	<b>(2,821)</b>	<b>(5,952)</b>	<b>(8,773)</b>	<b>(1,957)</b>	<b>(5,642)</b>	<b>(7,599)</b>
<b>Total assets less current liabilities</b>	<b>32,671</b>	<b>47,020</b>	<b>79,691</b>	<b>27,804</b>	<b>48,092</b>	<b>75,896</b>
Provisions	(6,850)	(153)	(7,003)	(8,693)	(530)	(9,223)
<b>Net assets (excluding pension deficit)</b>	<b>25,821</b>	<b>46,867</b>	<b>72,688</b>	<b>19,111</b>	<b>47,562</b>	<b>66,673</b>

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

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

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

## 19. Reserves

### 19.1. Reserves — RCN UK

	<b>Pension Escrow account</b> £'000	<b>Revaluation reserve</b> £'000	<b>Accumulated funds</b> £'000	<b>Pension reserve</b> £'000	<b>Total</b> £'000
<b>At 1 January 2015</b>	4,946	2,245	59,482	(54,458)	12,215
Surplus in period	(4,946)	-	10,958	5,493	11,505
Revaluation reserve	-	(64)	-	-	(64)
Dividends	-	-	611	-	611
Investment unrealised gains	-	-	(544)	-	(544)
Actuarial gain	-	-	-	8,598	8,598
<b>At 31 December 2015</b>	-	<b>2,181</b>	<b>70,507</b>	<b>(40,367)</b>	<b>32,321</b>

The pension escrow account is monies to which the Pension Trust have legal claim. It was transferred to the Pension Trust in March 2015 under the revised deficit funding plan agreed because of the September 2013 actuarial valuation. The revaluation reserve relates to the leasehold improvements. See note 10.1 for further detail.

### 19.2. Reserves — RCN Group

	<b>Reserves for charitable purposes</b> £'000	<b>Pension Escrow account</b> £'000	<b>Revaluation reserve</b> £'000	<b>Accumulated funds</b> £'000	<b>Pension reserve</b> £'000	<b>Total</b> £'000
<b>At 1 January 2015</b>	29,369	4,946	2,245	63,620	(54,458)	45,722
Investment unrealised gains	(729)	-	-	(544)	-	(1,273)
Surplus in period	588	(4,946)	-	11,658	5,493	12,793
Revaluation reserve	-	-	(64)	-	-	(64)
Actuarial gain	-	-	-	-	8,598	8,598
<b>At 31 December 2015</b>	<b>29,228</b>	-	<b>2,181</b>	<b>74,734</b>	<b>(40,367)</b>	<b>65,776</b>

## 20. Commitments

### 20.1. Capital commitments

The value of contracts committed to but not provided for was £675,000 (31 December 2014: £2,543,000). This figure relates to work on Membership Information System (CRM) and Ty Maeth refurbishment.

### 20.2. Pension commitments

The pension scheme was subject to an actuarial valuation at 30 September 2013 by a qualified independent actuary. The valuation reported a deficit of £58.5m, compared to a deficit of £19.6m in September 2010. The latest actuarial valuation of the CARE pension scheme has resulted in a revised deficit-funding plan of £3m per annum from 1 April 2015 rising by RPI annually thereafter. Also included in the revised deficit-funding plan was a one-off lump sum payment of £15m, this was made up of £10.1m paid in December 2014 and £4.9m that represented the monies in the pension escrow account, which was transferred to the scheme in March 2015.

## 21. Contingent liabilities

Contingent liabilities are estimated at £820,000 (31 December 2014: £2,533,000). These being additional costs for members' professional indemnity scheme cases currently expected to be unlikely of success.

## 22. Trade union and labour relations (consolidation) act 1992

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

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

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

## 23. Council expenses and remuneration

### 23.1. Council expenses

Out of pocket expenses to Council members while carrying out their governance duties in the year ended 31 December 2015 amounted to £137,000 (31 December 2014: £139,000). Out of pocket expenses related predominantly to travel expenses incurred while carrying out Council duties. The number of Council members who received reimbursement within the period was 30 (31 December 2014: 31).

### 23.2. Council remuneration

Council members do not receive remuneration for undertaking the role, however a total of £73,000 was paid to the employers of the current President and Chair of Council as recompense for time spent on services for the RCN UK (31 December 2014: £97,000). Breakdown as follows:

	31 December 2015 £'000	31 December 2014 £'000
Chair of Council (current)	39	39
President	34	58
<b>Total</b>	<b>73</b>	<b>97</b>

## 24. Related party transactions

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

## 25. Reconciliation of equity

### 25.1. Reserves — RCN UK

	As previously stated as at 31 December 2014 £'000	Effect of transition/ prior year adjustment £'000	FRS 102 (as restated) as at 31 December 2014 £'000
Pension Escrow account	4,946	-	4,946
Revaluation reserve	2,245	-	2,245
Accumulated funds	59,482	-	59,482
Pension reserve	(54,608)	150	(54,458)
<b>Total</b>	<b>12,065</b>	<b>150</b>	<b>12,215</b>

The pension escrow account is monies to which the Pension Trust have legal claim. It was transferred to the Pension Trust in March 2015 as part of the revised deficit funding plan agreed arising from the September 2013 actuarial valuation. The pension escrow agreement has now been formally dissolved.

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

### 25.2. Reserves — RCN Group

	As previously stated as at 31 December 2014 £'000	Effect of transition/ prior year adjustment £'000	FRS 102 (as restated) as at 31 December 2014 £'000
Reserves for charitable purposes	29,369	-	29,369
Pension Escrow account	4,946	-	4,946
Revaluation reserve	2,245	-	2,245
Accumulated funds	63,620	-	63,620
Pension reserve	(54,608)	150	(54,458)
<b>Total</b>	<b>45,572</b>	<b>150</b>	<b>45,722</b>

## 26. Reconciliation of other comprehensive income

### 26.1. Other comprehensive income – RCN UK

	As previously stated as at 31 December 2014 £'000	Effect of transition/ prior year adjustment £'000	FRS 102 (as restated) as at 31 December 2014 £'000
Surplus on ordinary activities after taxation	10,209	(3,342)	6,867
Actuarial losses on defined pension scheme	(17,684)	3,492	(14,192)
Deferred tax movement relating to actuarial losses	-	-	-
Revaluation reserve adjustment	(64)	-	(64)
Net unrealised gains on fixed asset investment	2,877	-	2,877
<b>Total comprehensive income for the period</b>	<b>(4,662)</b>	<b>150</b>	<b>(4,512)</b>

### 26.2. Other comprehensive income – RCN Group

	As previously stated as at 31 December 2014 £'000	Effect of transition/ prior year adjustment £'000	FRS 102 (as restated) as at 31 December 2014 £'000
Surplus on ordinary activities after taxation	10,446	(3,342)	7,104
Actuarial losses on defined pension scheme	(17,684)	3,492	(14,192)
Deferred tax movement relating to actuarial losses	-	-	-
Revaluation reserve adjustment	(64)	-	(64)
Net unrealised gains on fixed asset investment	3,710	-	3,710
<b>Total comprehensive income for the period</b>	<b>(3,592)</b>	<b>150</b>	<b>(3,442)</b>

## 27. Notes to reconciliations

a. Movement to funds is unrelated specifically to restatement under FRS 102 however due to the late receipt of an updated pension scheme report in the prior year, deemed not to be material to the accounts, an adjustment to the pension liability reducing it by £150,000 was not included in the audited accounts for the year ended 31 December 2014. As the most substantive change to the accounts under FRS 102 is for the treatment of pensions it was necessary to adjust the scheme liability at this time.

b. The position of the defined pension scheme was restated by a professionally qualified actuary in accordance with FRS 102 for the year ended 31 December 2014. The effect of the restatement was an increase in staff costs on the income statement of £3,492,000, lowering the results for the year accordingly. The effect on other comprehensive income was a reduction in the actuarial losses by the corresponding amount.