

ANNUAL REPORT

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

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

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

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the United Kingdom, its trading subsidiaries
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Introduction

Message from the Chair of Council

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

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

We have been working harder than ever to defend you. In 2015, RCN stewards and officers opened more than 1,000 new representation cases in 1,000 workplaces. We depend enormously on the support of our accredited representatives and I am only too aware of just what a tough time they have had and are still having. I would like to express my sincere thanks to them on all our members' behalf.

Our legal team has also been fighting for a record number of members. Across the UK, we secured £1.5 million in compensation for RCN members last year – a combination of employment tribunal and personal injury compensation.

We also supported 1,000 members through the Nursing and Midwifery Council (NMC) procedures. With our assistance, in more than 80 per cent of cases, the nurse had no case to answer, or received no sanction from the NMC.

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

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

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

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

A handwritten signature in black ink, appearing to read 'Michael Brown', is positioned above a solid black rectangular redaction box.

Michael Brown
Chair of Council



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

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

In England, the summit was used to gather views for the third stage of the national review of urgent and emergency care that will commence

shortly. As a result, the RCN 2m1412(o)-R Tf -0.ini* [(u)2(1T* [(0(: i)r)-23(e)-5()TJ T2(l c)52e)-4(n)-3(0e)-3(r)-28(b)1(nl)1 7(s i)4(n)9e the summitN 2maso23(, t)-11(h)n11(* [(u)2(1T* [(0(: i)r)-f -0.i)1(n)2(i)y0(s f)-12(o)-1(r t)-11(h)9(e)-5()TJ Ta)

S . Q R Z O H G J H D Q G L Q Q R Y D W I n t e r v e n t i o n s .

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

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

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

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

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

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

During 2017, we continued to take steps to ensure that national guidance addresses priority issues for patients and capitalises on the value of nursing

interventions. For example, we secured nursing expert contribution on guidance products and consultations. We have involved more than 100 RCN members in the development of guidance and standards since March 2017. We also contribute to the development of clinical guidance in Scotland, as a member of the Scottish Intercollegiate Guidelines Council, and using the RCN's Quality Framework, we endorse the national guidance developed by other organisations and professional bodies, ensuring it is accessible to our members.

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

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

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

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

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

The RCN in Scotland was a key partner with the Royal College of Physicians of Edinburgh (RCPE) when it organised a two-day UK-wide consensus conference in Edinburgh in November. Patient Flow in Acute Medicine focused on improving the quality of care through effective patient flow. The conference produced a national consensus statement and we achieved national agreement that senior decision makers, including nurses and assistant health practitioners with the right skills, must be available . It was also agreed that the



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

In Scotland, the key focus of member recruitment is through the Four Seasons care homes. Significant success has been achieved through the Supporting better care programme and in engagement with Scottish Care, especially in driving for improved

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

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The rst phase of this work is in progress. A new member consultation process has been developed and is being rolled out by RCN Council to ensure that members' views inform our priorities and decision making. We are also in the process of securing a new provider for our email communications with members. We are

Being a professional organisation

We will:

- ã be publishing a report on nurse education across the UK, addressing standards for effective mentorship and preceptorship, and evidence of any underlying problems
- ã continue to use our Future Nurse, Future Workforce workstream as the commissioning body for guidelines, standards, good practice and patient/public engagement
- ã continue to campaign actively for regulation and development of the health care support worker role
- ã continue to promote the professionalism and reputation of nursing and celebrate excellence
- ã continue to promote our new library and heritage centre to members and launch our new programme of public lectures
- ã commemorate the First World War through a range of activities being co-ordinated with the RCN Defence Nursing Forum
- ã start work to develop our plans for marking our centenary in 2018.

Being a trade union

We will:

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

An effective value for money organisation

We will:

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

Thank you to our supporters

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

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

Medsis

Napp Pharmaceuticals Ltd

NHS Blood & Transplant

NHS Improving Quali 0 tov(l)-6(3in)-1oaNs6-1o4(l G)-2(eo)-9n(H)e Quc(p)-2s Einuc(p)1-1oaN BDeTc 0.1(p)(eTc3(T* [(N)

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

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Council

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

There are currently 100 members of RCN Council, with two members each from Scotland, Wales, Northern Ireland and each of the nine English regions. They are directly elected by members in their region or country. RCN Council also includes the President and Deputy President, the Chair of RCN Congress, two student members and two health practitioner members.

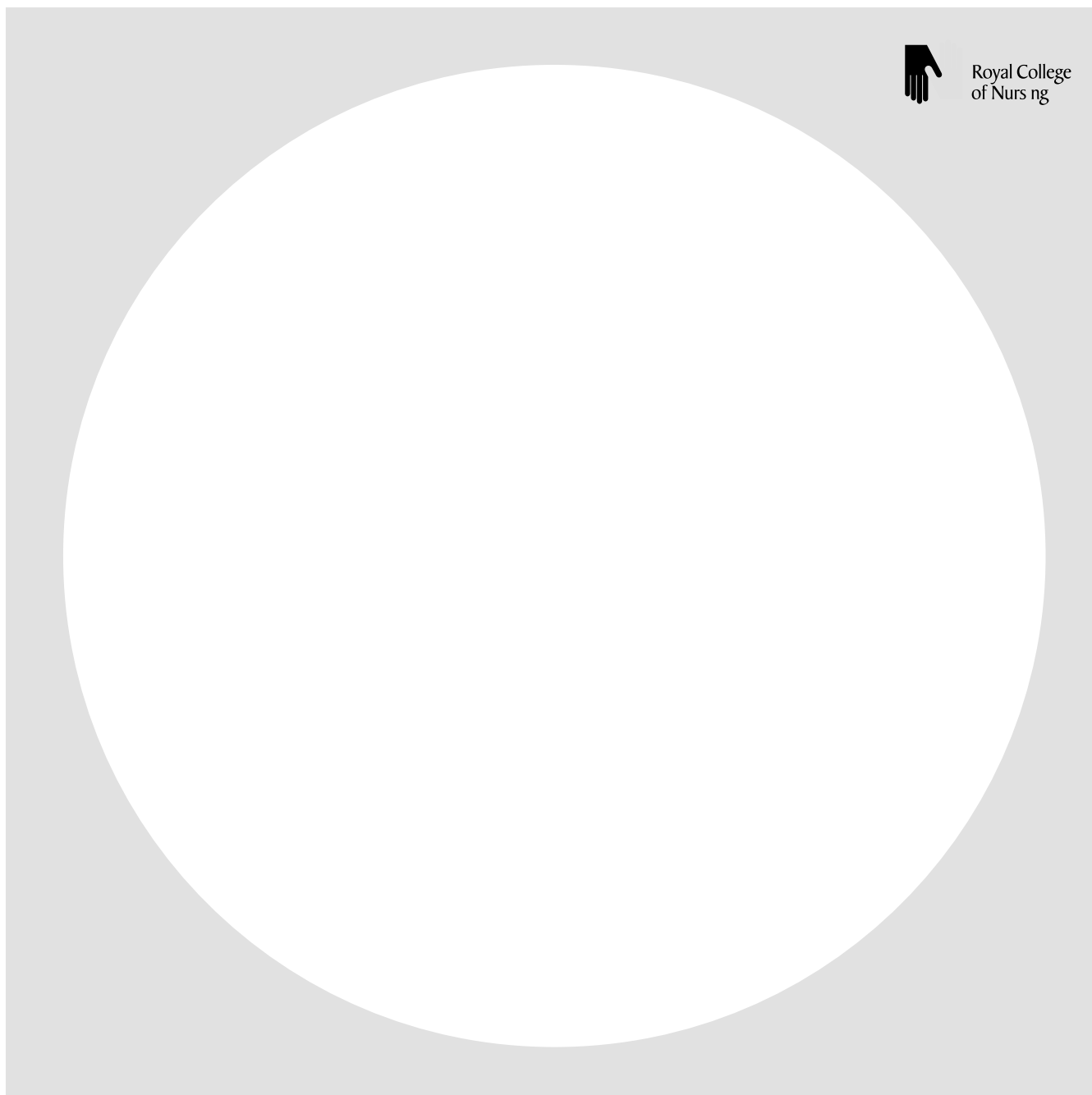
Council committees

Two Council committees assist Council with policy development covering the trade union and professional issues. The RCN Council also includes the President and Deputy President, the Chair of RCN Congress, two student members and two health practitioner members.



Working together

The diagram below shows our governance and representative structure.



transparent. All these systems and processes are

Sylvia Simmons from October
Sue Warner from October

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

Observers

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

Remuneration Committee

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

([W H U Q D O D G Y L V H U

Ann Smart

Observers

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

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Kevin Bell, Chair
Gill Cort, Vice Chair from November
Tim Coupland, Vice Chair until October

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Vivienne Ferris
Gill Francis
Tamsin Kulgour
Ofrah Mul'ahi
Rachael Ridley
Sylvia Simmons
Rosemary Strange
Jane Wray

(D V W O L G O D Q G V U H J L R Q

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

/ R Q G R Q U H J L R Q

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

Northern region

Chris Piercy, Chair and Council member on board
 Michael Appleby, Vice Chair and board member from August
 Professor Kathleen McCourt CBE FRCN, Vice Chair

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

West Midlands region

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

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 months we have focused on:

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

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

Financial review

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

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

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

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

which is not included within the income and expenditure statement.

5 & 1 * U R X S U H V X O W V

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

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

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

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

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

RCN UK results

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

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

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

	months to December £'	/ pro-rated to months £'
Total operating costs	,	,
Subtract VAT partial exemption charge	-	,
Add release of NILGOSC provision	,	-
Add release of annual leave provision		-
Operating costs excluding one-off costs	,	,

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

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

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

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

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

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

RCN Foundation

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

The RCN Foundation investments reported investment income of £ k and net gains of £. m (months ended March : investment income of £ k and net gains of £. m) which consists of realised gains on the sale of investment assets of £. m (months ended March : £. m), realised gains of £ k on currency exchange rate movements (months ended March : £ k), and unrealised gains on the investment portfolio of £. m (months ended March : loss of £. m). The remainder of its assets are cash and short-term investments. In the nine month period ended December, the RCN Foundation reported net movement in funds of £. m.

Statement of Council members' responsibilities

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

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

In so far as the Council members are aware:

- WKHUH LV QR UHOHYDQW LQIRUPDWLRQ RI ZKLFK WKH 5&1ÜV DXGLV
- WKH &RXQFLO PHPEHUV KDYH WDNHQ DOO VWHSV WKDW WKH\ RXJK any relevant audit information and to establish that the auditor is aware of that information.

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

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

On behalf of Council



Michael Brown
Chair of Council
April



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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- JLYH D WUXH DQG IDLU YLHZ RI WKH VWDWH RI WKH JURXSÜV DQG R and of the group's and parent entity's surplus and the group's cash flows for the period then ended;
- KDYH EHHQ SURSHUO\ SUHSDUHG LQ DFFRUGDQFH ZLWK 8QLWHG .LQJ and
- KDYH EHHQ SUHSDUHG LQ DFFRUGDQFH ZLWK WKH UHTXLUHPHQWV (Consolidation) Act and section of the Royal College of Nursing Standing Orders.

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

What we have audited

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

- WKH JURXS DQG SDUHQW HQWLW\ EDODQFH VKHHWV DV DW IG 'HFH
- WKH JURXS DQG SDUHQW HQWLW\ LQFRPH DQG H[SHQGLWXUH DFFR and losses for the period then ended;
- WKH JURXS DQG SDUHQW HQWLW\ UHFRQFLOLDWLRQV RI PRYHPHQW
- WKH JURXS FDK RZ VWDWHPHQW IRU WKH SHULRG WKHQ HQGHG
- WKH QRWHV WR WKH QDQFLDO VWDWHPHQWV ZKLFK LQFOXGH DV other explanatory information.

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

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

What an audit of financial statements involves

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

- ZKHWKHU WKH DFFRXQWLQJ SROLFLHV DUH DSSURSULDWH WR WKH

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- ã SURSHU DFFRXQWLQJ UHFRUGV KDYH QRW EHHQ NHSW ZLWK UHVSH and liabilities; or
- ã WKH &RXQFLO KDV QRW HVWDEOLVKHG DQG PDLQWDLQHG DZLWK Qã

Financial statements

Income and expenditure accounts for the period ended

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	Note	RCN UK months to December £'	RCN UK months to March £'	RCN Group months to December £'	RCN Group months to March £'
INCOMING RESOURCES					
Membership income		,	,	,	,
Trading income		-	-	,	,
Other income		,	,	,	,
TOTAL INCOME		,	,	,	,
RESOURCES EXPENDED					
Sta costs	/	,	,	,	,
Premises and estate costs		,	,	,	,
Travel and accommodation		,	,	,	,
Other service delivery costs		,	,	,	,
TOTAL COSTS		,	,	,	,
OPERATING SURPLUS		,	,	,	,
Exceptional loss		-	(,)	-	(,)
Loss on disposal of fixed assets		()	-	()	-
Investment income					
Net realised investment gains		-	-		,
Currency exchange gains		-	-		
Dividends received from subsidiary		,	,	-	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		,	,	,	,
Tax		-	-	()	()
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		,	,	,	,

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

The notes on pages 10 to 14 form part of these financial statements.

Statement of total recognised gains and losses for the
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	Note	months to December £'	months to March £'
NET CASH INFLOW FROM OPERATING ACTIVITIES	.	,	,
RETU0T.00630077(G)3J EMC /T1_2 /Span<</ActualText<FEFF006F00700066EDC [(O)-20(P)-13NEMC ()Tj /Span<</ActualT			

Notes to the financial statements

. Accounting policies

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

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

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of freehold land and buildings and investments, and are in accordance with the provisions of the Companies Act 2006.

Other service delivery costs

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



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

	RCN PC months to December £'	RCN PC months to March £'	RCN MS months to March £'	RCN L months to March £'
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	months to December £'	months to March £'
Analysis of deferred tax asset		
Excess of capital allowances over depreciation		
Short-term timing differences		
Pension provision		
CARRIED FORWARD AS AT PERIOD END		

There are also unrecognised deferred tax assets totalling £ , 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 £ , in respect of capital allowances over depreciation in relation to the RCN UK.

	months to December £'	months to March £'
Wages and salaries	,	,
Social security costs	,	,
Other pensions costs	,	,
TOTAL	,	,

Of the total staff costs £ , , (year to March : £ , ,) has been allocated to representation activities.

The total pension cost comprises of:

The total emoluments for the Chief Executive & General Secretary for the nine month period were £ ,
(year to March : £ ,).

. Fixed assets

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	Freehold land and buildings £'	Leasehold improvements £'	Furniture and equipment £'	Computer software £'	Assets under construction £'	Total £'
COST OR VALUATION						
Balance at April	,	,	,	,		,
Additions	-					,
Disposals	-	()	(,)	()	-	(, Tc 5

Exceptional item

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

The historical cost of the revalued assets is:

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

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. Long-term investments

	December £'	March £'
Market value at start of period	,	,
Additions at cost	,	,
Disposals at carrying value	(,)	(,)
Redemptions	()	()
Net realised gain		,
Net unrealised gains/(losses)		()
INVESTMENTS AT MARKET VALUE AT PERIOD END	,	,
Cash held for reinvestment		
MARKET VALUE AT PERIOD END	,	,
HISTORICAL COST AT PERIOD END	,	,

Investments at market value comprise:

	December £'	March £'
Listed investments		

. Creditors and accrued charges

	RCN UK December £'	RCN UK March £'	RCN Group December £'	RCN Group March £'
Bank overdrafts and loans				
Trade creditors				
Amount due to subsidiaries and associated undertakings			-	-
Pension contribution				
PAYE, social security and taxation				
Payments on account	-	-		
Other creditors				

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Life expectancies	December				

* assumed currently aged

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

	December £'	March £'
Actual return less expected return on scheme assets	(,)	,
Changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	,	(,)
ACTUARIAL GAINS/ LOSSES CHARGED TO STRGL	()	(,)

	December £'	March £'
Opening defined benefit obligation	,	,
Service cost	,	,
Interest cost	,	,
Contributions by employees	,	,
Actuarial (gains)/losses	(,)	,
Benefits paid	(,)	(,)
Closing defined benefit obligation	,	,

	December £'	March £'
Opening De		



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



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	Reserves for charitable purposes £'	Pension Escrow account £'	Revaluation reserve £'	Accumulated funds £'	Pension reserve £'	Total £'
April	,	,	,	,	(,)	,
Investment unrealised gain		-	-	-	-	
Surplus in period				,	(,)	,
Revaluation reserve	-	-	()	-	-	()
Actuarial loss	-	-	-	-	()	()
AT DECEMBER	,	,	,	,	(,)	,

. Capital commitments

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

. Contingent liabilities

