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- PRINT ON ONE SIDE ONLY

# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

The Royal College of Nursing

Year ended:

31 December 2014

List no:

528T

Head or Main Office:

20 Cavendish Square  
London  
W1G 0RN

Website address (if available)

Has the address changed during  
the  
year to which the return relates?

Yes

No

(Click the appropriate box)

General Secretary:

Dr Peter Carter

Telephone Number:

0207 647 3963

Contact name for queries  
regarding

Kristina Kopic

Telephone Number:

0207 647 3960

E-mail:

Kristina.kopic@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

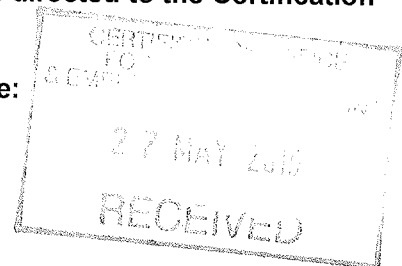
The address to which returns and other documents should be sent are:

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	40,037	922	53	270	<b>41,282</b>
FEMALE	372,343	13,197	432	2,160	<b>388,132</b>
TOTAL	412,380	14,119	485	2,430	<b>A 429,414</b>

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

5,716
428,952

Number of members at end of year contributing to the General Fund

## OFFICERS IN POST

(see note 12)

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

## RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
Member of Council	Professor Rod Thomson FRCN	Stuart McKenzie	July 2014

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		48,042
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		48,042
<b>Investment income (as at page 12)</b>		223
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	2,614	
<b>Total of other income (as at page 4)</b>		2,614
	<b>TOTAL INCOME</b>	<b>50,879</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		30,808
<b>Administrative expenses (as at page 10)</b>		13,596
<b>Federation and other bodies (specify)</b>		
<b>Total expenditure Federation and other bodies</b>		
<b>Taxation</b>		
	<b>TOTAL EXPENDITURE</b>	<b>44,404</b>
Surplus (deficit) for year		6,475
Amount of general fund at beginning of year		12,636
Amount of general fund at end of year		19,111

# 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	704	
Commission income	181	
Grant income	182	
Sponsorship income	274	
Conference services	335	
Other income	938	
<b>TOTAL OTHER INCOME</b>		<b>2,614</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>2,614</b>

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues	27,088	<b>brought forward</b>	29,124
		Education and Training services	1,684
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications	58	Salary Costs	
Advisory Services	1,978	Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
<b>carried forward</b>	29,124	<b>Total (should agree with figure in General Fund)</b>	30,808









(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>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>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)

		£'000
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		4,091
Salaries and Wages included in above	£'000: 3,674	
Auditors' fees		68
Legal and Professional fees		578
Occupancy costs		5,537
Stationery, printing, postage, telephone, etc.		394
Expenses of Executive Committee (Head Office)		890
Expenses of conferences		12
Other administrative expenses (specify)		
Bank charges		100
PR & Marketing		307
Insurance		179
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		1,440
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
<b>Total</b>		<b>13,596</b>
Charged to:	General Fund (Page 3)	13,596
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
<b>Total</b>		<b>13,596</b>





# BALANCE SHEET as at 31 December 2014

(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 £ )	16,910	
	Unquoted		
	<b>Total Investments</b>		16,910
	<b>Other Assets</b>		
	Loans to other trade unions		
611	Sundry debtors		2,103
21,814	Cash at bank and in hand		10,748
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
22,425	<b>Total of other assets</b>		12,851
	<b>TOTAL ASSETS</b>		29,761
	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		
(196)	Bank overdraft		(66)
	Tax payable		
(1,105)	Sundry creditors		(1,391)
(2,198)	Accrued expenses		(500)
(6,290)	Provisions		(8,693)
	Other liabilities		
(9,789)	<b>TOTAL LIABILITIES</b>		(10,650)
12,636	<b>TOTAL ASSETS</b>		19,111

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

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

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £'000	Political Fund  £'000
Equities (e.g. Shares)		
UK equities	2,228	
Global equities	8,483	
Government Securities (Gilts)		
Fixed interest (government securities and bonds)	5,281	
Other quoted securities (to be specified)		
Alternative assets	706	
Liquid assets	212	
TOTAL QUOTED (as Balance Sheet)	16,910	
Market Value of Quoted Investment	16,910	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<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 checked="" 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 type="checkbox"/>	NO <input 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	48,042		48,042
From Investments	223		223
Other Income (including increases by revaluation of assets)	2,614		2,614
<b>Total Income</b>	50,879		50,879
<b>EXPENDITURE</b> (including decreases by revaluation of assets)	44,404		44,404
<b>Total Expenditure</b>	44,404		44,404
<b>Funds at beginning of year</b> (including reserves)	12,636		12,636
<b>Funds at end of year</b> (including reserves)	19,111		19,111
<b>ASSETS</b>			
Fixed Assets			
Investment Assets			16,910
Other Assets			12,851
<b>Total Assets</b>			29,761
<b>LIABILITIES</b>			
<b>Total Liabilities</b>			(10,650)
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			19,111

# 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

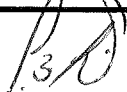

(see notes 74 and 75)

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></u> Name: <u>DR PETER CARTER OBE</u> Date: <u>22/4/15</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>MICHAEL BROWN</u> Date: <u>22/4/15</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

# AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES/NO

If "No" please explain below.

*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 2014.*

# Independent auditors' 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 2014 which comprise the Group and College Income and Expenditure Account, the Group and College Balance Sheets, the Group Cash Flow Statement, the Group and College Statement of Total Recognised Gains and Losses, and the related notes 1 to 25. 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).

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 2014 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

22 April 2015

## AUDITOR'S REPORT (continued)

The above responses merely reference matters set out in our attached independent auditors' 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 2014 dated 22 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.

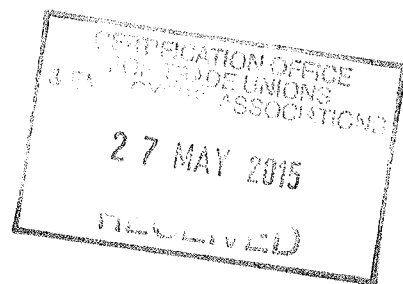
The above responses and the annual financial statements auditors' report, including the opinion, are made solely to the College's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 and section 17 of the Royal College of Nursing Royal Charter. 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:	<i>See attached audit opinion.</i>	
Name(s):	Reza Motazedì	
Profession(s) or Calling(s):	Chartered Accountant	
Address(es):	Deloitte LLP 2 New Street Square London EC4A 3BZ	
Date:	21 May 2015	
Contact name and telephone number:	Reza Motazedì 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.

# **Combined RCN Group annual report and consolidated financial statements for the year ended 31 December 2014**

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



## Introduction

### Message from the Chair of Council

This was my first full year as your Chair of Council. I took on this role with a great sense of pride but also one of huge responsibility at such a challenging time for our profession.

I am only too well aware of the tough time you are all having and the huge pressure that it puts on you and your families. I also know there are no easy answers.

All we want is to be able to provide the very best care. However, it is not right to expect nursing staff to subsidise the provision of patient care in the face of fewer staff, diminished services and increasing patient numbers.

I believe we have made a difference over the past 12 months. We have published clear evidence on the scale of cuts to nursing posts and the impact these are having on services; raising the awareness to the public and our critics about the realities of nursing today.

We have a strong campaign underway, right where it counts – in the workplace, to fight what is happening to our profession. I believe that our manifesto, to which you have all contributed, gives us a powerful voice leading up to the general election.

I hope this annual report demonstrates that we have been working harder than ever to support you. This year alone we supported more than 24,625 new representation cases in 7,110 workplaces. Our legal team has secured almost £7.5m in employment tribunal and personal injury compensation for members. Counselling was provided for 1,177 members and we offered 1,112 careers advice sessions. We helped members manage over £8m of debt and negotiated £89,000 of this debt to be written off for members with chronic ill health. We prevented homelessness for 17 members and assisted members to gain just over £1m in backdated, on-going or appealed benefits, tax credit or charitable payments.

We have focussed our energies on continuing to drive up the quality of patient care by promoting our standards for the improvement of patient care and the advancement of clinical practice. We have worked with a wide range of royal colleges; professional organisations and patient groups to develop our quality standards and guidance for care. We have set up a new clinical advisory group to enable nurse leaders to be more actively involved in the development and implementation of RCN strategy, policy and key outputs. This report sets out some of that work and I believe it illustrates why the duality of our role makes us stronger.

We reviewed the way we support our members to raise concerns about the quality of patient care, and developed a series of patient safety resources, which illustrate the crucial role we play in protecting patients from harm and avoiding preventable accidents.

Another key focus of our work has been to scope our future education offer to make sure it is fit to meet the complex demands of a changing healthcare landscape and will align with the Nursing and Midwifery Council (NMC) model of revalidation and the associated implications for continuing professional development. Mentorship and its impact on practice education is also a priority work area, which will enable us to develop appropriate resources to support best practice in mentorship. We have continued to lobby governments and decision makers to ensure that adequate resources are available to support investment in staff development. Finally, I want to highlight our international responsibilities. During the year our International Committee completed its review of its long term strategy to increase our international presence by supporting the capacity building of other national associations. You will also see from the report that we have continued to be active in Europe through the European Federation of Nurses Associations and the European Federation of Public Service Unions.

Many of you will have heard that Peter Carter has decided it is time to leave us. I want to acknowledge the huge contribution Peter Carter has made to the RCN and the nursing profession as our Chief Executive & General Secretary over the past eight years. I also want to thank Andrea Spyropoulos on behalf of us all for her strong leadership as our President from 2010-2014 and take this opportunity to thank our retiring student member of Council – Claire Jeeves who has done an admirable job in leading our student members over the past two years and Chris Piercy who has retired as Board Chair and Council Member for the Northern Region. Lastly, I would like to acknowledge the hard work all your Council Members do on your behalf.

I hope you will agree that this *Annual Report* highlights the challenges we are facing as a profession and our robust responses to them and the sheer range and depth of the work we are doing.



## The report of Council

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

### Change in accounting year end

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

For continuity Council prepared its plans and budgets for 2013 and 2014 based on a 21-month period from April 2013 to December 2014. This report covers the final 12 months of that 21-month plan. From 2015, the RCN budgeting period is once again aligned with the accounting period.

### Our five-year strategy 2013-2018

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

- Promoting excellence in practice.
- Nursing development and education.
- Shaping health policies.
- Representing nursing.
- An effective, value-for-money organisation.

### Our priorities for 2014

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

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

#### 1. Being a professional organisation

##### A. Strategic plan key area: Promoting excellence in practice

##### i) Council priority: The positioning and reputation of nursing

##### ❖ *The importance of nursing leadership*

Support for our Executive Nurse Network continues to grow as it moves into the second phase of its development under a new Chair. The network's purpose is to provide support for executive nurses across the UK; to facilitate electronic and face-to-face communication between them; and to develop a conduit for the voice of executive nurses and UK strategy makers to influence and inform UK policy and strategy.

In 2014, we also set up a new Clinical Advisory Group to enable nurse leaders to be more actively involved in the development of RCN policy, strategy and key outputs.

Another important strand of our work in 2014 was to advocate nursing's role in commissioning, to promote the role of specialist nurses and to demonstrate how nurse-led innovative practice makes a difference to patient care and experience.

As health and social care in Scotland moves towards full integration from 2015, the RCN has worked hard to promote the importance of visible, accountable nurse leadership to provide professional advice and assurance in the commissioning and delivery of integrated care. Whilst we

in order to strengthen its focus on nursing. As a result, from 1 January 2015 only those providing health and social care who are supervised by a registered nurse, midwife or health visitor and who are not on a professional register will be eligible to join the RCN as a Health Practitioner member. Their specific role, or any qualifications they may hold, will no longer be directly relevant.

#### ❖ **Our clinical priorities**

##### **Our year in numbers**

- In 2014, the number of RCN members who are in at least one forum increased by 7%
- The fastest-growing forums were:
  - Defence Nursing Forum, 16% increase
  - Mental Health Forum, 13% increase
  - Emergency Care Association, 11% increase
  - Learning Disability Nursing Forum, 10% increase
  - Neuroscience Forum, 10% increase
- 141 reports were submitted by forums detailing their representation of the RCN
- 44 publications were issued, ranging from clinical guidance to educational resources and position statements.
- Forums contributed to 39 professional conferences and events this year.

##### **Representing nursing and nurses**

During 2014, the RCN ensured that whenever decisions affecting practice (and therefore nursing) were made the nursing perspective was heard. Examples of this work in 2014 include:

- leading for nursing at the National Review of Urgent and Emergency Care in England
- leading for nursing at the four-country NMC Revalidation Task and Finish Group
- leading for nursing on updated UK guidance on decisions related to Cardiopulmonary resuscitation (CPR)
- providing nursing leadership at the Academy of Medical Royal Colleges
- acting as UK nursing leaders at European Level on a range of issues, including e-health
- ensuring expert nurses and midwives were present and heard at government level
- providing clinical expertise to national and inter-collegiate clinical and technical guideline development groups (e.g. National Confidential Enquiry into Patient Outcome and Death report on tracheotomy care)

##### **Shaping health policy**

During 2014 we focused on a range of priority issues across communities of practice including acute and primary mental health care, acute and primary physical health care, midwifery and women's health, public health, children and young people, vulnerable adults, the care of older people and community care. We also worked in highly specialist areas that are relevant across many communities of practice such as end-of-life care, reduction of physical restraint, anti-microbial stewardship, self-care of long-term conditions and eradication of female genital mutilation (FGM). RCN guidance published in 2014 includes:

- *Antimicrobial Resistance – RCN position on the nursing contribution*
- *Decisions relating to cardiopulmonary resuscitation*
- *The future for community children's nursing*
- *Supporting behaviour change through motivational interviewing- o-learning*

##### **Promoting excellence in practice**

Being the largest Royal College, and unique in encompassing all communities of practice, perhaps our most important role is to ensure that the vast expertise from within the membership is transferred, through clinically robust publications, to the point of care. Our professional forums exist to do this.

The forums, whose membership continued to grow in 2014, worked with the Corporate Communications and Publishing team to publish a wide range of clinical technical guides, competency frameworks, best practice guidance and clinical monitoring tools. And in partnership with the RCN Events team they contributed to an innovative range of seminars, workshops and conferences. Many of our forums also act as specialist representatives nationally and internationally. Examples of forum work in 2014 include:

Our first public lecture on 10 October was a huge success, with 121 attendees. Nathan Filer, mental health nurse and Costa Award-winning author of *The Shock of the Fall* (2013), revealed how his interest in the personal histories of individuals led him to specialise in mental health following registration, and how his work as a nurse later inspired his writing. And historian and former mental health service user Professor Barbara Taylor discussed her memoir *The Last Asylum*, a personal account of the closure of the public asylum system.

Evaluation of the lecture showed that half of the attendees worked in neither health care nor medicine, with some identifying themselves as service users, including RCN members who valued reflections of their own experiences as both service users and nursing staff. The juxtaposition of speakers was appreciated, and the event proved both accessible and inspiring.

#### ❖ **Knowledge and innovation**

During 2014 the Standards, Knowledge and Information Service managed nearly 300 consultations to help NICE build guidance and appraise health technologies and published 40 research, innovation, quality and safety bulletins.

We also contributed to the Scottish Intercollegiate Guidelines Programme to the Professional Records Standards Body and organised the quality assessment of around 40 other guidance and professional resources developed by other organisations. This work, along with the quality-assured publications developed by our own forums, has helped build an extensive professional resource, stating care and service definitions, specifications and providing evidence of what works to help members measure, plan and improve care and patient experiences.

Understanding what influences nurses' care quality is key to enabling us to effectively support their decision making and practice. Research for the professional attitudes and behaviours stream of the Future Nurse Future Workforce programme found that the socialisation of nurses in the work place and the development of their professional identity are important influences on the attitudes and behaviours that they adopt.

In 2013 our Nursing Practice and Policy Committee committed to making it easier for nursing staff to use knowledge in practice and policy making, and to feel confident and able to use research and innovation to enhance care. To this end the new *Knowledge and innovation action plan* was launched in January 2014. The plan sets out what the RCN will do to promote and enable the use, build, assurance and sharing of professional nursing knowledge over the next five years.

The plan helps us to co-ordinate activities across the RCN and will ensure that all our work is quality assured and evidence based, and is shared by and with our members and partners to ensure the College is viewed as a globally-respected authority on nursing.

We have continued to work closely with partners to build the nursing evidence base, such as our research alliance, the RCN Research Institute at the University of Warwick and the research teams which contributed rapid evidence assessments and briefing documents to inform RCN policy and professional developments as diverse as restraint in mental health settings and leadership.

More than 400 delegates attended the RCN research conference in Glasgow last April.

Our contribution to scholarship was further enhanced by the inclusion of our archives on the renowned Archives Hub that provides a gateway to many of the UK's richest historical archives and by the inclusion of 12,000 records from the RCN library catalogue on WorldCat, the world's largest network of library content and services.

The RCN worked with the Office of Public Management (OPM) to equip nursing staff in Scotland, Wales and Northern Ireland with the skills needed to report their contribution to patient experiences, in both financial and clinical outcome terms. The RCN and OPM were awarded a Burdett Trust grant to introduce the programme in England.

The RCN's Research and History of Nursing societies have been working on ways to help nursing staff research and analyse data, and we are supporting the Association of UK University Hospitals Directors of Nursing group in its campaign to promote academic clinical career options.

In 2014, the RCN positioned itself as a leading health organisation in tackling female genital mutilation (FGM) through raising awareness among health care professionals. In June, we co-hosted a highly successful stakeholder event attended by health professionals, stakeholders, media and FGM campaigners. Speakers included Norman Baker, Home Office Minister for Crime Prevention and Jane Ellison, Public Health Minister. The RCN was also invited to attend the Prime Minister's flagship event, the 'Girls Summit' on tackling violence among women and girls. The Home Office has now also announced that it will introduce mandatory reporting of FGM on those 18 years old and under, by professional groups, including nurses – this is an important step towards eradicating FGM.

A survey of Emergency Care Association members to gauge pressures in A&E informed our official response to the government consultation, and was used for external media and lobbying work. It led to a series of highly successful A&E summits held across the UK in which members explored how they could influence staffing levels and service configuration to best effect for patients.

In June our call on the Government to fulfil its commitment to increase the community workforce by 10,000 to help meet the growing demands of an ageing population led to a strong public debate on the importance of district nursing. Our survey of community staff showed a 47% reduction in the number of qualified district nursing staff in England over the past decade.

Devised in 2014 and launched in January 2015, *Future Conversations* is a joint RCN and Scottish Executive Nurses Directors initiative, giving nursing staff the opportunity to talk openly about their concerns, aims and ambitions, and to influence future workforce, education and nursing policies.

*Nurses' Voices from the Northern Ireland Troubles*, an oral history book documenting the role of nurses from 1969 to the signing of the Good Friday agreement in 1998 has focussed public attention on their incredible reserves of patience, determination, fortitude and courage in caring for patients from across the political divide.

## **2. Being a trade union**

### **A Strategic plan activity area: Representing nursing and nurses**

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

##### **❖ *Protecting our members***

Our members across the public and independent sectors have continued to face unprecedented organisational change, restructures and cuts in pay, and terms and conditions. We continue to actively address these and influence negotiations through our lead positions on the NHS Staff Council.

250,000 members contact our contact centre RCN Direct every year for advice and information; for support for professional practice; counselling and support when members need it; and for workplace representation and legal support.

In 2014, the RCN provided representation to 24,625 members in 7,110 workplaces. A total of 14,973 new cases were opened over the course of the year; 9,684 opened by RCN staff and 5,289 opened by RCN stewards. To support stewards in the provision of representation to members the RCN commenced a project to provide stewards with IT equipment and mobile phones to allow them to contact staff and members more readily and to access the case management system from any location.

In response to the Government's decision to reject the NHS Pay Review Body's recommendation of a 1% pay increase in relation to NHS staff in England Council launched our *What If Fair Pay Campaign* in June 2014 and this has been the focus of our strategy to resist attacks on the incremental system and unsocial hours arrangements.

The campaign is there to give nursing staff a voice. Our message has been clear: nursing staff have cared for record numbers of patients through the most disruptive reorganisation in the history of the NHS and in the face of huge workforce cuts. They deserve to be valued and appreciated and the Government should do the decent and honourable thing by giving nursing staff the pay rise they deserve.

employers the necessary regulatory and professional frameworks that need to be in place to support delivery of safe quality care and how RCN accredited representatives can help.

We have focussed on updating and cleansing the data we hold on our representatives and developing quality assured monitoring and reporting systems and processes.

It has been agreed to set up local networks led by the country and regional representatives on the UK representative committees as a means for our representatives to have regular contact with other representatives in their country or region and make sure their work is informed by members' views and concerns.

These networks will also enable us to provide more support for student information officers and improve our engagement with the student community and with our healthcare support workers on the ground.

**iv) Council priority: an organisation that thinks and acts globally**

We have a new international strategy. Its aims are to represent, advocate and strengthen the status of the nursing profession internationally; to enhance patient care, health and well being in the UK and elsewhere by improving professional policy and practice internationally; and to improve the health of communities internationally by working with nursing and other organisations to shape health policies and capacity build sister organisations.

In 2014, our work focussed on developing and harnessing UK nursing expertise and experience to improve global health outcomes; shaping and influencing EU and international policies that impact on UK nursing and population; learning from other countries to improve nursing and health in the UK; strengthening nursing's voice and influence globally; and becoming an organisation that thinks globally.

Alongside this, the International Committee initiated specific pieces of work to strengthen the RCN's international development work and its influence on key European issues.

We signed a *Memorandum of understanding* with the Zambia Union of Nurses Organisation as part of its commitment to international development and we are working to strengthen sister nursing organisations.

We hosted the biennial meeting of the Commonwealth Nurses and Midwives Federation in March and now have two members on its Board.

The college has continued to be involved in the detailed work around the implementation of the professional qualifications directive, in the UK and at European Federation of Nurses Associations and as part of the working group looking at future education competencies for nurses across Europe.

On the EU's health workforce action plan, we are working closely with EFN and with the European Federation of Public Services Unions to shape the outcomes of a number of key projects, including one on horizon scanning on future health workforce needs in European countries.

We influenced the EU election manifestos of its European alliances and launched our own manifesto in April based on RCN member views, followed by a hustings with UK MEP candidates in May. The RCN manifesto included calling for MEPs in the next European Parliament to ensure an appropriately educated, regulated and developed EU nursing workforce.

We continue to be well represented on the Boards of European alliances and actively participated in EPSU's Congress in May, led by the Chair of Council, which set the agenda for EPSU's work for the next five years.

their awareness of their health and wellbeing. Our corporate social responsibility policy is in the process of being developed to improve our practice in this area.

## Summary of our future plans

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

Our energies must focus on continuing to drive up the quality of patient care, by rigorously promoting and implementing our standards for the quality of patient care and working tirelessly to safeguard our members' jobs pay, terms and conditions.

### Being a professional organisation

We will:

- ensure our professional outcomes are recognised as significant contributors to the Royal College's role as the voice of nursing
- build the RCN vision for education, learning and development
- roll-out the refreshed Clinical Leadership Programme
- maintain and grow our relationships with key EU organisations
- ensure nursing evidence contributes to UK and international standards and guidance
- use international perspectives on wider health policy and nursing practice to inform RCN work
- deliver, implement and lead the *RCN knowledge and innovation action plan*
- enable nurse leaders to be more actively involved in the development of key professional products
- implement a different way of working for forums
- monitor the impact of health and social care reforms and new NHS structures on patient care and nurses with a key focus on commissioning providers and new models of care, system regulation and social care
- provide briefings, analysis and evidence to a range of organisations on the performance of the NHS system with a specific focus on the issues and implications for nursing practice.

### Being a trade union

We will:

- enhance our future activist programme and review the learning and development programme and resources to support accredited RCN representatives in the workplace
- demonstrate the benefits of accredited representatives to employers
- continue our *What If* campaign to ensure we are seen to be leading on activity that ensures jobs, pay and conditions are defended across all sectors and any attacks on them resisted
- continue our *Frontline First* campaign to provide robust evidence to underpin the RCN's work to achieve safe staffing levels and a good skills mix
- review our existing support mechanisms for members who raise concerns with the aim of enhancing and clarifying our support for whistleblowing
- protect and promote equality and diversity in employment through collective negotiations in NHS Staff Council and European Federation of Public Service Unions supported by guidance for accredited representatives and officers.

### Being a business

We will:

- continue to invest in the recruitment and retention of members
- continue to improve our engagement with members to increase the capacity and effectiveness of the RCN at UK, national and local levels
- provide access to member information to members who need it as part of their RCN role
- strengthen our presence in the independent, private, voluntary and other sectors
- seek to continue to grow our membership numbers and partnerships
- continue to build an organisational culture that places customer service at the heart of everything we do and recognises the need for efficiency and effectiveness in the way we do business
- embed our equality and inclusion principles into everything we do
- ensure the Council Review reinforces the role of the College in influencing policy on nursing leadership and education; setting standards for nursing; being an authoritative body of professional knowledge; championing effective nursing policies and best practices and campaigning on key healthcare issues

## Reference and administrative details

### Registered office

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

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

### Bankers

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

### Independent auditors

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
2 New Street Square, London EC4A 3BZ

### Investment managers

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

### Lawyers

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

### Chief Executive & General Secretary

Dr Peter Carter OBE

## Structure, governance and management

### Legal structure – history

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

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

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

### Current legal structure

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

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

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

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

#### **Governance groups**

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

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

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

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

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

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

#### **Representative committees**

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

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

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

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

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

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

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

#### **Country and regional boards**

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



### **Induction and development**

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

### **Members' disciplinary policy**

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

## **Membership and communications**

### **General meetings**

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

### **RCN Congress**

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

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

### **Council**

Michael Brown (Scotland) Chair of Council  
Lorrae Allford (South West) Vice Chair of Council  
Andrea Spyropoulos, RCN President  
Cecilia Anim, RCN Deputy President  
Kevin Bell (Northern Ireland)  
Tracey Budding (West Midlands)  
David Cardwell, Health Practitioner member of Council  
Gill Cort (East Midlands)  
Fiona Devlin (Northern Ireland)  
Carol Evans (Eastern)  
Brendan Garry, Student member of Council  
Rachel Greaves (South East)  
David Harding-Price (East Midlands) Honorary Treasurer  
Claire Jeeves, Student member of Council  
Gaynor Jones (Wales)  
Anne Kennedy (Yorkshire and Humber)  
Joanne Kerr (North West)  
Gordon Lees (Northern)  
Stuart McKenzie, Chair of Congress from July 2014  
Brenda McMurray, Health Practitioner member of Council  
Ian Norris (London)  
Margaret North (South West)  
Andrew Patrick (Scotland)  
Christopher Piercy (Northern)  
Sylvia Simmons (South East)  
Christine Thomas (Wales)  
Professor Rod Thomson FRCN, Chair of Congress until July 2014  
Roy Tomlinson (Yorkshire and Humber)  
Mike Travis (North West)  
Peter Walsh (London)  
Sue Warner (West Midlands)  
Anne Wells (Eastern)

**External advisers**

Simon Ellen  
David Hopton from September 2014  
Simon McClean from September 2014

**Observers**

Paul Rees

**Investment Sub-Committee (of Business Committee)**

David Harding-Price, Chair  
Lorrae Allford, Vice Chair

**External advisers**

Simon Ellen  
Simon McClean from September 2014  
Paul Rees

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

Ian Norris, Chair  
Rachel Greaves, Vice Chair  
Lorrae Allford  
Cecilia Anim  
Carol Evans  
Brendan Garry  
David Harding-Price  
Joanne Kerr  
Brenda McIlmurray  
Margaret North  
Andy Patrick  
Christopher Piercy  
Andrea Spyropoulos  
Roy Tomlinson  
Peter Walsh  
Sue Warner

**Membership and Representation Committee**

Anne Wells, Chair  
Tracey Budding, Vice Chair  
Cecilia Anim  
Kevin Bell  
Gill Cort  
Fiona Devlin  
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 Cuplitt  
Steve Dunne-Howells  
David Herring  
Lorraine Hicking-Woodison  
Deborah Jackson  
Helen Lloyd  
Brian Murphy on RCN staff secondment from October 2014  
Judith Page  
Joanie Spiegel

### **Council Sub-committee**

#### **Agenda Committee**

Stuart McKenzie, Vice Chair until June 2014 and then Chair  
Professor Rod Thomson FRCN, Chair until June 2014  
BJ Waltho, Vice Chair from August 2014  
Tom Bolger  
Michael Brown, Chair of Council  
Billy Drysdale  
Geoff Earl  
Dominic Walsh from September 2014

#### **Awards Committee**

Lorrae Allford  
Cecilia Anim  
Michael Brown  
Jane Denton CBE FRCN  
Andrea Spyropoulos  
Christine Thomas

#### **Diversity Committee (until June 2014 when the Committee stood down)**

Christopher Piercy, Chair  
Michelle Cowen  
Vivienne Ferris  
Gill Francis  
Tamsin Kilgour  
Ofrah Muflahi  
Rachael Ridley  
Sylvia Simmons  
Rosemary Strange  
Anne Wells  
Jane Wray

#### **Ethics Committee**

Janet Holt, Chair  
Cecilia Anim  
David Edwards  
Ann Gallagher until May 2014  
Martin Johnson  
Ann King  
Carolyn Roberts  
Sue Warner

#### **International Committee**

Professor Kathleen McCourt CBE FRCN, Chair  
Paula Hancock, Vice Chair  
Cecilia Anim  
Andrew Clarke  
Kevin Davies from November 2014  
Alan Finnegan  
Rachel Greaves  
Judith Malan  
Andrea Spyropoulos

#### **External adviser**

Kevin Davies from November 2014  
Monika Kozinska until June 2014

Julie Smith  
Tracey Whale

**East Midlands region**

Gill Cort, Chair and Council member  
Helen Varney, Board Vice Chair  
Jenny Creasey  
Marva Duncan  
Pat Edkins  
Ed Fairley  
David Harding-Price, Council member  
Roger Milligan  
Helen Morrison  
Helen Ritchie  
Jeanette Robinson  
Neil Thompson  
Liam Whitelaw until August 2014

**London region**

Ian Norris, Chair and Council member  
Christopher McDonnell, Vice Chair  
Karen Barrett  
Ursula Gallagher  
Matthew Hodson  
Susan Howkins  
Tom Morahan  
Lisa Oluyinka  
Yemi Osho  
Maria Ponto  
Philip Roud  
Karen Sanders  
Mike Smith  
Neville de Silva  
Faith Thornhill  
Peter Walsh, Council member

**Northern region**

Christopher Piercy, Chair and Council member  
Michael Appleby, Vice Chair  
Cynthia Agbo  
Neil Anderson  
Karen Dutton  
Pat Ferguson  
Ann Fox  
Gordon Lees, Council member  
Amanda McEwan  
Denise McLaughlin  
Rachael Ridley  
Margaret Wardrobe  
Jan Weightman  
Michael White

**North West region**

Joanne Kerr, Chair and Council member  
Jean Rogers, Vice Chair  
Suzanne Butler  
Dr Claire Chatterton  
David Dawes  
Shelia Dunbar  
Maggy Heaton  
Karen Lister  
Professor Janet Marsden FRCN  
Verna Philips  
Ali Richards  
Geoff Thompson  
Mike Travis, Council member

## 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

Dr Peter Carter OBE

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

Jane Clarke	Director, Governance Support
David Cooper	Director, Human Resources and Organisational Development
Chris Cox	Director, Legal Services
Janet Davies FRCN	Director, Nursing and Service Delivery
Tina Donnelly	Director, RCN Wales
Theresa Fyffe	Director, RCN Scotland
Tim Golbourn	Director, Finance and Corporate Services
Fiona Johnson	Director, Communications
Janice Smyth	Director, RCN Northern Ireland
Tom Sandford FRCN	Director, RCN England
Rhonda Oliver	Director, RCN Publishing Company Limited until November 2014

## 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 twelve 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.

Taking the nine-month figure to 31 December 2013 adjusted for one-off non-recurrent items pro-rated to 12 months would give an operating expenditure figure of £64.9m, which is £0.2m less than in the current financial year ended December 2014.

The comparison is set out in the table below:

	<b>12 months to 31 December 2014 £'000</b>	<b>2013 pro-rated to 12 months £'000</b>	<b>9 months to 31 December 2013 £'000</b>
Total operating costs	65,033	-	46,396
Add release of NILGOSC provision	-	-	1,543
Add release of annual leave provision	-	-	709
<b>Operating costs excluding one-off costs</b>	<b>65,033</b>	<b>64,864</b>	<b>48,648</b>

The table above reports a minimal increase in costs against the 2013 pro-rated position; however, this masks some significant variances.

In 2014 legal indemnity provisions and costs increased significantly by £5.4m when compared to the December 2013 position. It should be noted that in 2013 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. The significant increase in legal costs from 2013 to 2014 have been offset by £5.2m in lower staff costs, legal representation cases (non-indemnity), and premises and estates costs.

The operating surplus for the year ended 31 December 2014 is £9.2m (9 months ended 31 December 2013: £8.3m).

The net assets of the RCN UK, including the effect of the RCN pension scheme deficit, decreased from £16.7m to £12.1m. The negative movement reflects the impact of the actuarial losses on the defined benefit pension scheme partially offset by the operating surplus in the year.

In February 2014, the RCN UK invested £40m from cash holdings into a managed investment portfolio. The £40m was invested gradually into investment assets, primarily equities and fixed interest, during the year, the portfolio was fully invested at 31 December 2014. In the period to 31 December 2014 the portfolio generated gross investment income of £0.6m (9 months ended 31 December 2013: £0.1m from short-term deposits) and unrealised gains in the market value of the investments of £2.9m during the year. Investments stand at £42.9m at 31 December 2014.

RCN received a dividend from its wholly owned subsidiary, RCN Publishing of £0.6m (9 months ended 31 December 2013: £1.2m).

#### **RCN Publishing Company Limited**

The principal activities of RCN Publishing Company Limited (RCN PC) are communications through journal publishing, exhibitions and public relations within nursing and related fields. The company had a satisfactory year ended 31 December 2014 with pre tax profits of £0.9m (9 months ended 31 December 2013: £1.1m). Turnover for the year was £14.3m, which equals the comparative pro-rated figure for 2013. However, cost of sales and administration costs were higher for the year ended 31 December 2014, resulting in an operating profit margin of 6.3% (9 months ended 31 December 2013: 9.7%). The decrease is mainly due to the cost of brand development activities in 2014.

#### **RCN Foundation**

The RCN UK is the sole member of the RCN Foundation, a charitable company limited by guarantee. The RCN Foundation was set up to support nursing staff to improve the health and wellbeing of the public. It funds bursaries for those wishing to study and provides support to staff at times of hardship. The RCN Foundation also give grants to innovative projects that make a difference to service development and the safety, quality and dignity of patient care. The RCN Foundation prepares its financial statements following the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005, as updated in 2008. Its net assets of £29.4m 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 £0.9m and net gains of £0.9m (9 months ended 31 December 2013: investment income of £0.7m and net gains of £1.3m). In the year ended 31 December 2014, the RCN Foundation reported a positive net movement in funds of £982k (9 months ended 31 December 2013: £1,456k).

# Independent auditors' 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 2014 which comprise the Group and College Income and Expenditure Account, the Group and College Balance Sheets, the Group Cash Flow Statement, the Group and College Statement of Total Recognised Gains and Losses, and the related notes 1 to 25. 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).

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

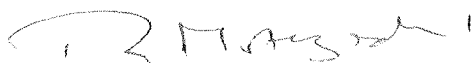
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the College's affairs as at 31 December 2014 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

22 April 2015

## Statement of total recognised gains and losses for the year ended 31 December 2014

Note	RCN UK 12 months to 31 December 2014 £'000	RCN UK 9 months to 31 December 2013 £'000	RCN Group 12 months to 31 December 2014 £'000	RCN Group 9 months to 31 December 2013 £'000	
Actuarial losses on defined benefit pension scheme – Pensions Trust	15.2	(17,684)	(566)	(17,684)	(566)
Revaluation reserve adjustment	20	(64)	(47)	(64)	(47)
Net unrealised gains/(losses) on fixed asset investments	11	2,877	-	3,710	787
Transfer of funds from subsidiary		-	22	-	-
Other net recognised (losses)/gains		(14,871)	(591)	(14,038)	174
Surplus in period		10,209	9,642	10,446	9,770
<b>Total recognised (losses)/ gains since last financial statements</b>		<b>(4,662)</b>	<b>9,051</b>	<b>(3,592)</b>	<b>9,944</b>

## Reconciliation of movements in funds for the year ended 31 December 2014

	RCN UK 12 months to 31 December 2014 £'000	RCN UK 9 months to 31 December 2013 £'000	RCN Group 12 months to 31 December 2014 £'000	RCN Group 9 months to 31 December 2013 £'000
Surplus in period	10,209	9,642	10,446	9,770
Other net recognised (losses)/gains	(14,871)	(591)	(14,038)	174
Net (deductions)/ additions from funds	(4,662)	9,051	(3,592)	9,944
<b>Accumulated funds at the start of the period</b>	<b>16,727</b>	<b>7,676</b>	<b>49,164</b>	<b>39,220</b>
<b>Accumulated funds at period end</b>	<b>12,065</b>	<b>16,727</b>	<b>45,572</b>	<b>49,164</b>



## RCN Group cashflow statement for the year ended 31 December 2014

	Note	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
<b>Net cash inflow from operating activities</b>	18.1	<b>2,272</b>	<b>3,925</b>
<b>Returns on investments and servicing of finance</b>			
Interest	4	1,478	790
Taxation	7	(143)	(246)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	10.2	(2,563)	(2,104)
Acquisition of investments	11	(52,217)	(7,681)
Disposal of investments	11	11,822	5,979
(Decrease)/increase in investment cash		(46)	1,736
<b>Net cash (outflow)/inflow</b>		<b>(39,397)</b>	<b>2,399</b>
Management of liquid resources	16	39,036	(3,007)
<b>Decrease in cash</b>	17	<b>(361)</b>	<b>(608)</b>

**(g) Pensions**

The RCN UK operates defined benefit and defined contribution schemes.

**Defined benefit pension schemes**

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

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

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

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

**Defined contribution pension scheme**

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

**(h) Irrecoverable Value Added Tax**

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

**(i) Direct tax**

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

**(j) Deferred tax**

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

**(k) Tangible fixed assets**

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

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

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

## 2. SURPLUS ON ORDINARY ACTIVITIES

Surplus on ordinary activities is stated after charging:

	RCN UK		RCN Group	
	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
Depreciation	2,105	1,425	2,201	1,519
Operating leases:				
Land and buildings	1,022	898	1,204	1,033
Other leased assets	335	240	349	255
Auditors' remuneration:				
Audit services	104	95	116	114

## 3. INCOMING RESOURCES – RCN UK

	Representation activities £'000	Other college activities £'000	Total 12 months to 31 December 2014 £'000	Total 9 months to 31 December 2013 £'000
Membership income	48,042	22,318	70,360	51,880
Other income	2,614	1,215	3,829	2,812
	<b>50,656</b>	<b>23,533</b>	<b>74,189</b>	<b>54,692</b>

Representation is defined as relating to Trade Union activities.

Membership and other income is split – 68% representation and 32% other college activities in line with expenditure. See note 9 for basis of allocation.

## 4. INVESTMENT INCOME

	RCN UK		RCN Group	
	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
UK equities	136	-	561	300
Overseas equities	234	-	507	222
UK fixed interest	58	-	243	130
Bank interest	139	115	167	138
	<b>567</b>	<b>115</b>	<b>1,478</b>	<b>790</b>

Investment income is split – 39.4% representation (£223,000) and 60.6% other college activities (£344,000) in line with investment holdings. See note 19 for allocation of investment assets.

## 5. RCN UK TRADING SUBSIDIARY UNDERTAKINGS

### 5.1 Trading results (RCN PC)

RCN Publishing Company Limited (RCN PC) is a publisher of nursing journals. RCN PC is incorporated in the United Kingdom.

Details of the trading activities are set out below.

	RCN PC 12 months to 31 December 2014 £'000	RCN PC 9 months to 31 December 2013 £'000
Income	14,277	10,704
Costs	(13,366)	(9,651)
Profit	911	1,053
Taxation	(143)	(246)
Profit after tax	<b>768</b>	<b>807</b>

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

7. **TAXATION NOTE**

**Taxation on surplus on ordinary activities**

UK corporation tax  
Current tax on surplus for the period  
Adjustments in respect of prior years  
**Total current tax**  
**Deferred tax**  
Movement in period  
**Taxation on surplus on ordinary activities**

	RCN UK		RCN Group	
	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
UK corporation tax	-	-	186	232
Adjustments in respect of prior years	-	-	(11)	12
<b>Total current tax</b>	-	-	<b>175</b>	<b>244</b>
<b>Deferred tax</b>				
Movement in period	-	-	(32)	2
<b>Taxation on surplus on ordinary activities</b>	-	-	<b>143</b>	<b>246</b>

The tax assessed for the period is lower (9 months ended 31 December 2013: lower) than the main rate of corporation tax in the UK. The differences are explained below:

	RCN UK		RCN Group	
	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
Surplus on ordinary activities before tax	10,207	9,642	11,117	10,016
Surplus on ordinary activities at the main rate of corporation tax in the UK of 21.49% (December 2013: 23%)	2,194	1,884	2,390	2,126
Accelerated capital allowances and other timing differences	(28)	(64)	(40)	(65)
Sundry timing differences	(3)	(48)	43	(49)
Expenses not deductible for tax purposes	13,178	387	13,182	391
Group relief (claimed)/surrendered	48	12	-	-
Adjustments in respect of prior periods	-	-	(11)	12
Group income	(128)	(287)	(128)	(287)
Non-taxable income	(15,261)	(1,855)	(15,261)	(1,855)
Income covered by tax exemptions	-	(29)	-	(29)
<b>Current tax charge</b>	-	-	<b>175</b>	<b>244</b>

**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 (9 months ended 31 December 2013: 20%).

**Analysis of deferred tax asset**

Excess of capital allowances over depreciation  
Short term timing differences  
Pension provision  
**Carried forward as at period end**

	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
Excess of capital allowances over depreciation	(6)	4
Short term timing differences	62	13
Pension provision	-	7
<b>Carried forward as at period end</b>	<b>56</b>	<b>24</b>

There are also unrecognised deferred tax assets totalling £461,000 in respect of tax losses and other short term timing differences in relation to the RCN UK. In addition, there are unrecognised deferred tax liabilities totalling £90,000 in respect of capital allowances over depreciation in relation to the RCN UK.

8. **STAFF COSTS – RCN GROUP**

Wages and salaries  
Social security costs  
Other pensions costs  
**Total**

	12 months to 31 December 2014 £'000	9 months to 31 December 2013 £'000
Wages and salaries	36,866	27,246
Social security costs	3,137	2,290
Other pensions costs	3,638	4,028
<b>Total</b>	<b>43,641</b>	<b>33,564</b>

Of the total staff costs £29,798,000 (9 months ended 31 December 2013: £19,586,000) has been allocated to RCN UK representation activities.

Products and services – split by representation and other college activities 2013

	2013 Representation activities £'000	2013 Other college activities £'000	Total 9 months to 31 December 2013 £'000
Representation and Member support	21,748	-	21,748
Partnership working and collective representation	3,442	-	3,442
Clinical Negligence Indemnity	4,789	-	4,789
Education	-	4,446	4,446
Professional advice, practice & support	-	6,867	6,867
Shaping Policy	-	3,860	3,860
Research	-	1,244	1,244
<b>Total expenditure</b>	<b>29,979</b>	<b>16,417</b>	<b>46,396</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 12 months to 31 December 2014 £'000	Total 9 months to 31 December 2013 £'000
Staff costs	25,829	12,000	37,829	29,430
Premise and estate costs	5,968	2,773	8,741	7,023
Travel and accommodation	1,768	821	2,589	1,935
Other service delivery costs	10,839	5,035	15,874	8,008
<b>Total expenditure</b>	<b>44,404</b>	<b>20,629</b>	<b>65,033</b>	<b>46,396</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. FIXED ASSETS

10.1 Fixed assets – RCN UK

	Freehold land & buildings £'000	Leasehold improvements £'000	Furniture & equipment £'000	Computer Software £'000	Assets under construction £'000	Total £'000
<b>Cost or Valuation</b>						
Balance at 1 January 2014	3,435	26,744	6,155	2,353	297	38,984
Additions	-	624	727	15	1,057	2,423
Disposals	-	(196)	(2,444)	(209)	(2)	(2,851)
Transfer of assets under construction	-	19	10	30	(59)	-
<b>Balance at 31 December 2014</b>	<b>3,435</b>	<b>27,191</b>	<b>4,448</b>	<b>2,189</b>	<b>1,293</b>	<b>38,556</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2014	1,539	9,099	4,718	1,711	-	17,067
Charge for year	121	1,207	634	259	-	2,221
Disposals	-	(121)	(2,429)	(196)	-	(2,746)
<b>Balance at 31 December 2014</b>	<b>1,660</b>	<b>10,185</b>	<b>2,923</b>	<b>1,774</b>	<b>-</b>	<b>16,542</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>
<b>Net book value at 31 December 2013</b>	<b>1,896</b>	<b>17,645</b>	<b>1,437</b>	<b>642</b>	<b>297</b>	<b>21,917</b>

The historical cost of the revalued asset is:

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

	31 December 2014 Leasehold improvements £'000	31 December 2013 Leasehold improvements £'000
Cost	22,167	22,167
Accumulated depreciation based on historical cost	(7,816)	(7,373)
<b>Historical cost net book value</b>	<b>14,351</b>	<b>14,794</b>

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

11.2 Short term investments

	RCN UK 31 December 2014 £'000	RCN UK 31 December 2013 £'000	RCN Group 31 December 2014 £'000	RCN Group 31 December 2013 £'000
Market value at start of period	-	-	1,002	1,000
Additions at cost	3,000	-	8,000	1,000
Redemptions	(3,000)	-	(8,000)	(1,000)
(Losses)/gains on short term investments	-	-	(2)	2
<b>Investments at market value at period end</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,002</b>
Cash held for reinvestment	5	-	6	-
Market value at period end	5	-	1,006	1,002
Historical cost at period end	5	-	1,005	1,000

12. DEBTORS

	RCN UK 31 December 2014 £'000	RCN UK 31 December 2013 £'000	RCN Group 31 December 2014 £'000	RCN Group 31 December 2013 £'000
Trade debtors	187	209	1,011	864
Amount due from subsidiaries and associated undertakings	48	23	-	-
Other debtors	378	331	352	331
Taxation	186	124	148	272
Prepayments and accrued income	2,328	2,229	2,706	2,689
	<b>3,127</b>	<b>2,916</b>	<b>4,217</b>	<b>4,156</b>

All amounts included in debtors are receivable within one year except deferred tax of £56k included within RCN Group taxation (9 months ended 31 December 2013 deferred tax of £24k included within RCN Group taxation).

13. CREDITORS AND ACCRUED CHARGES

13.1 Amounts falling due within 1 year

	RCN UK 31 December 2014 £'000	RCN UK 31 December 2013 £'000	RCN Group 31 December 2014 £'000	RCN Group 31 December 2013 £'000
Bank overdrafts and loans	97	305	134	343
Trade creditors	474	241	1,541	911
Amount due to subsidiaries and associated undertakings	530	203	-	-
Pension contribution	383	457	390	519
PAYE, social security and taxation	865	816	1,055	1,111
Payments on account	-	-	-	13
Other creditors	316	223	532	500
Accruals and deferred income	4,934	5,000	5,720	5,047
	<b>7,599</b>	<b>7,245</b>	<b>9,372</b>	<b>8,444</b>

13.2 Provision for liabilities and charges

	RCN UK 31 December 2014 £'000	RCN UK 31 December 2013 £'000	RCN Group 31 December 2014 £'000	RCN Group 31 December 2013 £'000
Provision for onerous leases	-	26	-	26
Provision for dilapidations	396	415	462	481
Provision for professional indemnity claims	8,693	5,909	8,693	5,909
Provision for restructuring	134	145	134	145
	<b>9,223</b>	<b>6,495</b>	<b>9,289</b>	<b>6,561</b>

RCN UK

Movements – provision for liabilities and charges

	31 December 2013 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2014 £'000
Provision for onerous leases	26	-	-	(26)	-
Provision for dilapidations	415	(32)	70	(57)	396
Professional indemnity claims	5,909	8,329	(3,641)	(1,904)	8,693
Provision for restructuring	145	134	(55)	(90)	134
	<b>6,495</b>	<b>8,431</b>	<b>(3,626)</b>	<b>(2,077)</b>	<b>9,223</b>

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 2014, net of additional voluntary contributions was £215,276,000. There was no investment holding greater than 5% of the value of the fund at 31 December 2014.

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 contribution of 10.5%. Estimated employer contributions to be paid by the RCN UK for the year ending 31 December 2015 are £4,727,944.

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 the end of the recovery period to 31 March 2022 or a new funding plan agreed. The total deficit funding paid in the year ended 31 December 2014 was £1,690,000.

The defined benefit plan contributions were £16,088,000. At the end of the year, contributions of £384,000 representing the unpaid contributions for December 2014 were outstanding.

#### 2014 Pension contribution payments

One off deficit payment  
Agreed annual deficit payment  
Individual CARE contributions (excluding December 2014)  
**Total contribution**

<b>RCN Group 31 December 2014 £'000</b>	
	10,054
	1,690
	4,344
	<b>16,088</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 17 Retirement benefits

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

Under the provision of FRS 17 the current deficit in the defined benefit scheme of £54,608,000 has been included as a separate liability on the balance sheet. The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation by a qualified independent actuary at 30 September 2013 to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 December 2014. The next actuarial valuation by a qualified independent actuary at 30 September 2016 and will be received by spring 2017.

The principal actuarial assumptions were as follows:

	31 December 2014	31 December 2013	31 March 2013	31 March 2012	31 March 2011
Discount rate	3.6%	4.6%	4.4%	4.6%	5.5%
Inflation assumptions (RPI)	3.1%	3.5%	3.3%	3.1%	3.4%
Inflation assumptions (CPI)	2.1%	2.6%	2.4%	2.2%	2.9%
Allowance for revaluation of deferred & CARE pensions accrued before 1 November 2013 (with LPI of 5%)*	3.1% (RPI)	3.5% (RPI)	3.3% (RPI)	3.1% (RPI)	3.4% (RPI)
Allowance for CARE revaluation of pensions accrued after 1 November 2013 (with LPI cap of 2.5%)*	1.7% (CPI)	2.1% (CPI)	-	-	-
Allowance for pension payments increases accrued before 1 June 2007 (with LPI cap of 5%)*	3.0% (RPI)	3.5% (RPI)	3.3% (RPI)	3.0% (RPI)	3.4% (RPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 5%)*	2.1% (CPI)	2.6% (CPI)	2.4% (CPI)	2.2% (CPI)	2.9% (CPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 3%)*	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.

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

	31 December 2014 £'000	31 December 2013 £'000
<b>Opening defined benefit obligation</b>	<b>229,799</b>	<b>221,945</b>
Service cost	4,475	5,683
Interest cost	10,575	7,336
Contributions by employees	1,185	1,263
Actuarial (gains)/losses	29,179	(2,804)
Benefits paid	(5,329)	(3,624)
<b>Closing defined benefit obligation</b>	<b>269,884</b>	<b>229,799</b>

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

	31 December 2014 £'000	31 December 2013 £'000
<b>Opening fair value of the scheme assets</b>	<b>180,122</b>	<b>173,846</b>
Expected return	12,047	7,558
Actuarial gains/(losses)	11,495	(3,370)
Contributions by employer	15,756	4,449
Contributions by employees	1,185	1,263
Benefits paid	(5,329)	(3,624)
<b>Closing fair value of the scheme assets</b>	<b>215,276</b>	<b>180,122</b>
<b>Actual return on scheme assets</b>	<b>23,542</b>	<b>4,188</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.

	31 December 2014 £'000	31 December 2013 £'000	31 March 2013 £'000	31 March 2012 £'000	31 March 2011 £'000
Defined benefit obligation	(269,884)	(229,799)	(221,945)	(189,678)	(156,508)
Scheme assets	215,276	180,122	173,846	150,367	139,900
<b>(Deficit)</b>	<b>(54,608)</b>	<b>(49,677)</b>	<b>(48,099)</b>	<b>(39,311)</b>	<b>(16,608)</b>
<b>Experience gains / (losses) on scheme liabilities:</b>					
Amount	(4,148)	-	-	-	9,364
Percentage of the present value of scheme liabilities	1.5%	-	-	-	6.2%
<b>Actual return less expected return on scheme assets:</b>					
Amount	11,495	(3,370)	10,785	(3,270)	(489)
Percentage of scheme assets	5.3%	(1.9%)	6.2%	(2.2%)	(0.3%)

**16. MANAGEMENT OF LIQUID RESOURCES**

	31 December 2013 £'000	Cash flow £'000	31 December 2014 £'000
Cash invested in UK money market and deposit accounts	58,739	(39,036)	19,703

**17. ANALYSIS OF CHANGES IN NET FUNDS**

	31 December 2013 £'000	Cash flow £'000	31 December 2014 £'000
Short-term deposits (including Pension Escrow Account)	58,739	(39,036)	19,703
Cash at bank and in hand	1,640	(570)	1,070
Bank overdrafts and loans	(343)	209	(134)
	<b>60,036</b>	<b>(39,397)</b>	<b>20,639</b>

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



## 20. RESERVES

### 20.1 Reserves – RCN UK

	Pension Escrow account £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
At 1 January 2014	4,934	2,309	59,161	(49,677)	16,727
Surplus in period	12	-	(3,152)	12,753	9,613
Revaluation reserve	-	(64)	2,877	-	2,813
Dividends	-	-	596	-	596
Actuarial loss	-	-	-	(17,684)	(17,684)
At 31 December 2014	4,946	2,245	59,482	(54,608)	12,065

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.

### 20.2 Reserves – RCN Group

	Reserves for charitable purposes £'000	Pension Escrow account £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
At 1 January 2014	28,387	4,934	2,309	63,211	(49,677)	49,164
Investment unrealised gains	833	-	-	2,877	-	3,710
Surplus in period	149	12	-	(2,468)	12,753	10,446
Revaluation reserve	-	-	(64)	-	-	(64)
Actuarial loss	-	-	-	-	(17,684)	(17,684)
At 31 December 2014	29,369	4,946	2,245	63,620	(54,608)	45,572

## 21. COMMITMENTS

### 21.1 CAPITAL COMMITMENTS

The value of contracts committed to but not provided for was £2,543,000 (31 December 2013: £927,000). This figure relates to work on Finance system upgrade, RCN Website (internet & intranet) and the Membership Information System.

### 21.2 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.

## 22. CONTINGENT LIABILITIES

Contingent liabilities are estimated at £2,533,000 (31 December 2013: £1,768,000) which relates to the member's professional indemnity scheme.

## 23. TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992

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

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

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

## 24. COUNCIL EXPENSES AND REMUNERATION

### 24.1 Council expenses

Out of pocket expenses to Council members while carrying out their governance duties in the year ended 31 December 2014 amounted to £139,000 (9 months ended 31 December 2013: £102,000). 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 31 (9 months ended 31 December 2013: 37).