



Royal College  
of Nursing

2020 | International Year  
of the Nurse and Midwife

# Summary of Accounts 2019



# Introduction

## Chair of RCN Council Dee Sissons sets out the College's key achievements and challenges during 2019

The story of the Royal College of Nursing in 2019 has been one of necessary change and fundamental growth.

At the time of writing we are in the midst of the COVID-19 pandemic and those words have never been truer. The nursing profession has been at the centre of this crisis and will have been changed by it for ever. During this time the RCN has transformed the way it works to ensure we continue to meet the increased support and advice our members need. As we move forward we will be building on the learning from this period by continuing to work more flexibly, making better use of technology and at the same time emphasise the importance of people, teamworking and member engagement.

In more than a century, our members had never needed to resort to industrial action. But in 2019, colleagues in Northern Ireland took the difficult decision to ballot members there on strike action over unsafe staffing levels and pay disparity.

What happened in Northern Ireland in 2019 is a testament to many things: the level of concern and anger our members feel; their individual and collective determination to do what's right for their patients and profession; the public's support for both; and how, when RCN members and our staff work hand-in-hand, we make a real difference.

The campaigning of RCN members saw Scotland become the second country in the UK to introduce legislation on safe staffing levels this year, following the lead set by Wales. And our members in England launched their campaign to secure the same legal accountability for the nursing workforce. No matter which country you look at, these efforts pushed nursing to the top of the political agenda in the year's election campaign and secured commitments on our issues from all parties.

But elections weren't limited to Westminster. The College held its own set for a new Council. The four-year term these members serve brings stability to the top of the organisation. Together with a permanent Executive Team, the College began planning how to rise to the challenges of the new decade and ensure members do the same.

**“In more than a century, our members had never needed to resort to industrial action. But colleagues in Northern Ireland took the difficult decision to ballot members there on strike action over unsafe staffing levels and pay disparity.”**

New programmes of work were launched to reshape what the College offers – spanning educational services, greater visibility for the RCN in the independent health and care sectors and how we keep it the most attractive organisation for nursing professionals.

The year had one further fundamental lesson. Northern Ireland shows how members engage with the College when it leads the way for them and with them. The spirit and resolve on display all year there inspired people to get more active, with many others even joining for the first time. This example will live long in the memory as we debate how to campaign, engage and secure change together.



**Dame Donna Kinnair OBE**  
Chief Executive & General Secretary



**Dee Sissons**  
Chair of RCN Council

# Financial review for the year to 31 December 2019

These summarised RCN Group financial statements are prepared for distribution to the full membership. As they are a summary only, members seeking a full understanding of the financial affairs of the organisation can refer to the full accounts including the Auditor's Report and the Report of Council, copies of which are available from the Chief Executive & General Secretary, Royal College of Nursing, 20 Cavendish Square, London W1G 0RN or from the RCN website at rcn.org.uk

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

These summarised accounts include a consolidated statement of comprehensive income, statement of changes in equity and the statement of financial position.

The consolidated statement of comprehensive income shows that the RCN Group total income in the year to 31 December 2019 was £90.5m. This compares to £90.2m in the previous year ended 31 December 2018. Total expenditure was £88.1m in the year to 31 December 2019 compared to £83.5m in the year ended 31 December 2018.

Total RCN Membership income was £75.4m in the year to 31 December 2019, increasing by £1.4m compared to the year ended 31 December 2018. Total membership numbers have increased by 3%, the highest proportional growth being in the nursing support worker category.

The increase in group expenditure is due to increased costs of representing members in regulatory and clinical negligence indemnity cases. Staff costs have increased by 2% reflecting the annual pay award, though the overall Full Time Equivalent has reduced by 0.5%. There have been continued efficiencies in business support costs.

The RCN Group Operating Surplus for 2019 was £2.3m (31 December 2018: £6.7m). This is a reduction year on year because the additional exceeds the additional income.

Activity outside of the Operating Surplus includes investment income, currency movements linked to investments, and dividends from subsidiaries. After incorporating these activities the Group is reporting a surplus after taxation of £10.9m (31 December 2018: £9.9m).

The increase in the RCN Group surplus has been driven by improved performance of the RCN Group investment portfolio and favourable currency movements relating to these investments. Further information regarding investments can be found in the RCN Group annual report and financial statements.

The RCN Group defined benefit pension scheme liability reported at 31 December 2019 is nil (31 December 2018: £2.5m liability). Council continues to be committed to ensuring the scheme is appropriately funded. Further information regarding the defined benefit scheme can be found in note 16.2 of the RCN Group annual report and financial statements.

## Risk management

Council has a formal risk management process assessing the risks to which the RCN Group is exposed. This involves identifying the types of risk the RCN faces, prioritising them in terms of potential impact and the likelihood of occurrence, and identifying means of mitigating those risks.

We are currently in the midst of an emergency situation with the COVID-19 pandemic. It is having a major impact on our front-line members and we are striving to ensure we continue to provide them with the best possible level of service and support.

## Council members' responsibilities

In approving the full financial statements, Council are confirming they are satisfied these statements give a true and fair view of the state of affairs of the group and the surplus in the period.

Council are responsible for keeping adequate accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each RCN Group entity has made an assessment regarding the impact of the ongoing COVID-19 pandemic on its operations and financial sustainability. The assessment is looking forward into 2021 and covers the period up to at least 31 July 2021.

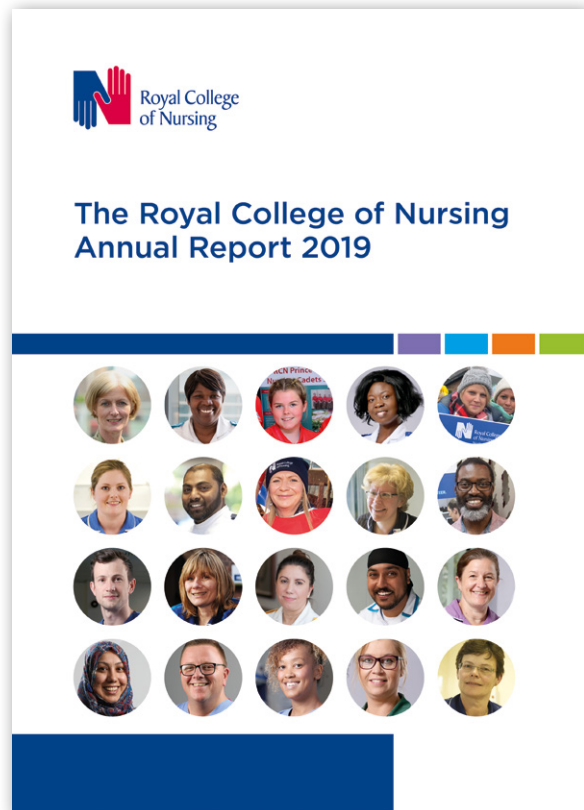
RCN Council supported by management believe the RCN and all RCN Group entities remain financially viable and the 2019 annual report and financial statements can continue to be prepared on a 'going concern' basis.

So far as each Council member is aware, there is no relevant audit information of which the organisation's auditor is unaware.

The full financial statements, from which these summarised financial statements are derived and on which the auditors gave an unqualified opinion, were approved by Council on 3 July 2020.



Dee Sissons  
Chair of RCN Council

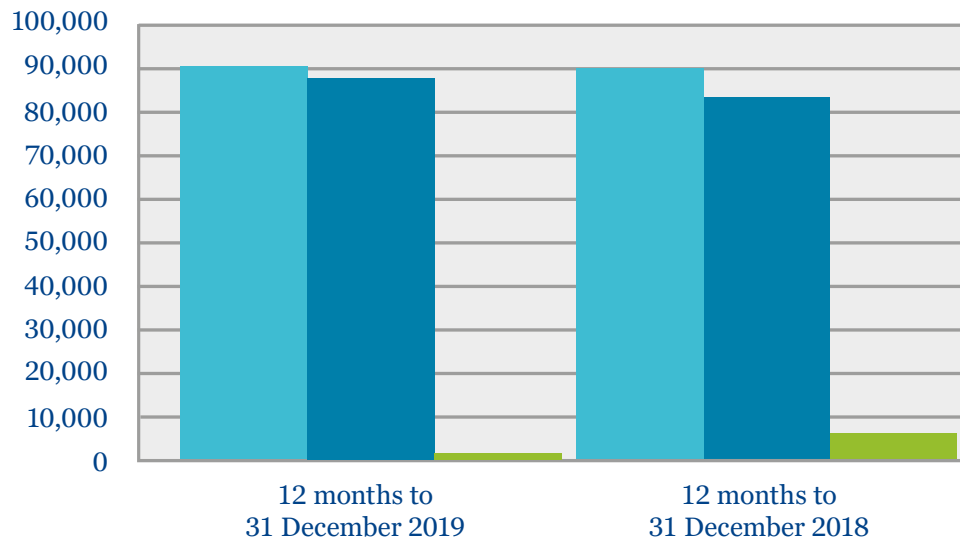


# Summary financial statements and graphs for the RCN Group

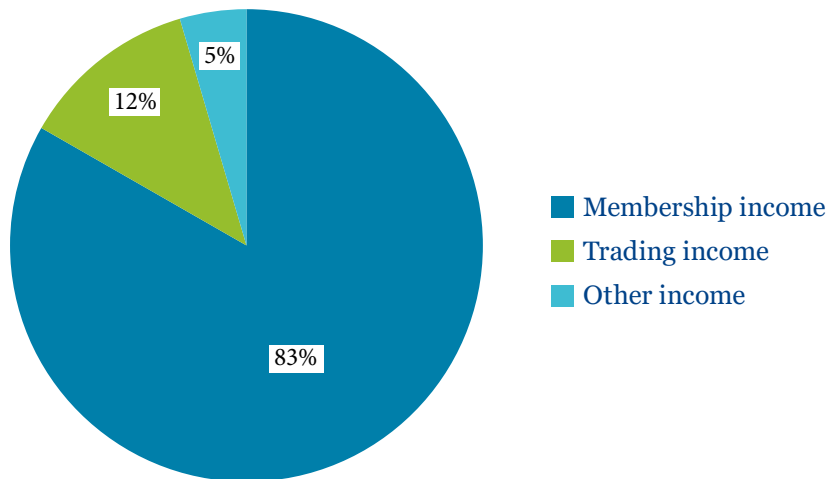
<b>Consolidated statement of comprehensive income for the year ended 31 December 2019 (£'000)</b>	<b>31 December 2019 £'000</b>	<b>31 December 2018 £'000</b>
Total income	90,474	90,198
Total costs	88,131	83,470
<b>Operating surplus</b>	<b>2,343</b>	<b>6,728</b>
Investment income	2,719	2,524
Net realised investment gains	4,944	2,233
Foreign exchange (losses)/gains on investments	1,047	(1,560)
Taxation	(123)	5
<b>Surplus after taxation</b>	<b>10,930</b>	<b>9,930</b>
Actuarial gains/(losses) on defined benefit scheme	-	1,829
Revaluation reserve adjustment	(64)	(64)
Net unrealised (losses)/gains on fixed asset investments	9,250	(5,292)
<b>Total comprehensive income for the period</b>	<b>20,116</b>	<b>6,403</b>
<b>Reconciliation of changes in equity for the year ended 31 December 2019 (£'000s)</b>	<b>31 December 2019 £'000</b>	<b>31 December 2018 £'000</b>
Surplus in period	10,930	9,930
Total comprehensive income	9,186	(3,527)
<b>Net changes in funds</b>	<b>20,116</b>	<b>6,403</b>
Accumulated funds at beginning period	129,830	123,427
<b>Accumulated funds at period end</b>	<b>149,946</b>	<b>129,830</b>
<b>Consolidated statement of financial position as at 31 December 2019 (£'000s)</b>	<b>31 December 2019 £'000</b>	<b>31 December 2018 £'000</b>
Property, plant and equipment	15,819	18,466
Intangible assets	-	2
Investments	115,621	90,359
Current assets	37,674	39,633
Creditors falling due within one year	(9,514)	(10,854)
Provision	(9,654)	(5,305)
Defined benefit pension scheme liability	-	(2,471)
<b>Total net assets</b>	<b>149,946</b>	<b>129,830</b>
<b>Funds:</b>		
Revaluation reserve	1,927	1,991
Accumulated funds	110,735	97,680
<b>Reserves excluding reserves for charitable purposes and pension liability</b>	<b>112,662</b>	<b>99,671</b>
Pension reserve	-	(2,471)
<b>Reserves excluding reserves for charitable purposes</b>	<b>112,662</b>	<b>97,200</b>
Reserves for charitable purposes	37,284	32,630
<b>Total reserves</b>	<b>149,946</b>	<b>129,830</b>

### Consolidated statement of comprehensive income

Income Costs Operating surplus

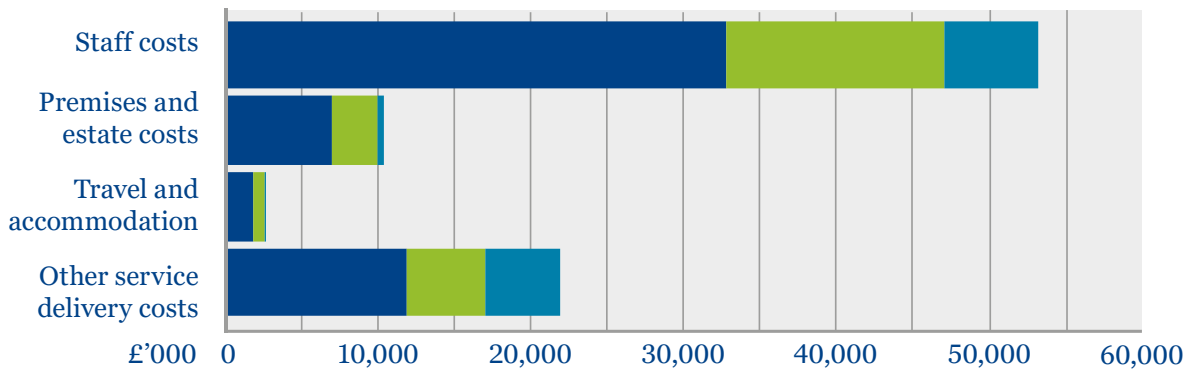


### Breakdown of RCN Group Income sources



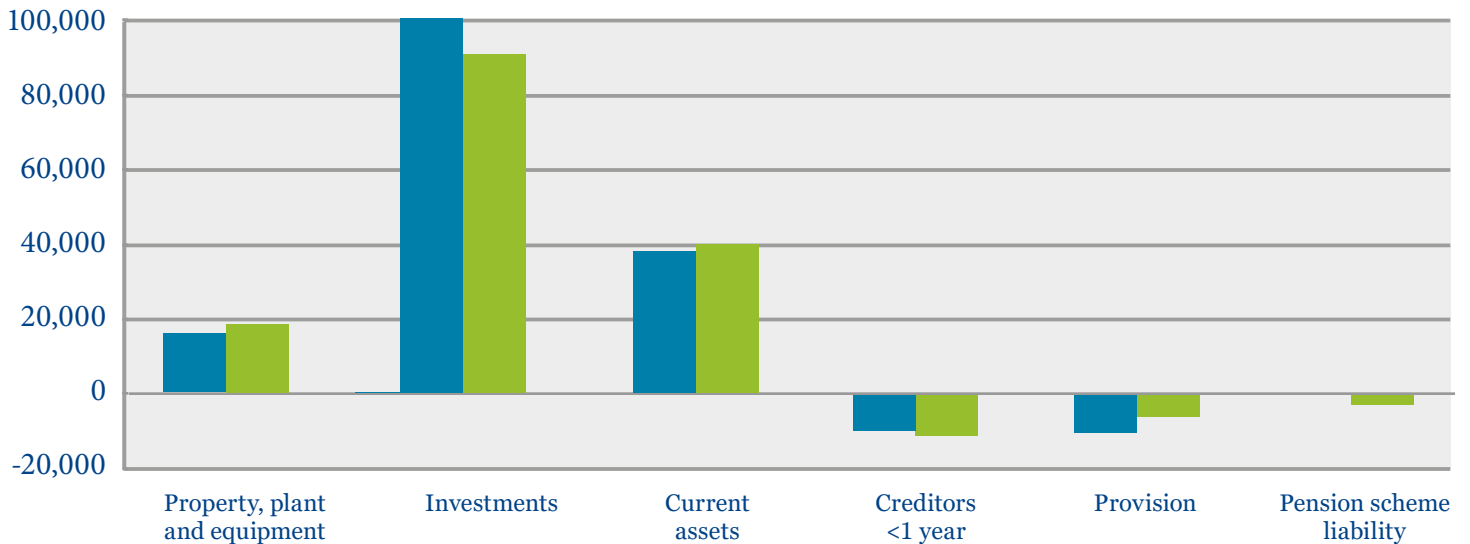
### Breakdown of RCN Group expenditure by activity

■ Representation activities      ■ Other Group activities  
 ■ Other College activities



### Consolidated statement of financial position

■ 31 December 2019      ■ 31 December 2018



Intangible assets of £2,000 were held by RCNi in 2018 and are shown above within property, plant and equipment.

# Independent auditor's statement to the members of the Royal College of Nursing of the United Kingdom (RCN)

We have examined the summary financial statements contained within the Summary of Accounts for the year ended 31 December 2019 which comprise the Summary Consolidated Statement of Comprehensive Income, Summary Consolidated Statement of Financial Position and reconciliation of Changes in Equity. The Summary of Accounts are not required to be produced under the Trade Union and Labour Relations (Consolidation) Act 1992 (the "Act"), and regulations under the Act, and have been voluntarily produced by the Council members.

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

## Respective responsibilities of Council members and auditor

The Council members are responsible for preparing the Summary of Accounts (which includes the summary financial statements) and the supplementary material in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements contained within the Summary of Accounts with the full annual financial statements.

We also read the other information contained in the Summary of Accounts and the supplementary material as described in the contents section, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the College's full annual financial statements describes the basis of our opinion on those financial statements and the Report of Council.

## Opinion

In our opinion, the summary financial statements contained within the Summary of Accounts in RCN Bulletin are consistent with the full annual financial statements for the year ended 31 December 2019.



Deloitte LLP  
Statutory Auditor, London  
United Kingdom

Date: 3 July 2020

**Notes:** The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



The RCN represents nurses and nursing, promotes  
excellence in practice and shapes health policies

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