Undoubtedly the period since our last annual report has been a demanding one. In many ways, that simply reflects the fact that nursing is one of the most challenging of professions.

The last year has also been one where, once again, nursing has shown that it is anything but a status quo profession. In a UK health care environment characterised by flux and change the RCN, and the members we represent, have continued to modernise, adapt and evolve. The external environment is continuing to change and we are responding – responding by supporting the delivery of modern nursing, and responding by demonstrating how nursing makes a difference to the health of the nation. However one more thing remains constant. Nursing is a caring profession. Nurses are the people who put care into health care.

As a membership driven, delivery-focused trade union we have a responsibility to ensure that each and every RCN member is supported inside and outside the workplace in a way that helps them achieve their full potential. However, the RCN is also a professional Royal College and a charity developing clinical standards and influencing UK governments to continue to raise standards and improve care for patients.

As I look back over the period of this report I believe that the RCN has continued to do what we are in the business of doing – standing up for the interests of patients and championing the cause of our members; supporting and developing our activists; and representing the best interests of nursing and the public locally, nationally and internationally.

The agenda we have set ourselves for the coming five years is an ambitious one. I am confident that, by working together, we can deliver on that agenda so that nurses continue to be valued health care professionals with a powerful and influential voice; that patients receive the safe, quality care they need and deserve; and that our health care system delivers for those who work in it, as well as those who depend on it.

I hope you enjoy reading about what we have achieved over the past 12 months and that this report will inspire more members to get involved, shape our organisation and influence the future development of nursing.

Maura Buchanan
RCN President
Undoubtedly the period since our last annual report has been a demanding one. In many ways, that simply reflects the fact that nursing is one of the most challenging of professions.

The last year has also been one where, once again, nursing has shown that it is anything but a status quo profession. In a UK health care environment characterised by flux and change the RCN, and the members we represent, have continued to modernise, adapt and evolve. The external environment is continuing to change and we are responding – responding by supporting the delivery of modern nursing, and responding by demonstrating how nursing makes a difference to the health of the nation. However one more thing remains constant. Nursing is a caring profession. Nurses are the people who put care into health care.

As a membership driven, delivery-focused trade union we have a responsibility to ensure that each and every RCN member is supported inside and outside the workplace in a way that helps them achieve their full potential. However, the RCN is also a professional Royal College and a charity developing clinical standards and influencing UK governments to continue to raise standards and improve care for patients.

As I look back over the period of this report I believe that the RCN has continued to do what we are in the business of doing – standing up for the interests of patients and championing the cause of our members; supporting and developing our activists; and representing the best interests of nursing and the public locally, nationally and internationally.

The agenda we have set ourselves for the coming five years is an ambitious one. I am confident that, by working together, we can deliver on that agenda so that nurses continue to be valued health care professionals with a powerful and influential voice; that patients receive the safe, quality care they need and deserve; and that our health care system delivers for those who work in it, as well as those who depend on it.

I hope you enjoy reading about what we have achieved over the past 12 months and that this report will inspire more members to get involved, shape our organisation and influence the future development of nursing.

Maura Buchanan
RCN President
I had the privilege and honour to be elected Chair by my fellow Council Members in October 2007.

This is my first report and my first task is to thank my predecessor Eirlys Warrington and the following members of Council who stood down from office in October 2007 – … commitment to the work of the College over many years and I know you would all want to join with me in thanking them.

I hope you will enjoy reading this annual report which I believe is testimony to the way in which the RCN continues to work and campaign not simply for nurses and nursing, but for patients and the public through road-shows, conferences, various RCN publications, the media and our new website.

This annual report also shows how over the course of the last year, the RCN has been focusing on ways to ensure that we are strong financially, operationally efficient and strategically well placed to meet our obligations and responsibilities, deliver the key objectives in our new five year strategic plan and provide value for money services to our members.

In my view the facts, figures and achievements set out in this annual report show that the way in which the RCN is reforming itself means it is serious about being as professional, effective and respected as the members we represent. We, as your Council, are taking a long hard look at our governance structure and the way we work to ensure we are fit for purpose and that we are taking informed timely decisions on behalf of you our members, and in the best interests of the health and wellbeing of the nation as a whole. There is never room for complacency, and that is why we will continue to review our achievements against our objectives and continue to ensure that progress is monitored, maintained and reported on.

In ending I would like to thank you for your continued support and to recognise the incredible amount of time and commitment members give to this college. I would also like to thank the RCN’s advisors and benefactors for the enormous time and financial support they have given over the past year.

Sandra James
Chair of Council

The past twelve months have been about internal modernisation. We have taken steps to tackle our pension deficit. We have implemented tough new financial targets and started to generate savings through efficiency programmes.

Financial and procedural reviews are underway with a view to improving our internal controls and we have strengthened our human resources function. We are working hard to improve the way we work across the four countries and we are undertaking a comprehensive review of how we carry out our international role.

So, it has been a difficult year – but a year in which I believe we have put in place the foundations for a more secure financial future and introduced new ways of working that will help us to deliver value for money services to members in the years ahead.

We have also launched Forward Together, the RCN’s new strategic plan for 2008 to 2013. It outlines the organisation’s priorities, aims and aspirations for the next five years and was shaped by members and staff working together. Its central objective is to support the RCN’s overall mission to represent nurses and nursing, promote excellence in practice and shape health policy in the hugely challenging environment in which we work. However, I also believe that it will help us to demonstrate how our tripartite role as a royal college, trade union and charity helps us to deliver the best possible outcomes for our members and the patients in their care.

I believe this annual report shows that we have made real, and welcome, progress over the last 12 months. Our task, and indeed our challenge, is to continue that momentum in the coming months and years.

I hope you will enjoy reading this annual report which I believe is testimony to the way in which the RCN continues to work and campaign not simply for nurses and nursing, but for quality patient care for all. We have used our knowledge and reputation to influence politicians, the media, key stakeholders and the public on a range of nursing and health care issues over the past 12 months and as the leading authority on the setting of professional nursing standards we have shaped health care policy at the local, devolved, national and international levels. We have worked in partnership with employers, government, charities and other trade unions on areas of mutual interest; and we have engaged directly with members, patients and the public through road-shows, conferences, various RCN publications, the media and our new website.
I had the privilege and honour to be elected Chair by my fellow Council Members in October 2007.

This is my first report and my first task is to thank my predecessor Eirlys Warrington and the following members of Council who stood down from office in October 2007 – ... commitment to the work of the College over many years and I know you would all want to thanking them.

I hope you will enjoy reading this annual report which I believe is testimony to the way in which the RCN continues to work and campaign not simply for nurses and nursing, but ... patients and the public through road-shows, conferences, various RCN publications, the media and our new website.

This annual report also shows how over the course of the last year, the RCN has been focusing on ways to ensure that we are strong financially, operationally efficient and strategically well placed to meet our obligations and responsibilities, deliver the key objectives in our new five year strategic plan and provide value for money services to our members.

In my view the facts, figures and achievements set out in this annual report show that the way in which the RCN is reforming itself means it is serious about being as professional, effective and respected as the members we represent. We, as your Council, are taking a long hard look at our governance structure and the way we work to ensure we are fit for purpose and that we are taking informed timely decisions on behalf of you our members, and in the best interests of the health and wellbeing of the nation as a whole.

There is never room for complacency, and that is why we will continue to review our achievements against our objectives and continue to ensure that progress is monitored, maintained and reported on.

In ending I would like to thank you for your continued support and to recognise the incredible amount of time and commitment members give to this college. I would also like to thank the RCN advisors and benefactors for the enormous time and financial support they have given over the past year.

Sandra James
Chair of Council

The past twelve months have been about internal modernisation. We have taken steps to tackle our pension deficit. We have implemented tough new financial targets and started to generate savings through efficiency programmes.

Financial and procedural reviews are underway with a view to improving our internal controls and we have strengthened our human resources function. We are working hard to improve the way we work across the four countries and we are undertaking a comprehensive review of how we carry out our international role.

So, it has been a difficult year – but a year in which I believe we have put in place the foundations for a more secure financial future and introduced new ways of working that will help us to deliver value for money services to members in the years ahead.

We have also launched Forward Together, the RCN’s new strategic plan for 2008 to 2013. It outlines the organisation’s priorities, aims and aspirations for the next five years and was shaped by members and staff working together. Its central objective is to support the RCN’s overall mission to represent nurses and nursing, promote excellence in practice and shape health policy in the hugely challenging environment in which we work. However, I also believe that it will help us to demonstrate how our tripartite role as a royal college, trade union and charity helps us to deliver the best possible outcomes for our members and the patients in their care.

The pages of this year’s annual report illustrate the impact we have had with our externally facing lobbying and campaigning work over the past twelve months. With campaigns on issues such as nutrition, alcohol misuse, HIV/AIDS, workplace violence and workforce planning we have focused our work on those things our members believe will make a real difference to patient care.

We have also taken every opportunity to influence politicians, the media and other stakeholders in the four UK countries on the key policy, political, professional and public health issues that are shaping the future of our health and social care service. These have included NHS pay, restructuring, the commissioning of services, community nursing, health care regulation and pre- and post-registration education.

Our members make a difference to the lives of literally millions of people across the UK. They work in the National Health Service, for private health care providers, in the independent sector, in the voluntary sector, and in the community as well as in hospitals, at home and internationally. This means the College is in a unique position to campaign for and help deliver the highest possible standards of care. The RCN will never condone bad practice. What we will do is continue to campaign for and champion quality care.

I believe this annual report shows that we have made real, and welcome, progress over the last 12 months. Our task, and indeed our challenge, is to continue that momentum in the coming months and years.

I hope you will enjoy reading this annual report which I believe is testimony to the way in which the RCN continues to work and campaign not simply for nurses and nursing, but for quality patient care for all. We have used our knowledge and reputation to influence politicians, the media, key stakeholders and the public on a range of issues over the past 12 months and as the leading authority on the setting of professional nursing standards we have shaped health care policy at the local, devolved, national and international levels. We have worked in partnership with employers, government, charities and other trade unions on areas of mutual interest; and we have engaged directly with members, patients and the public through road-shows, conferences, various RCN publications, the media and our new website.

Dr Peter Carter OBE
Chief Executive & General Secretary

The past twelve months have been about internal modernisation. We have taken steps to tackle our pension deficit. We have implemented tough new financial targets and started to generate savings through efficiency programmes.

Financial and procedural reviews are underway with a view to improving our internal controls and we have strengthened our human resources function. We are working hard to improve the way we work across the four countries and we are undertaking a comprehensive review of how we carry out our international role.

So, it has been a difficult year – but a year in which I believe we have put in place the foundations for a more secure financial future and introduced new ways of working that will help us to deliver value for money services to members in the years ahead.

We have also launched Forward Together, the RCN’s new strategic plan for 2008 to 2013. It outlines the organisation’s priorities, aims and aspirations for the next five years and was shaped by members and staff working together. Its central objective is to support the RCN’s overall mission to represent nurses and nursing, promote excellence in practice and shape health policy in the hugely challenging environment in which we work. However, I also believe that it will help us to demonstrate how our tripartite role as a royal college, trade union and charity helps us to deliver the best possible outcomes for our members and the patients in their care.

The pages of this year’s annual report illustrate the impact we have had with our externally facing lobbying and campaigning work over the past twelve months. With campaigns on issues such as nutrition, alcohol misuse, HIV/AIDS, workplace violence and workforce planning we have focused our work on those things our members believe will make a real difference to patient care.

We have also taken every opportunity to influence politicians, the media and other stakeholders in the four UK countries on the key policy, political, professional and public health issues that are shaping the future of our health and social care service. These have included NHS pay, restructuring, the commissioning of services, community nursing, health care regulation and pre- and post-registration education.

Our members make a difference to the lives of literally millions of people across the UK. They work in the National Health Service, for private health care providers, in the independent sector, in the voluntary sector, and in the community as well as in hospitals, at home and internationally. This means the College is in a unique position to campaign for and help deliver the highest possible standards of care. The RCN will never condone bad practice. What we will do is continue to campaign for and champion quality care.

I believe this annual report shows that we have made real, and welcome, progress over the last 12 months. Our task, and indeed our challenge, is to continue that momentum in the coming months and years.

I hope you will enjoy reading this annual report which I believe is testimony to the way in which the RCN continues to work and campaign not simply for nurses and nursing, but for quality patient care for all. We have used our knowledge and reputation to influence politicians, the media, key stakeholders and the public on a range of issues over the past 12 months and as the leading authority on the setting of professional nursing standards we have shaped health care policy at the local, devolved, national and international levels. We have worked in partnership with employers, government, charities and other trade unions on areas of mutual interest; and we have engaged directly with members, patients and the public through road-shows, conferences, various RCN publications, the media and our new website.

Dr Peter Carter OBE
Chief Executive & General Secretary

The past twelve months have been about internal modernisation. We have taken steps to tackle our pension deficit. We have implemented tough new financial targets and started to generate savings through efficiency programmes.

Financial and procedural reviews are underway with a view to improving our internal controls and we have strengthened our human resources function. We are working hard to improve the way we work across the four countries and we are undertaking a comprehensive review of how we carry out our international role.

So, it has been a difficult year – but a year in which I believe we have put in place the foundations for a more secure financial future and introduced new ways of working that will help us to deliver value for money services to members in the years ahead.

We have also launched Forward Together, the RCN’s new strategic plan for 2008 to 2013. It outlines the organisation’s priorities, aims and aspirations for the next five years and was shaped by members and staff working together. Its central objective is to support the RCN’s overall mission to represent nurses and nursing, promote excellence in practice and shape health policy in the hugely challenging environment in which we work. However, I also believe that it will help us to demonstrate how our tripartite role as a royal college, trade union and charity helps us to deliver the best possible outcomes for our members and the patients in their care.

The pages of this year’s annual report illustrate the impact we have had with our externally facing lobbying and campaigning work over the past twelve months. With campaigns on issues such as nutrition, alcohol misuse, HIV/AIDS, workplace violence and workforce planning we have focused our work on those things our members believe will make a real difference to patient care.

We have also taken every opportunity to influence politicians, the media and other stakeholders in the four UK countries on the key policy, political, professional and public health issues that are shaping the future of our health and social care service. These have included NHS pay, restructuring, the commissioning of services, community nursing, health care regulation and pre- and post-registration education.

Our members make a difference to the lives of literally millions of people across the UK. They work in the National Health Service, for private health care providers, in the independent sector, in the voluntary sector, and in the community as well as in hospitals, at home and internationally. This means the College is in a unique position to campaign for and help deliver the highest possible standards of care. The RCN will never condone bad practice. What we will do is continue to campaign for and champion quality care.

I believe this annual report shows that we have made real, and welcome, progress over the last 12 months. Our task, and indeed our challenge, is to continue that momentum in the coming months and years.

I hope you will enjoy reading this annual report which I believe is testimony to the way in which the RCN continues to work and campaign not simply for nurses and nursing, but for quality patient care for all. We have used our knowledge and reputation to influence politicians, the media, key stakeholders and the public on a range of issues over the past 12 months and as the leading authority on the setting of professional nursing standards we have shaped health care policy at the local, devolved, national and international levels. We have worked in partnership with employers, government, charities and other trade unions on areas of mutual interest; and we have engaged directly with members, patients and the public through road-shows, conferences, various RCN publications, the media and our new website.
RCN objectives

The Royal College of Nursing was established to develop nursing as a profession and be a voice for nursing through:

- promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing
- promoting the advancement of nursing as a profession in all or any of its branches
- promoting, through the medium of international agencies and otherwise, the foregoing purposes in other countries as well as in the United Kingdom
- assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

This was extended in 1976 when a new object was added under Article III of its Charter, “To promote the professional standing and interests of members of the nursing profession” and it is under this object that the RCN reports on its activities to represent its members’ interests.

Our mission

The Royal College of Nursing represents nurses and nursing, promotes excellence in practice and shapes health policies.

Our strategic aims and outcomes

It is through the RCN that the nursing profession helps to shape the political and health and social care agenda nationally, within the EU and internationally. As a Royal College and through our role as a leading authority on the setting of professional standards and the provision of evidence based research we act in the best interests of the public and their care at all times.

We also aim to create an operationally efficient and effective organisation that maximises its income and provides value for money services to its members.

2007/2008 plans

This is the final year of our first five year strategic plan. We have been focused on producing our new plan with key performance indicators and targets against which to monitor our performance and to demonstrate the benefits to members and the public benefit our activities deliver.

As the Chief Executive & General Secretary said in his opening statement the past 12 months have been about internal modernisation and putting in place the foundations for a more secure financial future with strong internal controls and value for money services.

Against this background our priorities for 2007/08 were:

- to reduce our staff pension deficit and put in place a plan to eliminate the remaining deficit.
- to review the financial strategy for the College and put in place the foundations for a more secure financial future and carry out financial and procedural reviews to improve our internal controls.
- A financial strategy was agreed and new targets set against which to monitor progress. These included:
  - an efficiency target of 1% which was achieved on normal expenditure
  - an affordability target to ensure the level of subscription increase was retained at the lowest possible level. The January 2008 subscription rate rise was 2.5% against the original projected level of 3.75%
  - a reserves target of 8-12 weeks normal expenditure which will be achieved by 2009/10
  - clear recruitment and retention targets were set across all membership categories.

The College also repaid a £7.0m outstanding loan secured on 20 Cavendish Square. This will increase future cash flows and releases the RCN from a significant liability.

Our internal financial standing orders have been reviewed and re-issued and training provided. An action plan is in place to meet all the recommendations in 2008/09 from a full programme of internal audits.

The remainder of our report follows the headings in our strategic plan for 2003/08 of Represent, Support and Protect, Influence, Develop and Build and is a report on our progress against our operational plans for the final year of that plan.
RCN OBJECTIVES

The Royal College of Nursing was established to develop nursing as a profession and be a voice for nursing through:

- promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing
- promoting the advancement of nursing as a profession in all or any of its branches
- promoting, through the medium of international agencies and otherwise, the foregoing purposes in other countries as well as in the United Kingdom
- assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature.

This was extended in 1976 when a new object was added under Article III of its Charter, “To promote the professional standing and interests of members of the nursing profession” and it is under this object that the RCN reports on its activities to represent its members’ interests.

Our mission

The Royal College of Nursing represents nurses and nursing, promotes excellence in practice and shapes health policies.

Our strategic aims and outcomes

It is through the RCN that the nursing profession helps to shape the political and health and social care agenda nationally, within the EU and internationally. As a Royal College and through our role as a leading authority on the setting of professional standards and the provision of evidence based research we act in the best interests of the public and their care at all times.

We also aim to create an operationally efficient and effective organisation that maximises its income and provides value for money services to its members.

2007/2008 plans

This is the final year of our first five year strategic plan. We have been focused on producing our new plan with key performance indicators and targets against which to monitor our performance and to demonstrate the benefits to members and the public benefit our activities deliver.

As the Chief Executive & General Secretary said in his opening statement the past 12 months have been about internal modernisation and putting in place the foundations for a more secure financial future with strong internal controls and value for money services.

Against this background our priorities for 2007/08 were:

- to reduce our staff pension deficit and put in place a plan to eliminate the remaining deficit.
- We replaced the final salary scheme with a new Career Average (CARE) scheme and agreed a 10 year funding plan to eliminate the current deficit.
- to review the financial strategy for the College and put in place the foundations for a more secure financial future and carry out financial and procedural reviews to improve our internal controls.
- A financial strategy was agreed and new targets set against which to monitor progress. These included:
  - an efficiency target of 1% which was achieved on normal expenditure
  - an affordability target to ensure the level of subscription increase was retained at the lowest possible level. The January 2008 subscription rate rise was 2.5% against the original projected level of 3.75%
  - a reserves target of 8-12 weeks normal expenditure which will be achieved by 2009/10
  - clear recruitment and retention targets were set across all membership categories.
- The College also repaid a £7.0m outstanding loan secured on 20 Cavendish Square. This will increase future cash flows and releases the RCN from a significant liability.
- Our internal financial standing orders have been reviewed and re-issued and training provided. An action plan is in place to meet all the recommendations in 2008/09 from a full programme of internal audits.
- to review the organisation to ensure we have the right people in the right place to deliver a sustainable, operationally efficient organisation that provides value for money services within the available resources.
- Our Property Strategy has been updated. Reviews of all our key service delivery areas are underway. A timetable is in place to update all our HR and Health and Safety Policies and good initial progress has been made.
- The remainder of our report follows the headings in our strategic plan for 2003/08 of Represent, Support and Protect, Influence, Develop and Build and is a report on our progress against our operational plans for the final year of that plan.
The RCN continued its work to protect members faced with the growing problem of work-related violence in health care settings, launching its ‘You’re not alone’ lone worker campaign and calling on NHS trusts to implement a five-point action plan to protect nurses. In September, Health Secretary Alan Johnson announced a government pledge to invest £77 million to tackle violence against NHS staff in England. The RCN also prepared briefings on clauses in the Criminal Justice and Immigration Bill on nuisance and disturbance behaviours in hospital premises, and commissioned a violence risk assessment tool.

Complex and difficult negotiations culminated in a new NHS agreement on unsocial hours working (USH), a key piece of outstanding business from the Agenda for Change agreement. For the first time, people doing jobs of equal value will receive the same USH payment, while a new ‘50 per cent rule’ ensures that if 50 per cent of a shift is worked in unsocial hours, USH payment is to be paid for the full shift.

The RCN worked on the patient safety agenda, as a member of the World Alliance for Patient Safety, by providing members with access to knowledge to support nursing practice and improve patient care. User involvement maximised the public benefit of the RCN Institute’s research, and published information on patient safety for nurses and other health care professionals as well as patients. As a member of the Human Factors programme, the RCN submitted patient stories on safety issues, and in collaboration with the Long Term Conditions Alliance, participated in a national audit for England and Wales.

Internationally
The RCN worked to influence the policies and practices of the global nursing workforce, sharing learning and experience with sister organisations in other countries, and campaigning on international matters that impact on health care provision. In February the RCN took part in a European Day of Action, co-ordinated by the European Federation of Public Service Unions, to highlight the problems of prison overcrowding in a number of European countries and the impact on the health and wellbeing of prison staff and prisoners.

The RCN urged the European Commission to introduce legislation to protect health care workers across Europe from blood borne infections due to needlestick injuries, and responded to second round consultations on proposed initiatives. The RCN also lobbied the Commission on its proposed EU framework for accessing cross border care in Europe, highlighting concerns about potential inequalities and risks to continuity of care for patients.

RCN Scotland continued its partnership programme of work in Malawi, in conjunction with the Norwegian Nurses’ Association and the National Organisation of Nurses in Malawi (NONM), receiving an award of £35,000 international and humanitarian funding from the Scottish Government to support its work in identifying the most pressing gaps in the Malawi health care system.

The RCN again lobbied UK politicians to support the establishment of a United Nations (UN) agency for women to address gender inequalities and achieve UN health goals on child and maternal health, poverty, HIV/AIDS, malaria and TB. The RCN joined other nurse leaders at the International Council of Nurses meeting in May, calling for faster action in establishing the dedicated agency, and for an increase in nursing personnel in the World Health Organization to ensure more robust global health policies.

The RCN responded to the Department of Health’s Health is global issues across different government departments. At the Action for global health seminar, which involved key international aid and financing institutions such as the Global Fund, the RCN highlighted the need to invest in education, training and retention of nurses and other health workers, particularly in sub-Saharan African countries, to improve health outcomes.

In December, the RCN hosted Future shocks, the first international disaster relief conference of its kind organised by RedR, the international disaster relief charity. The conference looked at emerging trends in travel, migration, urbanisation and increased numbers of drug-resistant diseases to avoid the deaths of millions in the world’s poorest countries.

Underpinning our aim to represent the best interests of nursing and the public is our principle to ensure that improving patient care remains at the heart of our work.

Locally
Members needing advice, or facing difficulties at work, benefited from vital local support from our volunteer representatives, including those who help with safety and learning issues. To further improve services to members, RCN England secured £246,000 from the Union Learning Fund (ULF) in 2007 to support the professional development of learning representatives, with RCN Wales securing a £90,000 ULF grant. ULF funding enabled projects to establish a new network of learning representatives in Sue Ryder Care homes and also the Highlands Union-Employer Learning Agreement in Scotland.

To represent members’ interests and to safeguard patient care, local RCN branches actively engaged in Strategic Health Authority (SHA) partnership forums and, in conjunction with the

21,561 new cases opened

27% of total RCN expenditure was for Representing activities
The RCN continued its work to protect members faced with the growing problem of work-related violence in health care settings, launching its ‘You’re not alone’ lone worker campaign and calling on NHS trusts to implement a five-point action plan to protect nurses. In September, Health Secretary Alan Johnson announced a government pledge to invest £77 million to tackle violence against NHS staff in England. The RCN also prepared briefings on clauses in the Criminal Justice and Immigration Bill on nuisance and disturbance behaviours in hospital premises, and commissioned a violence risk assessment tool.

Complex and difficult negotiations culminated in a new NHS agreement on unsocial hours working (USH), a key piece of outstanding business from the Agenda for Change agreement. For the first time, people doing jobs of equal value will receive the same USH payment, while a new ‘50 per cent rule’ ensures that if 50 per cent of a shift is worked in unsocial hours, USH payment is to be paid for the full shift.

The RCN worked on the patient safety agenda, as a member of the World Alliance for Patient Safety, by providing members with access to knowledge to support nursing practice and improve patient care. User involvement maximised the public benefit of the RCN Institute’s research, and published information on patient safety for nurses and other health care professionals as well as patients. As a member of the Human Factors programme, the RCN submitted patient stories on safety issues, and in collaboration with the Long Term Conditions Alliance, participated in a national audit for England and Wales.

Internationally
The RCN worked to influence the policies and practices of the global nursing workforce, sharing learning and experience with sister organisations in other countries, and campaigning on international matters that impact on health care provision.

In February the RCN took part in a European Day of Action, co-ordinated by the European Federation of Public Service Unions, to highlight the problems of prison overcrowding in a number of European countries and the impact on the health and wellbeing of prison staff and prisoners.

The RCN urged the European Commission to introduce legislation to protect health care workers across Europe from blood borne infections due to needlestick injuries, and responded to second round consultations on proposed initiatives. The RCN also lobbied the Commission on its proposed EU framework for accessing cross border care in Europe, highlighting concerns about potential inequalities and risks to continuity of care for patients.

RCN Scotland continued its partnership programme of work in Malawi, in conjunction with the Norwegian Nurses’ Association and the National Organisation of Nurses in Malawi (NONM), receiving an award of £35,000 international and humanitarian funding from the Scottish Government to support its work in identifying the most pressing gaps in the Malawi health care system.

The RCN again lobbied UK politicians to support the establishment of a United Nations (UN) agency for women to address gender inequalities and achieve UN health goals on child and maternal health, poverty, HIV/AIDS, malaria and TB. The RCN joined other nurse leaders at the International Council of Nurses meeting in May, calling for faster action in establishing the dedicated agency, and for an increase in nursing personnel in the World Health Organization to ensure more robust global health policies.

The RCN responded to the Department of Health’s Health is global consultation on a joined-up approach to global health issues across different government departments. At the Action for global health seminar, which involved key international aid and financing institutions such as the Global Fund, the RCN highlighted the need to invest in education, training and retention of nurses and other health workers, particularly in sub-Saharan African countries, to improve health outcomes.

In December, the RCN hosted Future shocks, the first international disaster relief conference of its kind organised by RedR, the international disaster relief charity. The RCN’s Employment Relations Department, continued to forge links with independent sector organisations to enable partnership working for the mutual benefit of our members, and to enhance standards of health care provision to the public.

In England, RCN branches secured member and activist engagement in Lord Darzi’s ongoing Our NHS, our future Review, the outcomes of which will underpin the regional strategic frameworks for health and impact accessibility and delivery of services for the public; the South West Region achieved unprecedented success, negotiating representation on seven of the eight clinical pathway work streams.

Expert employment and legal rights specialists were on hand to help those members with more serious difficulties. Following protracted representations by the Northern Ireland Employment Relations team, 60 newly qualified nurses inappropriately placed on Agenda for Change Band 5 transitional points by their employer were correctly placed onto the first increment of Band 5.

The RCN’s legal team recovered compensation of £3.0m for members across the UK. In October 2007, acting on behalf of 50 members provisionally banned from working without a hearing, the team obtained judgement from the Court of Appeal that the Protection of Vulnerable Adults Scheme was incompatible with human rights legislation.

Nationally
The RCN continued to press for positive change on behalf of members working throughout the profession and to represent the interests of patients. Following the Government’s decision to ignore the recommendation of the independent pay review body and stage the 2007/08 2.5 per cent pay award, the RCN campaigned to secure a better pay deal for members. Intensive RCN lobbying resulted in a U-turn decision that saw nurses working in the NHS in Wales and Northern Ireland joining Scotland in receiving the full award. The Government’s refusal to back down on pay for nurses in England led the RCN to hold an indicative ballot on industrial action. As a direct result of the ballot, the government revised its pay award for NHS nurses in England and added a package of measures. The revised offer was later accepted ‘with great reluctance’ by RCN Council following a conference in September 2007 of delegates from RCN national and regional boards and national representatives’ committees.

The RCN’s first ever national ballot on pay effectively put the Government on notice for the 2008 pay rounds, and led to the RCN engaging with the UK departments of health and NHS employers to explore the possibility of a multi-year deal.

The RCN continued its work to protect members faced with the growing problem of work-related violence in health care settings, launching its ‘You’re not alone’ lone worker campaign and calling on NHS trusts to implement a five-point action plan to protect nurses. In September, Health Secretary Alan Johnson announced a government pledge to invest £77 million to tackle violence against NHS staff in England. The RCN also prepared briefings on clauses in the Criminal Justice and Immigration Bill on nuisance and disturbance behaviours in hospital premises, and commissioned a violence risk assessment tool.

Complex and difficult negotiations culminated in a new NHS agreement on unsocial hours working (USH), a key piece of outstanding business from the Agenda for Change agreement. For the first time, people doing jobs of equal value will receive the same USH payment, while a new ‘50 per cent rule’ ensures that if 50 per cent of a shift is worked in unsocial hours, USH payment is to be paid for the full shift.

The RCN worked on the patient safety agenda, as a member of the World Alliance for Patient Safety, by providing members with access to knowledge to support nursing practice and improve patient care. User involvement maximised the public benefit of the RCN Institute’s research, and published information on patient safety for nurses and other health care professionals as well as patients. As a member of the Human Factors programme, the RCN submitted patient stories on safety issues, and in collaboration with the Long Term Conditions Alliance, participated in a national audit for England and Wales.

Internationally
The RCN worked to influence the policies and practices of the global nursing workforce, sharing learning and experience with sister organisations in other countries, and campaigning on international matters that impact on health care provision.

In February the RCN took part in a European Day of Action, co-ordinated by the European Federation of Public Service Unions, to highlight the problems of prison overcrowding in a number of European countries and the impact on the health and wellbeing of prison staff and prisoners.

The RCN urged the European Commission to introduce legislation to protect health care workers across Europe from blood borne infections due to needlestick injuries, and responded to second round consultations on proposed initiatives. The RCN also lobbied the Commission on its proposed EU framework for accessing cross border care in Europe, highlighting concerns about potential inequalities and risks to continuity of care for patients.

RCN Scotland continued its partnership programme of work in Malawi, in conjunction with the Norwegian Nurses’ Association and the National Organisation of Nurses in Malawi (NONM), receiving an award of £35,000 international and humanitarian funding from the Scottish Government to support its work in identifying the most pressing gaps in the Malawi health care system.

The RCN again lobbied UK politicians to support the establishment of a United Nations (UN) agency for women to address gender inequalities and achieve UN health goals on child and maternal health, poverty, HIV/AIDS, malaria and TB. The RCN joined other nurse leaders at the International Council of Nurses meeting in May, calling for faster action in establishing the dedicated agency, and for an increase in nursing personnel in the World Health Organization to ensure more robust global health policies.

The RCN responded to the Department of Health’s Health is global consultation on a joined-up approach to global health issues across different government departments. At the Action for global health seminar, which involved key international aid and financing institutions such as the Global Fund, the RCN highlighted the need to invest in education, training and retention of nurses and other health workers, particularly in sub-Saharan African countries, to improve health outcomes.

In December, the RCN hosted Future shocks, the first international disaster relief conference of its kind organised by RedR, the international disaster relief charity. The conference looked at emerging trends in travel, migration, urbanisation and increased numbers of drug-resistant diseases to avoid the deaths of millions in the world’s poorest countries.
In its investigation into outbreaks of Clostridium difficile at Maidstone and Tunbridge Wells NHS Trust, the Healthcare Commission utilised RCN nursing sensitive indicators to benchmark its inquiry into ward staffing levels. In its final report the Commission stated: "In September 2006 the Policy Unit at the Royal College of Nursing recommended a ratio of 65 per cent qualified staff to 35 per cent health care assistants. In 2009, our analysis showed that 4 out of a sample of 20 medical and surgical wards at the trust had less than 65 per cent registered nurses."

In response to growing public concern about alcohol abuse, the RCN Alcohol Project Group continued its work to demonstrate the effectiveness of nursing services in primary care settings for both the general public and NHS trusts, and will be building on this work next year.

At Congress 2007 the RCN launched Nutrition Now, a new clinical campaign designed to raise standards of nutrition and hydration in hospitals and the community. The campaign gave nurses the practical tools, support and evidence they need to make nutrition a priority in the area where they work. Successes included the Hospital Hydration Best Practice Toolkit, an online resource developed in partnership with the National Patient Safety Agency (NPSA) and a number of other organisations, together with workshops delivered by the RCN to NHS trusts and independent sector organisations in England, Wales and Northern Ireland which have already engendered changes that directly impact patient experience in this area.

The RCN vigorously campaigned to ensure that the proposed shift of care from acute to community settings is properly resourced, opposing the proposed closures of community hospitals. In July it launched a joint manifesto with the Community Hospitals Association, Women's Institute and CHANT, an all party group of MPs, drawing attention to the important role fulfilled by community hospitals and the risks posed to the delivery of patient services closer to home by the wide scale closure plans. In Wales, the RCN successfully secured a commitment from the Welsh Assembly for a community nursing strategy, while in Scotland the RCN lobbied politicians and other influencers involved in the Nursing in the Community review.

In November, the RCN launched its Think Positive campaign in response to the growing need for nurses working outside of HIV and sexual health services to be familiar with the changing needs of people living with HIV to ensure they practice and communicate sensitively. The RCN’s education campaign for nurses, which is designed to improve understanding and reduce the stigma associated with HIV across the health care sector, was strongly welcomed by the National AIDS Trust and the Terrence Higgins Trust.

The RCN vigorously campaigned to ensure that the proposed shift of care from acute to community settings is properly resourced, opposing the proposed closures of community hospitals. In July it launched a joint manifesto with the Community Hospitals Association, Women’s Institute and CHANT, an all party group of MPs, drawing attention to the important role fulfilled by community hospitals and the risks posed to the delivery of patient services closer to home by the wide scale closure plans. In Wales, the RCN successfully secured a commitment from the Welsh Assembly for a community nursing strategy, while in Scotland the RCN lobbied politicians and other influencers involved in the Nursing in the Community review.

In November, the RCN launched its Think Positive campaign in response to the growing need for nurses working outside of HIV and sexual health services to be familiar with the changing needs of people living with HIV to ensure they practice and communicate sensitively. The RCN’s education campaign for nurses, which is designed to improve understanding and reduce the stigma associated with HIV across the health care sector, was strongly welcomed by the National AIDS Trust and the Terrence Higgins Trust.
In its investigation into outbreaks of Clostridium difficile at Maidstone and Tunbridge Wells NHS Trust, the Healthcare Commission utilised RCN nursing sensitive indicators to benchmark its inquiry into ward staffing levels. In its final report the Commission stated: ‘In September 2006 the Policy Unit at the Royal College of Nursing recommended a ratio of 65 per cent qualified staff to 35 per cent health care assistants. In 2007, our analysis showed that 45 out of a sample of 20 medical and surgical wards at the trust had less than 65 per cent registered nurses.’

In response to growing public concern about alcohol abuse, the RCN Alcohol Project Group continued its work to demonstrate the effectiveness of nursing services in primary care settings for both the general public and NHS trusts, and will be building on this work next year.

Nutrition Now, a new clinical campaign RCN Scotland at the opening of the Scottish Parliament in September, which was attended by Nicola Sturgeon, Deputy First Minister and Cabinet Secretary for Health and Wellbeing. In Scotland, the RCN also submitted evidence on a number of key consultations, including the mental health improvement strategy for 2008-2011, clinical quality indicators, health inequalities, and the Public Health (Scotland) Bill.

In Wales, the RCN vigorously campaigned to ensure that the proposed shift of care from acute to community settings is properly resourced, opposing the proposed closures of community hospitals. In July it launched a joint manifesto with the Community Hospitals Association, Women’s Institute and CHANT, an all party group of MPs, drawing attention to the important role fulfilled by community hospitals and the risks posed to the delivery of patient services closer to home by the wide scale closure plans. In Wales, the RCN successfully secured a commitment from the Welsh Assembly for a community nursing strategy, while in Scotland the RCN lobbied politicians and other influencers involved in the Nursing in the Community review.

In November, the RCN launched its Think Positive campaign in response to the growing need for nurses working outside of HIV and sexual health services to be familiar with the changing needs of people living with HIV to ensure they practice and communicate sensitively. The RCN’s education campaign for nurses, which is designed to improve understanding and reduce the stigma associated with HIV across the health care sector, was strongly welcomed by the National AIDS Trust and the Terrence Higgins Trust.

Politics
This year, the RCN attended the three main UK political party conferences to meet with senior politicians and to campaign for RCN members’ priorities to be placed high on the political agenda. The RCN participated in the Health Hotel, which brought together 36 health-related organisations in one venue at each conference. At the Labour party conference in September, the Government made announcements on three key issues the RCN had been campaigning on; an increase in the number of hospital matrons to 5,000, tougher measures to tackle hospital acquired infections, and funding for measures to tackle violence against NHS staff.

In England, the RCN regions played an active role in consultations on the government’s NHS review, the Working in Partnership programme, nurse leadership and professional development and health care commissioning across NHS and independent sector organisations.

In Scotland, following the Scottish Parliamentary elections in May, the RCN focused on engaging with many newly appointed MSPs. Board members and members met with MSPs to discuss issues of concern at a reception hosted by

RCN Scotland at the opening of the Scottish Parliament in September, which was attended by Nicola Sturgeon, Deputy First Minister and Cabinet Secretary for Health and Wellbeing. In Scotland, the RCN also submitted evidence on a number of key consultations, including the mental health improvement strategy for 2008-2011, clinical quality indicators, health inequalities, and the Public Health (Scotland) Bill.

In Wales, the RCN’s Get it right campaign generated a number of significant outcomes that directly benefited patient care. The Welsh Assembly Government committed £4.5 million to fund a family nurse for every secondary school, nearly £17 million to improve accessibility to NHS services, £7.5 million for better provision of care for chronic long-term conditions and £8 million for palliative care. The Government also committed to introducing nurse-led walk-in centres. The campaign also secured a £2.3 per cent increase in funded post registration nurse training places, including 98 extra places for district nurses. The RCN Wales conference in 2007 Influencing for Action continued the active involvement of Welsh members in policy development.

In Northern Ireland, the Review of Public Administration in Northern Ireland continued apace and the RCN secured senior executive nurse director roles in all NHS trusts. Following its response to the Northern Ireland Executive’s draft budget allocation announcement in January, highlighting the inadequacies of funding in terms of meeting health and social needs, the Executive issued a revised budget allocation of £300 million for new service developments over the next three years – double the original proposals.

Influence
As the voice of nursing in the UK, the RCN utilised its unique knowledge and reputation to influence politicians, the media and other stakeholders on a variety of significant issues that impact on nursing and on the health of the general public.

Policy
In a rapidly changing and diverse UK health care environment, the RCN continued to shape and support the delivery of modern nursing in all four countries, and demonstrate how nursing can make a difference to the health of the nation.

The RCN Policy Unit engaged in a variety of government and stakeholder consultations that impact the future direction of nursing, including two major Department of Health consultations on the future for pre-registration nurse education and the framework for post registration nursing careers. The RCN also responded to proposals on the professional regulation of all health professions outlined in the government’s Trust, assurance and safety – the regulation of health professionals in the 21st century white paper, and issued a highly influential briefing statement on the importance of the statutory regulation of health care assistants for patient safety and public protection. Policy briefings produced on other major health policy initiatives, including nursing workforce productivity, public and patient involvement in the NHS, community hospitals, and the role of specialist nurses, have been made available on the Policy Unit’s pages of the RCN website.

Modernising nursing careers consultations on the future for pre-registration nurse education and the framework for post registration nursing careers. The RCN also responded to proposals on the professional regulation of all health professions outlined in the government’s Trust, assurance and safety – the regulation of health professionals in the 21st century white paper, and issued a highly influential briefing statement on the importance of the statutory regulation of health care assistants for patient safety and public protection. Policy briefings produced on other major health policy initiatives, including nursing workforce productivity, public and patient involvement in the NHS, community hospitals, and the role of specialist nurses, have been made available on the Policy Unit’s pages of the RCN website.

Nutrition Now’s hospital hydration best practice toolkit was downloaded 36,271 times.
Supporting and protecting nurses, by providing first rate professional representation and legal support through the vital work of our stewards and staff at country and regional offices, is an important priority for the RCN.

Support

The combined result of ‘Lean’ reviews of member support services and its future activist programme to recruit, support and develop representatives, means that the RCN will in future be able to deliver enhanced levels of representation and support to even more individual members.

Following the launch of detailed role descriptions for RCN stewards, safety representatives and learning representatives at Congress, the learning and development of active RCN members became a major focus of the year. Implementation of new local support systems, including mentorship and learning sets, provided improved individualised support for representatives and made a significant impact on the quantity and complexity of cases RCN representatives were able to undertake on a wide range of employment issues and investigations, collective grievances and disputes arising from workforce restructuring, and deficit management proposals.

To further enable our activists, work was completed on creating a standardised UK-wide learning and development programme for RCN representatives. The new pathways, due to be launched at Congress 2008, are based on European Network of Training Organisations (ENTO) standards, the national occupational standards for union representatives.

A variety of local, regional and national activist training opportunities were provided throughout the year, and over 220 RCN representatives attending the annual joint UK representatives’ conference in June left with a wealth of new knowledge to use in the workplace. Resources to support activists in their role included a new updated Handbook for RCN learning representatives, and the Safe management of health care waste publication. A new dedicated activist area was also launched on the RCN’s website.

To better support members in understanding the challenges and issues they face when giving dignified care, in February the RCN launched an online survey on patient/client dignity. The findings of the survey underpinned the RCN’s campaign on dignity which launched in June 2008. To better support health care assistants (HCAs), the RCN simplified its joining criteria for HCAs and is currently developing specific services to meet their needs.

RCN Direct also underwent a ‘Lean’ working service review designed to deliver best value for members. With the approval of RCN Council, the decision was taken to realign resources to provide better telephone support for members during a revised 9.00am to 8.00pm prime time operational window. The outcomes of the ‘lean’ programme which aimed to eliminate inefficiency and simplify the contact approach for members, produced significant outcomes including a 26 per cent service level improvement. This means more members are now able to get through to the service, with 99 per cent of calls answered in less than 60 seconds. A newly introduced satisfaction survey indicates excellent user approval ratings around clarity of advice and confirms the quality of call handling and overall member experience has improved significantly.

The success of the programme resulted in RCN Direct being nominated in the Welsh Contact Centre’s 2007 Customer Service Award category. RCN Direct responded to 60,510 advice line calls and around 12,000 email enquiries, and handled 980 member calls to the RCN’s Counselling Service.

A review of the RCN Counselling Service resulted in the greater provision of locally delivered counselling services and, in conjunction with the introduction of a primarily phone-based resource supported through RCN Direct, generated a 61 per cent increase in the provision of counselling sessions, at no increased cost. During the year, the service provided appointments to 2,500 members, providing support on issues ranging from work-related stress and anxiety, bullying and harassment, to loss and bereavement. Member satisfaction with the service is high, with 87 per cent reporting they were very satisfied, with one member stating: “Excellent, invaluable service which supported me through a very difficult period.”

The RCN continued to provide a range of targeted support for different groups of nurses. The RCN’s Work Injured Nurses Group (WING) introduced extended WING helpline hours and dealt with 1,027 enquiries, ranging from employment matters such as redeployment, rehabilitation, and sickness absence monitoring through to ill health retirement. RCN WING produced a fact sheet for activists and members on the new ill health retirement provision in the NHS pension scheme.

In March 2007 the Mayday for Nurses Hardship Fund, administered by the RCN Charitable Trust, was launched by Noreena Hertz to support nurses experiencing hardship as a result of a variety of circumstances.

The RCN provided advice to over 1,000 members seeking to either work outside the UK or volunteer for humanitarian aid overseas, and supported hundreds of international nurses seeking to register in the UK. In June, the RCN hosted a joint event with Voluntary Services Overseas, Médicins Sans Frontières and the Royal College of Midwives, to provide guidance for nurses and midwives wishing to volunteer and also co-launched a new practical handbook on working with humanitarian organisations.

Diversity

In April 2007 the RCN launched its Diversity Champions programme to recruit and develop leaders and role models for diversity and equality of opportunity. Over 500 diversity champions are now registered, and can access resources such as the RCN’s Diversity toolkit and regular e-updates through a dedicated section on the RCN’s website. The Northern region successfully recruited more than 40 diversity champions, and Colin Docherty, chair of the Northern Lesbian, Gay, Bisexual, Transgender (LGBT) network, was nominated for an award at the LGBT Health Summit in August for his outstanding contribution to the LGBT agenda.

The RCN was recognised for its work on valuing diversity by the Professional Associations Research Network (PARN). In its report, How can professional associations embed awareness and support for diversity in their organisations?, PARN identified the RCN as a ‘pioneer’ organisation in this field. Andy Friedman, Managing Director of PARN and Professor of Management and Economics at the University of Bristol, said: “There are many examples of good practice out there. If more professional bodies learn from the experience of the pioneers, huge strides will be made to diversify UK professions and professional bodies.”

Following its contribution to the Nursing and Midwifery Council’s (NMC) consultations on a race equality scheme, the NMC has asked the RCN to become actively involved supporting the development of this and other NMC diversity schemes. The RCN also provided a comprehensive response to the government’s consultation on the Discrimination Law Review which aims to modernise discrimination legislation.

The review includes proposals for a Single Equality Bill to provide clearer and more effective protection from discrimination wherever people are faced with it in their everyday lives.

The London region has had a highly successful year strengthening its London Equality Network and attending a number of events with the South African, All Pakistani, Jamaican and Polish nurses associations. The region continues to support nursing colleagues in the Seychelles. The Regional Director has worked closely with the Breaking Through Programme, a positive action programme designed to support Black and minority ethnic (BME) staff in the NHS break through into senior roles.

The Eastern region raised funding for a Care Services Improvement Partnership (CSIP) project aimed at reducing stigma and discrimination against mental health service users from BME backgrounds.

Celebratory events were hosted for Lesbian, Gay, Bisexual and Transgender History Month in February 2008, and International Women’s Day in March 2008, when debate at the Shaping Progress conference held at the RCN focused on female genital mutilation, domestic abuse, and prostitution and sexual assault.

A total of 22% of RCN expenditure was on Supporting and protecting
Support and protect

Supporting and protecting nurses, by providing first rate professional representation and legal support through the vital work of our stewards and staff at country and regional offices, is an important priority for the RCN.

Support

The combined result of ‘Lean’ reviews of member support services and its Future activist programme to recruit, support and develop representatives, means that the RCN will in future be able to deliver enhanced levels of representation and support to even more individual members.

Following the launch of detailed role descriptions for RCN stewards, safety representatives and learning representatives at Congress, the learning and development of active RCN members became a major focus of the year. Implementation of new local support systems, including mentorship and learning sets, provided improved individualised support for representatives and made a significant impact on the quantity and complexity of cases RCN representatives were able to undertake on a wide range of employment issues and investigations, collective grievances and disputes arising from workplace restructuring, and deficit management proposals.

To further enable our activists, work was completed on creating a standardised UK-wide learning and development programme for RCN representatives. The new pathways, due to be launched at Congress 2008, are based on European Network of Training Organisations (ENTO) standards, the national occupational standards for union representatives.

A variety of local, regional and national activist training opportunities were provided throughout the year, and over 220 RCN representatives attending the annual joint UK representatives’ conference in June left with a wealth of new knowledge to use in the workplace. Resources to support activists in their role included a new updated Handbook for RCN learning representatives, and the Safe management of health care waste publication. A new dedicated activist area was also launched on the RCN’s website.

To better support members in understanding the challenges and issues they face when giving dignified care, in February the RCN launched an online survey on patient/client dignity. The findings of the survey underpinned the RCN’s campaign on dignity which launched in June 2008. To better support health care assistants (HCAs), the RCN simplified its joining criteria for HCAs and is currently developing specific services to meet their needs.

RCN Direct also underwent a ‘Lean’ working service review designed to deliver best value for members. With the approval of RCN Council, the decision was taken to realign resources to provide better telephone support for members during a revised 8.30am to 8.00pm prime time operational window. The outcomes of the ‘lean’ programme which aimed to eliminate inefficiency and simplify the contact approach for members, produced significant outcomes including a 26 per cent service level improvement. This means more members are now able to get through to the service, with 90 per cent of calls answered in less than 60 seconds. A newly introduced satisfaction survey indicates excellent user approval ratings around clarity of advice and confirms the quality of call handling and overall member experience has improved significantly.

The success of the programme resulted in RCN Direct being nominated in the Welsh Contact Centre’s 2007 Customer Service Award category. RCN Direct responded to 60,510 advice line calls and around 12,000 email enquiries, and handled 980 member calls to the RCN’s Counselling Service.

A review of the RCN Counselling Service resulted in the greater provision of locally delivered counselling services and, in conjunction with the introduction of a primarily phone-based resource supported through RCN Direct, generated a 61 per cent increase in the provision of counselling sessions, at no increased cost. During the year, the service provided appointments to 2,500 members, providing support on issues ranging from work-related stress and anxiety, bullying and harassment, to loss and bereavement. Member satisfaction with the service is high, with 87 per cent reporting they were very satisfied, with one member stating: “Excellent, invaluable service which supported me through a very difficult period.” The RCN continued to provide a range of targeted support for different groups of nurses. The RCN’s Work Injured Nurses Group (WING) introduced extended WING helpline hours and dealt with 1,027 enquiries, ranging from employment matters such as redeployment, rehabilitation, and sickness absence monitoring through to ill health retirement. RCN WING produced a fact sheet for activists and members on the new ill health retirement provision in the NHS pension scheme.

In March 2007 the Mayday for Nurses Hardship Fund, administered by the RCN Charitable Trust, was launched by Noreena Hertz to support nurses experiencing hardship as a result of a variety of circumstances.

The RCN provided advice to over 1,000 members seeking to either work outside the UK or volunteer for humanitarian aid overseas, and supported hundreds of international nurses seeking to register in the UK. In June, the RCN hosted a joint event with Voluntary Services Overseas, Médicos Sans Frontières and the Royal College of Midwives, to provide guidance for nurses and midwives wishing to volunteer and also co-launched a new practical handbook on working with humanitarian organisations.

Diversity

In April 2007 the RCN launched its Diversity Champions programme to recruit and develop leaders and role models for diversity and equality of opportunity. Over 300 diversity champions are now registered, and can access resources such as the RCN’s Diversity toolkit and regular e-updates through a dedicated section on the RCN’s website. The Northern region successfully recruited more than 40 diversity champions, and Colin Duxbury, chair of the Northern Lesbian, Gay, Bisexual, Transgender (LGBT) network, was nominated for an award at the LGBT Health Summit in August for his outstanding contribution to the LGBT agenda.

The RCN was recognised for its work on valuing diversity by the Professional Associations Research Network (PARN). In its report, How can professional associations embed awareness and support for diversity in their organisations?, PARN identified the RCN as a ‘pioneer’ organisation in this field. Andy Friedman, Managing Director of PARN and Professor of Management and Economics at the University of Bristol, said:

“There are many examples of good practice out there. If more professional bodies learn from the experience of the pioneers, huge strides will be made to diversify UK professions and professional bodies.”

Following its contribution to the Nursing and Midwifery Council’s (NMC) consultations on a race equality scheme, the NMC has asked the RCN to become actively involved supporting the development of this and other NMC diversity schemes. The RCN also provided a comprehensive response to the government’s consultation on the Discrimination Law Review which aims to modernise discrimination legislation. The review includes proposals for a Single Equality Bill to provide clearer and more effective protection from discrimination wherever people are faced with it in their everyday lives.

The London region has had a highly successful year strengthening its London Equality Network and attending a number of events with the South African, All Pakistani, Jamaican and Polish nurses associations. The region continues to support nursing colleagues in the Seychelles.

The Regional Director has worked closely with the Breaking Through Programme, a positive action programme designed to support Black and minority ethnic (BME) staff in the NHS break through into senior roles.

The Eastern region raised funding for a Care Services Improvement Partnership (CSIP) project aimed at reducing stigma and discrimination against mental health service users from BME backgrounds.

Celebratory events were hosted for Lesbian, Gay, Bisexual and Transgender History Month in February 2008, and International Women’s Day in March 2008, where debate at the Shaping Progress conference held at the RCN focused on female genital mutilation, domestic abuse, and prostitution and sexual assault.

A22% of total RCN expenditure was on Supporting and protecting
The RCN is committed to supporting the lifelong learning and professional development of its members, and provides a variety of services that ensure nurses are able to share expertise and enhance knowledge to ensure the continued delivery of quality patient care.

Education and development

To enable its continued provision of research and distance learning, launch innovative new services and pursue its mission to extend nursing knowledge, this year the RCN entered into a number of strategic alliances and affiliations.

In August 2007, the RCN announced a new research strategic alliance with the University of Warwick, relocating the RCN Research Institute to the University’s School of Health and Social Studies. During the year the work of the Institute helped expand national knowledge on a number of crucial UK health care themes, including patient involvement in research, patient reported health outcomes, the evidence base for innovation in nursing care, and knowledge transfer from research into practice. Through the UK Clinical Research Collaboration (UKCRC), the Institute played a part in the development of national proposals for clinical academic careers in nursing.

The Institute contributed to National Institute for Health and Clinical Excellence (NICE) guidance and clinical guidelines to improve disease management, promote good health, the appropriate treatment and care of NHS patients with specific diseases and conditions, and published Understanding patient safety, a fundamental contribution to the patient safety agenda.

In conjunction with Skills for Health, the RCN produced National Occupational Standards for continence care and published its RCN guidance for nurses on catheter care to encourage adoption of the new standards across NHS and independent health care sectors to improve care for patients.

Leadership and excellence

Clinical leadership continues to be a high priority for the RCN and this year the RCN’s Clinical Leadership Programme gained accreditation from Basel University in Switzerland. In March 2008, RCN Licensing established a new Consultancy Service which enables health and social care organisations to access the leadership and practice development expertise of the RCN. Organisations can commission the design and delivery of programmes and activities to meet specific needs.

During the year the RCN facilitated a number of highly successful political leadership and team development programmes across the UK. Its programmes were commissioned by a range of organisations including the International Practice Development School and the NHS Institute of Innovation and Improvement, which commissioned the RCN’s Believe you can programme for Black and Minority Ethnic (BME) nurses in leadership positions. The RCN also launched its fresh start initiative, inviting senior nurses, in England and Scotland initially, to discuss how the RCN can support them in their roles and enable the senior voice of nursing to influence at a national level.

In alliance with other health care organisations, the RCN produced Nurses as partners in delivering public health. The online publication highlights how nurses can strengthen their position to better influence the health of communities, with case studies on current projects, including the innovative work of school nurses in Wrexham to deliver a targeted preventative anti-smoking service to help young people.

The pioneering work of nurse leaders continued to shape care delivery. Karen Logan, a nurse consultant and head of continence services at the Gwent Health care NHS Trust, won the Nursing Standard’s Nurse of the Year award in 2008 for her research into the patient perspective of intermittent self-catheterisation (ISC) which transformed quality of life for patients and resulted in policy change. Karen Orr, winner of the Northern Ireland Nurse of the Year award, developed a multi-disciplinary children’s asthma and allergy service at Ulster Hospital which has become a model for secondary care throughout the UK.

The RCN formed a UK-wide distance learning alliance with the Open University (OU). The learning programme includes pre-registration through to post-qualification courses and an extensive development programme for HCAs. In Northern Ireland, in partnership with the OU, the RCN ran the Keeo programme for HCA members committed to a career in nursing.

The RCN sits on the board of the Health care Quality Improvement Partnership (HQP) as part of a consortium with the Academy of Medical Royal Colleges and the Long-Term Conditions Alliance. The consortium will take over the management of the National Clinical Audit Programme in England and Wales next year. The RCN also completed a Healthcare Commission project to scope the potential for a national audit of Essence of Care in England.

The RCN’s Sexual Health Skills course is to be launched in electronic format and the RCN collaborated with the University of Greenwich to develop graduate and post graduate certifications in the discipline, including an MA in professional practice. The RCN and the University jointly developed the award-winning Graduate Diploma in Aesthetic Medicine, the first nationally recognised qualification for health care professionals in the use of cosmetic treatments.

The RCN launched its clinical governance resource on the RCN website and published an RCN resource guide for nurse leaders responsible for co-ordinating and implementing clinical governance. To support the career progression and development of members, the RCN linked the new knowledge and Skills Framework (KSF) to its core and specialist nursing competencies, and produced guidance on how to develop KSF outlines for nursing posts in the NHS. In Northern Ireland the RCN launched a Ward Sisters’ Toolkit in partnership with the Department of Health, Social Services and Patient Safety (DHSSPS).

The RCN was involved in the development of national guidelines for socially inclusive practice, the guidelines will enable nurses to target issues of inequality and skill nurses to influence the commissioning of services for excluded groups.

The RCN continued to focus on extending knowledge of how e-Health will affect and improve health care provision for both patients and professionals. Issues around e-Health information and patient confidentiality were covered in an online publication from the RCN which set down guidance and core standards for sharing patient information. The RCN also held a series of UK-wide e-Health workshops to support development of future RCN policies and guidelines which can be adapted locally, and to enable effective working on this increasingly important health topic.
Develop

The RCN is committed to supporting the lifelong learning and professional development of its members, and provides a variety of services that ensure nurses are able to share expertise and enhance knowledge to ensure the continued delivery of quality patient care.

Education and development

To enable its continued provision of research and distance learning, launch innovative new services and pursue its mission to extend nursing knowledge, this year the RCN entered into a number of strategic alliances and affiliations.

In August 2007, the RCN announced a new research strategic alliance with the University of Warwick, relocating the RCN Research Institute to the University's School of Health and Social Studies. During the year the work of the Institute helped expand national knowledge on a number of crucial UK health care themes, including patient involvement in research, patient reported health outcomes, the evidence base for innovation in nursing care, and knowledge transfer from research into practice. Through the UK Clinical Research Collaboration (UKCRC), the Institute played a part in the development of national proposals for clinical academic careers in nursing.

The Institute contributed to National Institute for Health and Clinical Excellence (NICE) guidance and clinical guidelines to improve disease management, promote good health, the appropriate treatment and care of NHS patients with specific diseases and conditions, and published Understanding patient safety, a fundamental contribution to the patient safety agenda.

In conjunction with Skills for Health, the RCN produced National Occupational Standards for continence care and published its RCN guidance for nurses on catheter care to encourage adoption of the new standards across NHS and independent health care sectors to improve care for patients.

Leadership and excellence

Clinical leadership continues to be a high priority for the RCN and this year the RCN’s Clinical Leadership Programme gained accreditation from Basel University in Switzerland. In March 2008, RCN Licensing established a new Consultancy Service which enables health and social care organisations to access the leadership and practice development expertise of the RCN. Organisations can commission the design and delivery of programmes and activities to meet specific needs.

During the year the RCN facilitated a number of highly successful political leadership and team development programmes across the UK. Its programmes were commissioned by a range of organisations including the International Practice Development School and the NHS Institute of Innovation and Improvement, which commissioned the RCN’s Believe you can programme for Black and Minority Ethnic (BME) nurses in leadership positions. The RCN also launched its Fresh start initiative, inviting senior nurses, in England and Scotland initially, to discuss how the RCN can support them in their roles and enable the senior voice of nursing to influence at a national level.

In alliance with other health care organisations, the RCN produced Nurses as partners in delivering public health. The online publication highlights how nurses can strengthen their position to better influence the health of communities, with case studies on current projects, including the innovative work of school nurses in Wrexham to deliver a targeted preventative anti-smoking service to help young people.

The pioneering work of nurse leaders continued to shape care delivery. Karen Logan, a nurse consultant and head of continence services at the Gwent Health care NHS Trust, won the Nursing Standard’s Nurse of the Year award in 2008 for her research into the patient perspective of intermittent self-catheterisation (ISC) which transformed quality of life for patients and resulted in policy change. Karen Orr, winner of the Northern Ireland Nurse of the Year award, developed a multi-disciplinary children’s asthma and allergy service at Ulster Hospital which has become a model for secondary care throughout the UK.

The RCN continued to focus on extending knowledge of how e-Health will affect and improve health care provision for both patients and professionals. Issues around e-Health information and patient confidentiality were covered in an online publication from the RCN which set down guidance and core standards for sharing patient information. The RCN also held a series of UK-wide e-Health workshops to support development of future RCN policies and guidelines which can be adapted locally, and to enable effective working on this increasingly important health topic.

3,569,757 publications downloaded from the RCN website, and 476,874 copies of RCN publications distributed to RCN members and the public.
Events, publications and information

The RCN transformed its library and information services, introducing an expanded e-Library catalogue which now contains over 400 journals and provides access to a variety of information databases, including the British Nursing Index. The RCN’s Learning Zone, a web-based resource that supports the professional development of RCN members, was nominated in the Excellence in the production of learning content category of the national E-Learning Awards. The RCN’s pioneering e-portfolio delivers highly focused bite-sized learning modules and now contains a discussion zone to support networking with other RCN members. Additions to the clinical skills area this year include a new dermatology learning opportunity on skin eczema, and interactive learning resources on continence care.

The contribution of our forums continues to be an important support to members in this area of our work. A number of RCN publications were produced to assist nurses in developing their nursing practice, and consequently improve patient care. These included a workplace resource for practise development, guidelines on the role of the rehabilitation nurse, advanced nurse practitioners, new nurse managers in hospices and specialist palliative care units, as well as guidelines for the mental health nursing of adults with learning disabilities.

The RCN recognises the importance of meeting the needs of older people and this year developed a strategic direction to underpin the work of the RCN and influence the professional practice of its members. In October the RCN published its Caring in partnership: older people and nursing staff working towards the future which contains information on the UK policy context and strategy implementation. The RCN also updated its publication on the role and practice of nurses in the rehabilitation of older people, to reflect current trends and research.

RCN events organised an annual programme of 60 professional conferences to support nurses’ personal and professional development. This year, in collaboration with the British Paramedic Association, RCN Minor Injuries Group and RCN Paediatric Emergency Care Group, the RCN launched a new annual Emergency Care conference. More than 4,000 delegates attended the largest event – RCN Congress 2007, representing a 15 per cent increase over the previous year. RCN Congress, together with the sponsored educational seminars held during the event, attained RCN accredited status.

The number of health care assistants opting to join the RCN has risen by over 30% for the second year running

The RCN published its Caring in partnership: older people and nursing staff working towards the future which contains information on the UK policy context and strategy implementation.

Building a strong organisation is essential for the delivery of better, more effective services. This year, the RCN clarified its strategy for the future, and implemented new ways of working to ensure it serves the needs of members and is better prepared to achieve its long term strategic vision.

Transforming services

At Congress 2007 the RCN called an Extraordinary General Meeting at the request of 1,000 members to discuss the RCN’s financial position, the steps being taken to address the longstanding RCN staff pension scheme deficit, and the decision by Council to review 20 Cavendish Square as the RCN’s headquarters building. The result was a commitment to work together to resolve these issues and to improve the way the RCN communicates and shares information with its members. Significant steps have been taken to tackle the pension deficit and a revised financial strategy for 2008 – 2013/14 was presented to the 2007 Annual General Meeting including tough new financial targets and efficiency savings. The £7.0m loan on 20 Cavendish Square was repaid in full in December. Following consultations carried out by the RCN Branch Review Project Group last year, a major branch programme has started to transform how the RCN works to better meet members’ needs at local level including a transition to a staff-administered banking model.

We have also looked at how we can involve more members by improving our reporting and decision making structures and looking at the way we work. In response we have among other things strengthened our property strategy, broadened the membership of the Council committees and strengthened our planning and policy development processes. Also a particularly important part of the work by the Forums Governance Group is to rationalise the forums, to redefine their role in the RCN’s decision-making and reporting processes, and improve their financial stewardship, to ensure a more strategic and coordinated approach to planning and resourcing the RCN’s professional work.

As part of the professional membership review the RCN Institute reorganised its services to deliver better access to learning and development, expertise, information and resources for members, and entered into strategic alliances with the Open University and the University of Warwick.

To better support the communication needs of members, in October 2007 the RCN re-launched its website. Along with an improved design and easier navigation, the site now incorporates a strong community and interactive focus, with a new ‘social networking’ structure that also gives members direct control over content. New

33% of total RCN expenditure was on Developing

Build

33%
Events, publications and information

The RCN transformed its library and information services, introducing an expanded e-library catalogue which now contains over 400 journals and provides access to a variety of information databases, including the British Nursing Index. The RCN’s Learning Zone, a web-based resource that supports the professional development of RCN members, was nominated in the Excellence in the production of learning content category of the national E-Learning Awards. The RCN’s pioneering e-portfolio delivers highly focused bite-sized learning modules and now contains a discussion zone to support networking with other RCN members. Additions to the clinical skills area this year include a new dermatology learning opportunity on skin eczema, and interactive learning resources on continence care.

The contribution of our forums continues to be an important support to members in this area of our work. A number of RCN publications were produced to assist nurses in developing their nursing practice, and consequently improve patient care. These included a workplace resource for practise development, guidelines on the role of the rehabilitation nurse, advanced nurse practitioners, new nurse managers in hospices and specialist palliative care units, as well as guidelines for the mental health nursing of adults with learning disabilities.

The RCN recognises the importance of meeting the needs of older people and this year developed a strategic direction to underpin the work of the RCN and influence the professional practice of its members. In October the RCN published its Caring in partnership: older people and nursing staff working towards the future which contains information on the UK policy context and strategy implementation. The RCN also updated its publication on the role and practice of nurses in the rehabilitation of older people, to reflect current trends and research.

RCN events organised an annual programme of 60 professional conferences to support nurses’ personal and professional development. This year, in collaboration with the British Paramedic Association, RCN Minor Injuries Group and RCN Paediatric Emergency Care Group, the RCN launched a new annual Emergency Care conference. More than 4,000 delegates attended the largest event – RCN Congress 2007, representing a 15 per cent increase over the previous year. RCN Congress, together with the sponsored educational seminars held during the event, attained RCN accredited status.

Building a strong organisation is essential for the delivery of better, more effective services. This year, the RCN clarified its strategy for the future, and implemented new ways of working to ensure it serves the needs of members and is better prepared to achieve its long term strategic vision.

Transforming services

At Congress 2007 the RCN called an Extraordinary General Meeting at the request of 1,000 members to discuss the RCN’s financial position, the steps being taken to address the longstanding RCN staff pension scheme deficit, and the decision by Council to review 20 Cavendish Square as the RCN’s headquarters building. The result was a commitment to work together to resolve these issues and to improve the way the RCN communicates and shares information with its members. Significant steps have been taken to tackle the pension deficit and a revised financial strategy for 2008 – 2013/14 was presented to the 2007 Annual General Meeting including tough new financial targets and efficiency savings. The £7.0m loan on 20 Cavendish Square was repaid in full in December. Following consultations carried out by the RCN Branch Review Project Group last year, a major branch programme has started to transform how the RCN works to better meet members’ needs at local level including a transition to a staff-administered banking model.

We have also looked at how we can involve more members by improving our reporting and decision making structures and looking at the way we work. In response we have among other things strengthened our property strategy, broadened the membership of the Council committees and strengthened our planning and policy development processes. Also a particularly important part of the work by the Forums Governance Group is to rationalise the forums, to redefine their role in the RCN’s decision-making and reporting processes, and improve their financial stewardship, to ensure a more strategic and coordinated approach to planning and resourcing the RCN’s professional work.

As part of the professional membership review the RCN Institute reorganised its services to deliver better access to learning and development, expertise, information and resources for members, and entered into strategic alliances with the Open University and the University of Warwick. To better support the communication needs of members, in October 2007 the RCN re-launched its website. Along with an improved design and easier navigation, the site now incorporates a strong community and interactive focus, with a new ‘social networking’ structure that also gives members direct control over content. New...
features planned for rollout during 2008 include an interactive network of weblogs, user profiles, email, web forums and groups, and the introduction of audio and video files. In February 2008 the RCN launched Telecare, a pilot RCN e-newsletter for members of the RCN Information in Nursing Group, and e-versions of other regular communications are currently in development.

The RCN launched a new membership strategy designed to raise awareness of RCN services to both existing and potential members. A key priority for the RCN this year was to better support Health Care Assistants (HCAs) in the workplace by recruiting them into membership. To this end, RCN Council agreed to simplify and extend the membership criteria for HCAs to enable more HCAs to join the RCN. Successful UK-wide recruitment programmes for HCAs were undertaken, with East Midlands region achieving a 39 per cent increase in HCA membership.

To improve staff working and performance, and enable new ways of working, the RCN established a management development programme, structured around its newly introduced management and leadership competencies.

**RCN Award of Merit and RCN Fellowship**

In a move to raise the national and international profile of nursing, and its contribution to improving the health and social care of patients, their families, and the public at large, the RCN re-launched its Fellowship and Award of Merit awards at its October AGM. The RCN Award of Merit and Fellowship award are the highest honours that the RCN can bestow and are awarded to those people who have demonstrated exceptional contributions to the RCN or for pioneering work in nursing.

The awards now have a new criterion, and the guidance and nomination forms have been revised. Following representations from the Fellows, Council and RCN staff members are now eligible for Fellowships.

**New leaders**

There were changes to the RCN’s Council leadership during the year. At the AGM, Sandra James, who represents the South East region, was elected as Chair of Council and Robert Swoney, who represents Northern Ireland, was re-elected to Vice Chair, and Jane McCreacy, who represents Scotland was re-elected Honorary Treasurer. Also appointed was Kathleen McCourt FRGN as Chair of the Public Policy Committee, Alan Mawbey as Chair of the Membership, Representation and Diversity Committee, and Jenny Booth as Chair of the Nursing Development Committee.

We have a new Strategic Plan for 2008-2013. Its overall purpose is to demonstrate how the value of the College to both its members and the public is enhanced by its professional and representative functions working together. The plan has ten strategic goals which align with the objectives of our charter as shown in the matrix below.

- **A**: promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing
- **B**: promoting the advancement of nursing as a profession in all or any of its branches
- **C**: promoting, through the medium of international agencies and otherwise, the foregoing purposes in other countries as well as in the United Kingdom
- **D**: assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature
- **E**: to promote the professional standing and interests of members of the nursing profession.

1 – 10 are our Strategic Goals:

1. build a membership organisation which values both the professional and trade union functions, and whose power is enhanced by their working together
2. engage the full breadth of clinical and workforce talents, experience, and expertise of members and staff
3. strengthen the RCN as the leading authority on nursing in health and social care
4. embrace the wider nursing family, furthering strategic activities in our membership make-up, our networks, and with employer organisations
5. campaign for nursing, health care and patients
6. strengthen accountability in our governance structure
7. maximise the RCN’s contribution to improving the health and wellbeing of the national, EU, and international population
8. enable structures and processes to value diversity
9. build the RCN as a business, to enable an efficient membership organisation
10. communicate the responsibilities the RCN has given its current charitable status and consider how this should develop in the future.
Future plans

We have a new Strategic Plan for 2008-2013. Its overall purpose is to demonstrate how the value of the College to both its members and the public is enhanced by its professional and representative functions working together.

The plan has ten strategic goals which align with the objectives of our charter as shown in the matrix below.

<table>
<thead>
<tr>
<th>Charter Objectives</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>B</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>C</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>D</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>E</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

A – E are our Charter Objectives:
A. promoting the science and art of nursing and the better education and training of nurses and their efficiency in the profession of nursing
B. promoting the advancement of nursing as a profession in all or any of its branches
C. promoting, through the medium of international agencies and otherwise, the foregoing purposes in other countries as well as in the United Kingdom
D. assisting nurses who by reason of adversity, ill-health or otherwise are in need of assistance of any nature
E. to promote the professional standing and interests of members of the nursing profession.

1 – 10 are our Strategic Goals:
1. build a membership organisation which values both the professional and trade union functions, and whose power is enhanced by their working together
2. engage the full breadth of clinical and workforce talents, experience, and expertise of members and staff
3. strengthen the RCN as the leading authority on nursing in health and social care
4. embrace the wider nursing family, furthering strategic activities in our membership make-up, our networks, and with employer organisations
5. campaign for nursing, health care and patients
6. strengthen accountability in our governance structure
7. maximise the RCN’s contribution to improving the health and wellbeing of the national, EU, and international population
8. enable structures and processes to value diversity
9. build the RCN as a business, to enable an efficient membership organisation
10. communicate the responsibilities the RCN has given its current charitable status and consider how this should develop in the future.

New leaders
There were changes to the RCN’s Council leadership during the year. At the AGM, Sandra James, who represents the South East region, was elected as Chair of Council and Robert Sowrey, who represents Northern Ireland, was re-elected to Vice Chair, and Jane McCready, who represents Scotland was re-elected Honorary Treasurer. Also appointed was Kathleen McCourt FRGN as Chair of the Public Policy Committee, Alan Mawbey as Chair of the Membership, Representation and Diversity Committee, and Jenny Booth as Chair of the Nursing Development Committee.

We are also focused on delivering a sustainable and operationally efficient organisation.
From 2009/2010 we will have an Annual Operational Plan for the organisation which will set out the corporate priorities for the year ahead under each of the strategic goals. Each priority will have targets against which we will be monitoring our performance and the public benefit we provide.

features planned for rollout during 2008 include an interactive network of weblogs, user profiles, email, web forums and groups, and the introduction of audio and video files. In February 2008 the RCN launched Telecare, a pilot RCN e-newsletter for members of the RCN Information in Nursing Group, and e-versions of other regular communications are currently in development.

The RCN launched a new membership strategy designed to raise awareness of RCN services to both existing and potential members. A key priority for the RCN this year was to better support Health Care Assistants (HCAs) in the workplace by recruiting them into membership. To this end, RCN Council agreed to simplify and extend the membership criteria for HCAs to enable more HCAs to join the RCN. Successful UK-wide recruitment programmes for HCAs were undertaken, with East Midlands region achieving a 39 per cent increase in HCA membership.

To improve staff working and performance, and enable new ways of working, the RCN established a management development programme, structured around its newly introduced management and leadership competencies.

RCN Award of Merit and RCN Fellowship
In a move to raise the national and international profile of nursing, and its contribution to improving the health and social care of patients, their families, and the public at large, the RCN re-launched its Fellowship and Award of Merit awards at its October AGM. The RCN Award of Merit and Fellowship award are the highest honours that the RCN can bestow and are awarded to those people who have demonstrated exceptional contributions to the RCN or for pioneering work in nursing.

The awards now have a new criterion, and the guidance and nomination forms have been revised. Following representations from the Fellows, Council and RCN staff members are now eligible for Fellowships.
Council committees

■ Three Council committees to assist with the policy development and provide a sounding board for staff. The membership of these committees has recently been broadened to include RCN members with specific skills and backgrounds to work alongside the Council members. The chairs and vice chairs of the committees are members of Council. All other national groups feed in through these committees.

The Nursing Development Committee oversees the RCN’s mission of developing the art and science of nursing and building our resources of professional expertise and leadership. The Committee takes decisions on behalf of Council on education, research, nursing policy and clinical standards and competencies.

The Public Policy Committee oversees the RCN’s campaigns and lobbying activities and works towards the implementation of policy that improves the quality of patient care. The Committee takes decisions on behalf of Council on matters relating to health and social care and public policy.

The Membership Representation and Diversity Committee oversees the RCN’s work on representing nurses and nursing and protecting nurses’ terms and conditions of employment and the RCN diversity strategy, defining the membership categories and their rights and membership marketing.

Boards

■ 12 Boards advise and support their Director in implementing UK wide policy in the Country/Region. Board members are elected by the members in the country/region. The Chair of the Board is one of the two members elected to serve on Council by the members in the country/region. The Chair provides the link between Council and the Board and informs Council of local issues of national significance.

RCN Institute

The RCN is a membership organisation set up under Royal Charter and has a trade union and three charities within it.

Royal College of Nursing (RCN)

(Listed as corporation with Royal Charter) comprising

Trade Union

“a special register body”

Registered corporate charity: “The Charity consisting of the Property and Income of the Royal College of Nursing” (No.276435)

Corporate trustee of

Registered unincorporated charitable trust

“The Royal College of Nursing Charitable Trust (RCNCT)” (No.273465)

John Howard Nurses Home (No 212564)

3 wholly owned trading subsidiaries:

■ RCN Publishing Company Limited
■ RCN Licensing Limited
■ RCN Membership Services Limited

Governance

The Royal College of Nursing’s Council is the corporate trustee of the Royal College of Nursing and has three offices in Scotland, two in Wales and one in Northern Ireland, as well as 11 regional offices located in England.

Governance committees

■ Four governance committees to assist the Council with particular aspects of its responsibilities

■ The Finance and Corporate Services Committee which advises the Council on its financial strategy including its investment and reserves policies. It also recommends the Annual Report and Accounts and budget to Council

■ The role of the Audit Committee is to obtain assurance, on behalf of the Council of the RCN, of the proper operation of the risk management, control and governance arrangements of the RCN and of the adequacy of arrangements for ensuring economy, efficiency and effectiveness

■ The Remuneration Committee which agrees the remuneration and terms of employment of the RCN Chief Executive & General Secretary, and members of the UK Executive Team

■ The Governance Support Committee which supports Council in ensuring the most effective governance arrangements and practices are in place.

External advisers

■ The strong involvement of independent external advisers’ specialist expertise and experience on our main governance committees. The chair of the Audit Committee is an external adviser.
Reference and administrative details

Legal structure

The Royal College of Nursing of the United Kingdom is a membership organisation set up under Royal Charter.

The Royal College of Nursing of the United Kingdom was established in 1916 and incorporated by Royal Charter in 1928. Its property and income is registered as a charity (Registration No. 276435) and includes the RCN Institute for learning and development purposes. In addition, The Royal College of Nursing Charitable Trust was set up in 1977 and is registered as a charity (Registration No. 279462). With the Royal College of Nursing United Kingdom as its corporate trustee, the Royal College of Nursing Charitable Trust has three subsidiaries:

- RCN Membership Services Ltd
- RCN Publishing Company Ltd
- RCN Licensing Ltd.

The RCN is also registered as a trade union under the Trade Union and Labour Relations (Consolidation) Act 1992. The RCN Council is also the corporate trustee of The John Howard Nurses Homes Charity (Registration Number 212584). In May 2007 the Charity Commission sealed a new scheme to combine the John Howard Nurses’ Home and the John Howard Trust Legacy Fund into one charity known as the John Howard Nurses Homes.

Governance and management

The RCN is a membership organisation set up under Royal Charter and has a trade union and three charities within it.

Principal places of business

The main educational centre, library and central administrative office of the RCN is at 20 Cavendish Square, London W1G 0RN. The RCN also has three offices in Scotland, two in Wales and one in Northern Ireland, as well as 11 regional offices located in England.

Professional advisers

The names and addresses of the professional advisers are shown below:

- **Banks:**
  - National Westminster Bank PLC
  - 1 Cavendish Square, London W1A 4NU

- **Auditors:**
  - PricewaterhouseCoopers LLP
  - 80 Strand, London WC2R 0AF

- **Investment Managers:**
  - Sarasin Chiswell
  - Juxon House, 10 St Paul’s Churchyard, London EC4M 8BU

- **Lawyers:**
  - Bates Wells & Braithwaite
  - 2-6 Cannon Street, London EC4M 6YH

Structure, governance and management

In terms of governance we are working to:

- deliver clear, timely, well-informed decision making
- ensure that the wider interests of the RCN are taken into account in its decision making
- be responsive to the views and concerns of our members
- achieve open, two-way discussion between members, council members and staff.

Our structure is designed to achieve the optimum balance between the governance of our charitable purposes and the representation of members’ interests.

We do this through:

- **Council**
  - A representative Council that is responsible for policy making on behalf of members and overall governance of the RCN. It acts as the organisation’s conscience in delivering its statutory purposes. Council members are the elected representatives of the membership in their country or region. They also act as trustees of the RCN property and income charity
- The RCN Council is the corporate trustee of the Royal College of Nursing Charitable Trust and The John Howard Nurses Homes Charity.

**Governance committees**

- Four governance committees to assist the Council with particular aspects of its responsibilities
- The Finance and Corporate Services Committee which advises the Council on its financial strategy including its investment and reserves policies. It also recommends the Annual Report and Accounts and budget to Council
- The role of the Audit Committee is to obtain assurance, on behalf of the Council of the RCN, of the proper operation of the risk management, control and governance arrangements of the RCN and of the adequacy of arrangements for ensuring economy, efficiency and effectiveness
- The Remuneration Committee which agrees the remuneration and terms of employment of the RCN Chief Executive & General Secretary, and members of the UK Executive Team
- The Governance Support Committee which supports Council in ensuring the most effective governance arrangements and practices are in place.

**External advisers**

- The strong involvement of independent external advisers’ specialist expertise and experience on our main governance committees. The chair of the Audit Committee is an external adviser.

Council committees

- Three Council committees to assist with the policy development and provide a sounding board for staff. The membership of these committees has recently been broadened to include RCN members with specific skills and backgrounds to work alongside the Council members. The chairs and vice chairs of the committees are members of Council. All other national groups feed in through these committees.

The Nursing Development Committee oversees the RCN’s mission of developing the art and science of nursing and building our resources of professional expertise and leadership. The Committee takes decisions on behalf of Council on education, research, nursing policy and clinical standards and competencies.

The Public Policy Committee oversees the RCN’s campaigns and lobbying activities and works towards the implementation of policy that improves the quality of patient care. The Committee takes decisions on behalf of Council on matters relating to health and social care and public policy.

The Membership Representation and Diversity Committee oversees the RCN’s work on representing nurses and nursing and protecting nurses’ terms and conditions of employment and health and safety policies. It also has responsibility for the RCN diversity strategy, defining the membership categories and their rights and membership marketing.

**Boards**

12 Boards advise and support their Director in implementing UK wide policy in the Country/Region. Board members are elected by the members in the country/region. The Chair of the Board is one of the two members elected to serve on Council by the members in the country/region. The Chair provides the link between Council and the Board and informs Council of local issues of national significance.

**RCN Institute**

The RCN is no longer a direct provider of higher education courses and we are in the process of revoking our higher education status following the establishment of strategic alliances with the Open University and University of Warwick.

The Institute’s new purpose is to provide learning and development opportunities, expertise and resources to members, representatives and the wider health and social care community.

**Induction and development**

We have an induction and development programme for all Council and board members focused on ensuring that members have ongoing training opportunities to help them develop the skills they require to fulfil their various roles in the RCN.
Decision making
The following process is used to determine whether an issue should be referred to Council:

- Is there a legal or constitutional requirement to go to Council? (Yes)
- No
  - Is it a matter reserved by Council? (Yes)
  - No
    - Does it involve a change in agreed matters of principle or major policy? (Yes)
    - No
      - Does it involve significant risk (financial or otherwise)? (Yes)
      - No
        - Does it span the terms of reference of more than one Committee, and do the relevant Committees take conflicting views? (Yes)
        - No
          - Will it impact on the strategic direction of the RNC? (Yes)
          - No
            - Would it add value for the Council to be involved? (Yes)
            - No
              - Is it a politically sensitive issue? (Yes)
              - No
                - This issue should not be referred to Council

Membership and communications
General meetings
A general meeting of the members of the College is held at least once in 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 accounts and to discuss matters of a professional character of importance in the interests of the members.

RCN Congress
The RCN Congress meets annually and is the delegate body of the organisation. It is where RCN members meet to learn, develop professionally and share excellent nursing practice. It is also where members inform the RCN’s agenda and influence nursing and health policies through debate.

Membership of the Council, Governance and Council Committees, Country and Regional Boards and RCN Institute and UKET
Council
Sandra James (South East) (Chair of Council) from October 2007
Eirlys Warrington (Chair of Council) (Wales) (until October 2007)
Robert Sowney (Vice Chair of Council) (Northern Ireland)
Maura Buchanan (President)
Bobbie Chadwick (Deputy President)
Jane McCready (Honorary Treasurer) (Scotland)
Naomi Baker (Student Member) (from October 2007)
Gerry Bolger (London) (from October 2007)
Jenny Booth (South East)
Jane Boyce (South West) (from October 2007)
Tracey Budding (West Midlands) (from October 2007)
Gillian Cort (East Midlands) (from October 2007)
Vicky Cotterill (East Midlands) (until October 2007)
Judy Durrant (until May 2007) (London)
Yvonne Dyer (London)
Susan Finlay (Scotland) (until October 2007)
Ann Griffiths (Wales) (from October 2007)
Andrew Hart (Student Member) (until October 2007)
John Hill (Yorkshire and the Humber)
Stacey Hunter (Yorkshire and the Humber)
Tony Inman (Eastern) (until October 2007)
Alan Mawby (South West)
Kathleen McCourt FRCN (Northern)
Benn Mott (Student Member)
Evelyn Nicholls (East Midlands)
Ann Marie O’Neill (Northern Ireland)
Gareth Phillips (Wales)
Diane Rawstorne (West Midlands) (until October 2007)
Jan Rushford (Scotland) (from October 2007)
Andrea Spyropoulos (North West) (from October 2007)

External Advisers
Shona Brown (from January 2008)
Bernard Crotty, Simon Ellen and Dr Ian Wingfield (from January 2008)
Elizabeth Butler (Chair of the Audit Committee) attends as an observer.

Audit Committee
Jenny Booth (until October 2007), Bobbie Chadwick (Deputy President), Gulli Cort (from January 2008), Judy Durrant (until May 2007), Ann-Marie O’Neill, Robert Sowney (until October 2007), Barbara Tassa (Vice Chair), Maria Turnham (from January 2008) and Ann Wells (from January 2008)

External Advisers
Elizabeth Butler (Chair), Sophia Bhatti (from January 2008), Michael Parker and Geraldine Walters (from October 2007)
Jane McCready (Honorary Treasurer) attends as an observer.

Remuneration Committee
John Hill (Chair), Barbara Tassa (Vice Chair), Jane McCready (Honorary Treasurer) (as an Observer) and Andrea Spyropoulos (from December 2007)

External Advisers
Mike Cook and Vicky Hemming

Governance Support Committee
Robert Sowney (Chair), Maura Buchanan (President), Gerry Bolger (Vice Chair) (from November 2007), Jenny Booth (from November 2007), Tracey Budding (from November 2007), Susan Finlay (until October 2007), Stacey Hunter, Sandra James (Chair of Council), Benn Mott (from November 2007), Ann Marie O’Neill (from August to October 2007), Eirlys Warrington (Chair of Council) (until October 2007) and Cate Woolley-Brown (until October 2007)
Membership and communications

General meetings
A general meeting of the members of the College is held at least once in 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 accounts and to discuss matters of a professional character of importance in the interests of the members.

RCN Congress
The RCN Congress meets annually and is the delegate body of the organisation. It is where RCN members meet to learn, develop professionally and share excellent nursing practice. It is also where members inform the RCN’s agenda and influence nursing and health policies through debate.

Membership of the Council, Governance and Council Committees

Country and Regional Boards and RCN Institute and UKET Council
Sandra James (South East) (Chair of Council) from October 2007
Eirlys Warrington (Chair of Council) (Wales) (until October 2007)
Robert Sowney (Vice Chair of Council) (Northern Ireland)
Maura Buchanan (President)
Bobbie Chadwick (Deputy President)
Jane McCready (Honorary Treasurer) (Scotland)
Naomi Baker (Student Member) (from October 2007)
Gerry Bolger (London) (from October 2007)
Jenny Booth (South East)
Jane Bovey (South West) (from October 2007)
Tracey Budding (West Midlands) (from October 2007)
Gillian Corr (East Midlands) (from October 2007)
Vicky Cotterill (East Midlands) (until October 2007)
Judy Durrant (until May 2007) (London)
Yvonne Dyer (London)
Susan Finlay (Scotland) (until October 2007)
Ann Griffiths (Wales) (from October 2007)
Andrew Hart (Student Member) (until October 2007)
John Hill (Yorkshire and the Humber)
Stacey Hunter (Yorkshire and the Humber)
Tony Inman (Eastern) (until October 2007)
Alan Mawby (South West)
Kathleen McCourt FRCN (Northern)
Benn Mott (Student Member)
Evelyn Nicholls (East Midlands)
Ann Marie O’Neill (Northern Ireland)
Gareth Phillips (Wales)
Diane Rawstorne (West Midlands) (until October 2007)
Jan Rushford (Scotland) (from October 2007)
Andrea Spyropoulos (North West) (from October 2007)
Les Storey FRCN (North West)
Barbara Tassa (West Midlands)
Mike Travis (North West) (until October 2007)
Marcia Turnham (Eastern)
Jason Warnier (Chair of Congress) (from April 2006)
Paul Watts (from October 2006) (South West) (until October 2007)
Anne Wells (Eastern) (from October 2007)
Cate Woolley-Brown (Northern)

Governance Committees

Finance and Corporate Services Committee
Jane McCready (Chair and Honorary Treasurer), Maura Buchanan (President), Ann Griffiths (from November 2007), Andrew Hart (until October 2007), Stacey Hunter (Vice Chair), Alan Mawby (until January 2008), Kathleen McCourt FRCN (from November 2007), Evelyn Nicholls, Gareth Phillips (from November 2007) Eirlys Warrington (Chair of Council) (until October 2007), Paul Watts (until October 2007) and Cate Woolley-Brown (from January 2008)

External Advisers
Shona Brown (from January 2008) Bernard Crotty, Simon Ellen and Dr Ian Wingfield (from January 2008)
Elizabeth Butler (Chair of the Audit Committee) attends as an observer.

Audit Committee
Jenny Booth (until October 2007), Bobbie Chadwick (Deputy President), Gill Cort (from January 2008), Judy Durrant (until May 2007), Ann-Marie O’Neill, Robert Sowney (October 2007), Barbara Tassa (Vice Chair), Marcia Turnham (from January 2008) and Anne Wells (from January 2008)

External Advisers
Elizabeth Butler (Chair), Sophia Bhatti (from January 2008), Michael Parker and Geraldine Walters (from October 2007)
Jane McCready (Honorary Treasurer) attends as an observer.

Remuneration Committee
John Hill (Chair), Barbara Tassa (Vice Chair), Jane McCready (Honorary Treasurer) (as an Observer) and Andrea Spyropoulos (from December 2007)

External Advisers
Mike Cook and Vicky Hemming

Governance Support Committee
Robert Sowney (Chair), Maura Buchanan (President), Gerry Bolger (Vice Chair) (from November 2007), Jenny Booth (from November 2007), Tracey Budding (from November 2007), Susan Finlay (until October 2007), Stacey Hunter, Sandra James (Chair of Council), Benn Mott (from November 2007), Ann Marie O’Neill (from August to October 2007), Eirlys Warrington (Chair of Council) (until October 2007) and Cate Woolley-Brown (until October 2007)

Decision making
The following process is used to determine whether an issue should be referred to Council:

- Is there a legal or constitutional requirement to go to Council?
  - Yes → Council
  - No

- Is it a matter reserved by Council?
  - Yes → Council
  - No

- Does it involve a change in agreed matters of principle or major policy?
  - Yes → Council
  - No

- Does it involve significant risk (financial or otherwise)?
  - Yes → Council
  - No

- Does it span the terms of reference of more than one Committee, and do the relevant Committees take conflicting views?
  - Yes → Council
  - No

- Will it impact on the strategic direction of the RCN?
  - Yes → Council
  - No

- Would it add value for the Council to be involved?
  - Yes → Council
  - No

- Is it a politically sensitive issue?
  - Yes → Council
  - No

This issue should not be referred to Council.
Structure, governance and management (continued)

External Advisers
Kathleen Weeke

Council Committees
Nursing Development Committee
Jenny Booth (Chair from November 2007), Naomi Baker (from November 2007), Gerry Bolger (from November 2007), Jane Bovey (from November 2007), Bobbie Chadwick, Ann Griffiths (from November 2007), Stacey Hunter (until July 2007), Benn Mott (until July 2007), Diane Rawstone (Chair) (until October 2007), Jan Rushford (from November 2007), Les Storey FRCN, Marcia Turnham (Vice Chair), Paul Watts (until October 2007), and Gary Jones (Convener of Fellows) (until November 2007)

Other Members from January 2008
Anthony Daniels, Jane Denton FRCN, Cathy Geddes, Chris Piercy and Alison Twycross

Public Policy Committee
Kathleen McCourt FRCN (Chair), John Hill (Vice Chair), Maura Buchanan (President), Judy Durrant (until May 2007), Tony Inman (until July 2007), Jane McCreary, Evelyn Nicholls, Robert Sowry, Andrea Spyropoulos (from November 2007), Barbara Tassa (until July 2007) and Cate Woolley-Brown

Other Members from January 2008
Gary Jones, Maria Nicholson

Membership, Representation and Diversity Committee
Alan Mawbey (Chair from November 2007), Tracey Budding (from November 2007) (Vice Chair), Gill Cart (from November 2007), Vicky Cotterill (until July 2007), Yvonne Dyer, Susan Finlay (until July 2007), Andrew Hart (until July 2007), Sandra James, Benn Mott (from November 2007), Ann Marie O’Neill, Gareth Phillips Mike Travis (Chair) (until July 2007) and Ann Wells (from November 2007)

Other Members from January 2008
Marcelle de Sousa, Dominic Walsh

Country and Regional Boards (as at 31 March 2008)
Northern Ireland Board
Ann Marie O’Neill (Chair of Board)
Kevin Bell
Diane Bosanko
Eamonn Connolly
Margaret Devlin
Margaret Graham
Donna Hanna
Margaret McAteer
Margaret McCambridge
Mairead McClintock
Geraldine McEvoy
Philomena McIlwaine
Elizabeth (Bette) McMullan
Margaret Meehan
Lorna Mercer
Robert Moore
Robert Sowry
Joanne Stevenson
Rosemary Strange
PJ Taylor

Scotland Board
Jane McCreadie (Chair of Board)
Joan Wilson (Vice Chair)
Michael Brown
Michael J Brown
Geoff Earl
Susan Finlay (until October 2007)
Eileen Frame
Charles Hendry
Derek Henry
Paul Hopson
Marie Innes
Norma Laurenson
Douglas Lockhart
Kate Macaulay
Elene Macleay
Mary McDermott
May McCreadie
Maxine Moy
Andy Patrick
Kathleen Pye
Sean Hubbard-Reid
Jan Rushford (from October 2007)
Elizabeth Shannan
Audrey Simpson
Sheena Smith
Susan Smith
Thomas Wilson

Welsh Board
Gareth Phillips (Chair of the Board)
Eirlys Warrington (Chair of Board) (until October 2007)
Ann Baker
Clare Bateman-Jones
Delyth Clarke
Maggie Crawford
Moira Davies
Jan Evans
Sue Fosterjohn
Ann Griffiths
Angela Haley
Shirley Hookings
Wendy Hughes
Sandra James
Jean Jenkins
Judith MacDonnell (until October 2007)
Dr Jim Richardson (from January 2008)
Elizabeth Rees
Anne Stevenson
Christine Thomas (from January 2008)
Sue Thomas
Yvonne Thomas
Fay Valentine (until March 2007)
Pamela Walters (until November 2007)
Lyndsay Webster
Adrian Williams
Dave Williams
Helen Williams

East Midlands Board
Evelyn Nicholls (Chair of the Board)
Vicky Cotterill (Chair of the Board) (until October 2007)
Gill Cort (Vice Chair)
Laura Archer
Julie Bevan
Jackie Eades
David Harding-Price
Ruth Hartley
Alison George-Jones (until 2007)
R Hancock (from 2007)
Hannah Harwood (until July 2007)
Robert Johnson
Nigel Mellors
Rita Merrison
Dave Miller
Tina Mitchell
Andrew Parker
Christine Reeves
Laura Serrat-Green (until October 2007)
Sally Shearer
Liam Whitelaw

London Board
Yvonne Dyer (Chair of the Board)
Ian Norris (Vice Chair)
Zeba Arif
Gerry Bolger
Sue Carnell (until March 08)
Alison Coultts (until June 2007)
Jean-Paul De Wet
Judy Durrant (until June 2007)
Ursula Gallagher
Linda Graham
Philip King
Christopher McDonnell
Andrew McGovern
ChiChi Onyekwere
Gwen Rose
Felicia Salmon
Karen Sanders
Michael Smith
Marcelle De Sousa
Babs Steele
Barbara Walters

24 RCN ANNUAL REPORT AND ACCOUNTS 2007/2008
Structure, governance and management

(continued)

External Advisers
Kathleen Weekes

Council Committees

Nursing Development Committee
Jenny Booth (Chair from November 2007), Naomi Baker (from November 2007), Gerry Bolger (from November 2007), Jane Bovey (from November 2007), Bobbie Chadwick, Ann Griffiths (from November 2007), Stacey Hunter (until July 2007), Benn Mott (until July 2007), Diane Rawstone (Chair) (until October 2007), Jan Rushford (from November 2007), Les Storey FRCN, Marcia Turnham (Vice Chair), Paul Watts (until October 2007), and Gary Jones (Convener of Fellows) (until November 2007)

Other Members (from January 2008)
Anthony Daniels, Jane Denton FRCN, Cathy Geddes, Chris Pierce and Alison Twycross

Public Policy Committee
Kathleen McCourt FRCN (Chair), John Hill (Vice Chair), Maura Buchanan (President), Judy Durrant (until May 2007), Tony Inman (until July 2007), Jane McCready, Evelyn Nicholls, Robert Sowrey, Andrea Spyropoulos (from November 2007), Barbara Tassa (until July 2007) and Cate Woolley-Brown

Other Members (from January 2008)
Gary Jones, Maria Nicholson

Membership, Representation and Diversity Committee
Alan Mawby (Chair from November 2007), Tracey Budding (from November 2007) (Vice Chair), Gill Cort (from November 2007), Vicky Cotterell (until July 2007), Yvonne Dyer, Susan Finlay (until July 2007), Andrew Hart (until July 2007), Sandra James, Benn Mott (from November 2007), Ann Marie O’Neill, Gareth Phillips Mike Travis (Chair) (until July 2007) and Ann Wells (from November 2007)

Other Members (from January 2008)
Marcelle de Sousa, Domaina Walsh

Country and Regional Boards (as at 31 March 2008)

Northern Ireland Board
Ann Marie O’Neill (Chair of Board)
Kevin Bell
Diane Bosanko
Eamonn Connolly
Margaret Devlin
Martina Fiddis
Margaret Graham
Donna Hanna
Margaret McAteer
Margaret McCambridge
Mainead McClintock

Geraldine McEvoy
Philomena McIlwaine
Elizabeth (Bette) McMullan
Margaret Meehan
Lorna Mercer
Robert Moore
Robert Sowrey
Joanne Stevenson
Rosemary Strange
P J Taylor

Scotland Board
Jane McCready (Chair of Board)
Joan Wilson (Vice Chair)
Michael Brown
Michael Jay Brown
Geoff Earl
Susan Finlay (until October 2007)
Eileen Frame
Charles Hendry
Derek Henry
Paul Hopson
Marie Innes
Norma Laurenson
Douglas Lockhart
Kate MacAulay
Elenor Macleay
Mary McDermott
May McCreadie
Maxine Moy
Andy Patrick
Kathleen Pye
Sean Hubbard-Reid
Jan Rushford (from October 2007)
Elizabeth Shannon
Audrey Simpson
Sheena Smith
Susan Smith
Thomas Wilson

Welsh Board
Gareth Phillips (Chair of the Board)
Eirlys Warrington (Chair of Board) (until October 2007)
Ann Baker
Claire Bateman-Jones
Delyth Clarke
Maggie Crawford
Moira Davies
Jan Evans
Sue Fosterjohn
Ann Griffiths
Angela Hailey
Shirley Hockings
Wendy Hughes
Sandie James
Jean Jenkins
Judith MacDonnell (until October 2007)
Dr Jim Richardson (from January 2008)
Elizabeth Rees
Anne Stevenson
Christine Thomas (from January 2008)
Sue Thomas
Yvonne Thomas
Ray Valentine (until March 2007)
Pamela Walters (until November 2007)
Lyndsay Webster
Adrian Williams
Dave Williams
Helen Williams

East Midlands Board
Evelyn Nichols (Chair of the Board)
Vicky Cotterell (Chair of the Board) (until October 2007)
Gill Cort (Vice Chair)
Laura Archer
Julie Bevan
Jackie Eades
David Harding-Price
Ruth Hartley
Alison George-Jones (until 2007)
R Hancock (from 2007)
Hannah Harwood (until July 2007)
Robert Johnson
Nigel Mellors
Rita Merrison
Dave Miller
Tina Mitchell
Andrew Parker
Christine Reeves
Laura Sarrant-Green (until October 2007)
Sally Shearer
Liam Whitelaw

London Board
Yvonne Dyer (Chair of the Board)
Ian Norris (Vice Chair)
Zeba Arif
Gerry Bolger
Sue Carnell (until March 2007)
Alison Coutts (until June 2007)
Jean-Paul De Wet
Judy Durrant (until June 2007)
Ursula Gallagher
Linda Graham
Philip King
Christopher McDonnell
Andrew McGovern
ChiChi Onyeukuwu
Gwen Rose
Felicia Salmon
Karen Sanders
Michael Smith
Marcelle De Sousa
Babs Steele
Barbara Walters

Dot Chatfield
Siman Clarke
John Collins
Sue Devensish (from December 2007)
Steve Elliott
Pam Fenner (from January 2008)
Clare Capon Hawley (until November 2007)
Bridget Herrara (until February 2008)
Tony Inman (until October 2007)
Jan Kennedy
Pauline Kingston
Penny Lavis
Carla Lewinton (from November 2007)
Jayne Mewiss (from January 2008)
Lisa Moss (from December 2007)
Myrtie Munro
Pauline Newsom
Lindsay Pike (until November 2007)
Paul Smart
Berondette Smith
Jeff Thomas
Val Tweedie
Mona Walker (until June 2007)
Anne Wells (from January 2008)
Debra Zinhi (from November 2007)

Evelyn Nicholls (Chair of the Board)
Vicky Cotterell (Chair of the Board) (until October 2007)
Gill Cort (Vice Chair)
Laura Archer
Julie Bevan
Jackie Eades
David Harding-Price
Ruth Hartley
Alison George-Jones (until 2007)
R Hancock (from 2007)
Hannah Harwood (until July 2007)
Robert Johnson
Nigel Mellors
Rita Merrison
Dave Miller
Tina Mitchell
Andrew Parker
Christine Reeves
Laura Sarrant-Green (until October 2007)
Sally Shearer
Liam Whitelaw

East Midlands Board
Evelyn Nichols (Chair of the Board)
Vicky Cotterell (Chair of the Board) (until October 2007)
Gill Cort (Vice Chair)
Laura Archer
Julie Bevan
Jackie Eades
David Harding-Price
Ruth Hartley
Alison George-Jones (until 2007)
R Hancock (from 2007)
Hannah Harwood (until July 2007)
Robert Johnson
Nigel Mellors
Rita Merrison
Dave Miller
Tina Mitchell
Andrew Parker
Christine Reeves
Laura Sarrant-Green (until October 2007)
Sally Shearer
Liam Whitelaw

London Board
Yvonne Dyer (Chair of the Board)
Ian Norris (Vice Chair)
Zeba Arif
Gerry Bolger
Sue Carnell (until March 2007)
Alison Coutts (until June 2007)
Jean-Paul De Wet
Judy Durrant (until June 2007)
Ursula Gallagher
Linda Graham
Philip King
Christopher McDonnell
Andrew McGovern
ChiChi Onyeukuwu
Gwen Rose
Felicia Salmon
Karen Sanders
Michael Smith
Marcelle De Sousa
Babs Steele
Barbara Walters

Dot Chatfield
Siman Clarke
John Collins
Sue Devensish (from December 2007)
Steve Elliott
Pam Fenner (from January 2008)
Clare Capon Hawley (until November 2007)
Bridget Herrara (until February 2008)
Tony Inman (until October 2007)
Jan Kennedy
Pauline Kingston
Penny Lavis
Carla Lewinton (from November 2007)
Jayne Mewiss (from January 2008)
Lisa Moss (from December 2007)
Myrtie Munro
Pauline Newsom
Lindsay Pike (until November 2007)
Paul Smart
Berondette Smith
Jeff Thomas
Val Tweedie
Mona Walker (until June 2007)
Anne Wells (from January 2008)
Debra Zinhi (from November 2007)
Structure, governance and management

(continued)

North West Board
Les Storey FRCN (Chair of the Board)
Adrienne Bownigg
David Dawes
Heather Diamond
Margaret Gallagher
Karen Harte (until March 2008)
Marcia Jones
Hamish Kemp
Joanne Kerr
Cath Leach
Janet Marsden
Louise May
Hazel Morrison
Ben Mott
Catriona Servo
Gina Shaw
Andrea Syropoulos
Sylvia Thomas
Rod Thomson FRCN
Mike Travis (until October 2007)
Pauline Wright

South East Board
Jenny Booth (Chair of the Board)
Sandra James (Chair of the Board until October 2007)
(Vice Chair from January 2008)
Lucy Botting (until January 2008)
Trevor Brown (until September 2007)
Lisa Brookes (until December 2007)
David Collins
Paul Irving
Edna Long
Dr Heather Mercer
Zuben Montgomery
Deborah Pearson
Graham Poulter (until January 2008)
Trish Pullen
Sue Sanders
Fiona Stephens (until December 2007)
Colin White (until September 2007)
Betty Woodland (until January 2008)

South West Board
Alan Mawbey (Chair of the Board)
Elaine Adams (from January 2008)
Llorae Allford (from January 2008)
Premi Bonomally
Jane Bovey (from October 2007)
Richard Clarke
Alison Denham
Steve Dunn-Howells (until October 2007)
Darren Eaves
Corrine Goldsmith
Christine Greenshield
Mollie Harwood
Patricia Hodge (from October 2007)
Frances Jones
Simon Jones
Mike Limbrick (from July 2007)
Laura Matless (from October 2007)
Tom Murray
Lesley Pallet
Susan Pickett
Edna Piper (until January 2008)
Angela Thompson
Adelle Walker
Paul Watts
Yvette Wells
Amanda Yates

Northern Board
Cate Woolley-Brown (Chair of the Board)
Neil Anderson
Shirley Anderson
Phil Brown
Sandy Brown (until September 2007)
Heather Crawford
Katrina Denton
Mary Douthwaite
Billy Drysdale
Denise Elgie
Kath Fawcett
Pat Ferguson
Marie Hannah
Mavis Harris
Stuart Isles
Susan Johnson
Chris Kitchen
Carol Lancaster
Kathleen McCourt FRCN
Denise McLaughlin
Patrick Mhlanga
Les Miles (until September 2007)
Chris Piercy
Sue Spencer
Mark Tull
Margaret Wardrobe
Jan Weightman
Michael White
Philip Whittingham

West Midlands Board
Tracey Budding (Chair of the Board)
Barbara Tassa (Chair of the Board until October 2007)
Judith Whalley (Vice Chair from October 2007)
Greta Alleyne
Gail Brooks
Neil Carr OBE (until April 2007)
Elaine Collins
Lesmariie Crawford
Paul Dyke
Wendy Godwin (until June 2007)
Shaunee Irvine (until February 2008)
John Kelsall
Andrew Lester
Linda Marsden
Pauline Pearall
David Pearson (until January 2008)
Angela Perkins (until March 2008)
Diana Playbon
Diane Rawstone (until October 2007)
Rachael Rowe
Sue Warner

Yorkshire and the Humber Board
John Hill (Board co-Chair)
Stacey Hunter (Board co-Chair)
Cora Browning
Richard Deacon
Annette Else
Cath Gleeson
Julie Griffiths (until January 2008)
Claire Hale
Penny James
Pam McVor
Anita Murray
Sue Panter (from June 2007)
Bronwyn Roberts
Alison Sayers (from March 2008)
Paul Smith
Mike Southern
Tina Sykes
Ray Tomlinson
Jane Tooke
Wendy Train (from June 2007)
Christine Verry
Claire Webster

RCN Institute Board of Governors

External Governors
Professor Mike Cook, Bernard Crothy, Cathy Geddes, Janet Monkman, Professor Royston Stephens and Geraldine Walters

Staff Governors
Geraldine Cunningham and Jackie Cheeseborough

UK Executive Team
The UK Executive Team (UKET) is made up of senior RCN staff and supports the Chief Executive & General Secretary in fulfilling his responsibilities to Council and the Committees. It is responsible for ensuring Council decisions are implemented and oversees the day-to-day operation of the RCN. A group of senior managers (UKAG) meet quarterly and support UKET in delivering corporate priorities.

Chief Executive & General Secretary
Dr Peter Carter OBE

Members of the UK Executive Team during, and subsequent to, the year were: Richard Bernhard (Director, Legal Services) (until July 2008)
Amanda Callaghan (Director, Communications)
Jane Clarke (Director, Governance Support)
David Cooper (Director, Human Resources) (from September 2007)
Janet Davies (Director, Nursing and Service Delivery)
Tina Donnelly (Director, RCN Wales)
Theresa Fyffe (Director, RCN Scotland)
Tim Golbourn (Director, Finance and Corporate Services)
Mary Hinds (Director, RCN Northern Ireland)
Tom Sandford (Director, RCN England)
Structure, governance and management

North West Board
Les Storey FRCN (Chair of the Board)
Adrienne Bowmegg
David Dawes
Heather Diamond
Margaret Gallagher
Karen Harte (until March 2008)
Marcia Jones
Hamish Kemp
Joanne Kerr
Cath Leach
Janet Marsden
Louise May
Hazel Morrison
Ben Mott
Catriona Servo
Gina Shaw
Andrea Syropoulos
Sylvia Thomas
Rod Thomson FRCN
Mike Travis (until October 2007)
Pauline Wright

South East Board
Jenny Booth (Chair of the Board)
Sandra James (Chair of the Board until October 2007)
(Vice Chair from January 2008)
Lucy Bott (until January 2008)
Trevor Brown (until September 2007)
Lisa Brookes (until December 2007)
David Collins
Paul Irving
Edna Long
Dr Heather Mercer
Zuben Montgomery
Deborah Pearman
Graham Poulter (until January 2008)
Trish Pullen
Sue Sanderson
Fiona Stephens (until December 2007)
Colin White (until September 2007)
Betty Woodland (until January 2008)

South West Board
Alan Mawbey (Chair of the Board)
Elaine Adams (from January 2008)
Lorrae Alford (from January 2008)
Premi Bonomally
Jane Bovey (from October 2007)
Richard Clarke
Alison Denham
Steve Dunn-Howells (until October 2007)
Darren Eaves
Corinne Goldsmith
Christine Greenshield
Mollie Harwood
Patricia Hodge (from October 2007)
Frances Jones
Simon Jones
Mike Limbrick (from July 2007)
Laura Matless (from October 2007)
Tom Murray
Lesley Pallet
Susan Pickett
Edna Piper (until January 2008)
Angela Thompson
Adele Walker
Paul Watts
Yvette Wells
Amanda Yates
Northern Board
Cate Woolley-Brown (Chair of the Board)
Neil Anderson
Shirley Anderson
Phil Brown
Sandy Brown (until September 2007)
Heather Crawford
Katrina Denton
Mary Douthwaite
Billy Drysdale
Denise Elgie
Kath Fawcett
Pat Ferguson
Marie Hannah
Mavis Harris
Stuart Isles
Susan Johnson
Chris Kitchen
Carol Lancaster
Kathleen McCourt FRCN
Denise McLoughlin
Patrick Mhlanga
Les Miles (until September 2007)
Chris Piercy
Sue Spencer
Mark Tull
Margaret Wardrobe
Jan Weightman
Michael White
Philip Whittingham
West Midlands Board
Tracey Budding (Chair of the Board)
Barbara Tassa (Chair of the Board until October 2007)
Judith Whalley (Vice Chair from October 2007)
Greta Alleyn
Gail Brooks
Neil Carr OBE (until April 2007)
Elaine Collins
Lesmarie Crawford
Paul Dyke
Wendy Godwin (until June 2007)
Shaunee Irvine (until February 2008)
John Kelsall
Andrew Lester
Linda Marsden
Pauline Pearall
David Pearson (until January 2008)
Angela Perkins (until March 2008)
Diana Playbon
Diane Rawstone (until October 2007)
Rachel Rower
Sue Warner
Yorkshire and the Humber Board
John Hill (Board co-Chair)
Stacey Hunter (Board co-Chair)
Cora Browning
Richard Deacon
Annette Else
Cath Gleeson
Julie Griffths (until January 2008)
Clare Hale
Penny James
Pam McVor
Anita Murray
Sue Panther (from June 2007)
Bronwyn Roberts
Alison Sayers (from March 2008)
Paul Smith
Mike Southern
Tina Sykes
Roy Tomlinson
Jane Took
Wendy Train (from June 2007)
Christine Vertly
Claire Webster
RCN Institute Board of Governors

External Governors
Professor Mike Cook, Bernard Crotty, Cathy Geddes, Janet Monkman, Professor Royeston Stephens and Geraldine Walters

Staff Governors
Geraldine Cunningham and Jackie Cheeseborough

UK Executive Team
The UK Executive Team (UKET) is made up of senior RCN staff and supports the Chief Executive & General Secretary in fulfilling his responsibilities to Council and the Committees. It is responsible for ensuring Council decisions are implemented and oversees the day-to-day operation of the RCN. A group of senior managers (UKAG) meet quarterly and support UKET in delivering corporate priorities.

Chief Executive & General Secretary
Dr Peter Carter OBE

Members of the UK Executive Team during, and subsequent to, the year were:
Richard Bernhard (Director, Legal Services) (until July 2008)
Amanda Callaghan (Director, Communications)
Jane Clarke (Director, Governance Support)
David Cooper (Director, Human Resources)
Janet Davies (Director, Nursing and Service Delivery)
Tina Donnelly (Director, RCN Wales)
Theresa Fyffe (Director, RCN Scotland)
Tim Golboum (Director, Finance and Corporate Services)
Mary Hinds (Director, RCN Northern Ireland)
Tom Sandford (Director, RCN England)
Risk management

During the year:
- we standardised many of our processes within the organisation, creating an effective means to identify, evaluate, prioritise, monitor, and communicate significant risks.
- we continued to monitor the business environment, so that new risks were identified and the potential impact of existing risks was recognised.

This was achieved at several organisational levels:
- The UK Executive Team undertook risk reviews as a fixed agenda item at their monthly business meetings. At these reviews, the relative severity of existing risks was assessed and any new or potential risks were identified. Subsequent to each review the corporate risk register is updated with the details of each risk, the controls in place, and any future actions needed to manage that risk.
- Our Audit Committee has been presented with a risk report at its meetings, highlighting the significant corporate risks, those that have been mitigated, and those that could pose a future threat or opportunity. These risk reports allowed the Committee to compare the UK Executives’ views with its own, and also with those of the Internal Audit team. During the year our Audit Committee reported to our Council on risk management.
- In addition, our Finance and Corporate Services Committee received summaries of risk management within the written Director's Reports presented to its meetings.
- We widened our scope beyond business risk management, and incorporated the outcomes from corporate health and safety reviews into our risk reporting process.
- Our Internal Audit department carried out a programme of audits that were prioritised using a risk-based approach. The Head of Internal Audit has visibility of the UK Executive Team risk register and attends the Audit Committee. The Head of Internal Audit is able to comment on our risk management independently of the UK Executive Team.

The business risk topics identified during the year were:
- reputation risk
- financial risk
- employee risk
- membership risk
- governance risk
- compliance risk
- infrastructure risk
- health and safety risk.

The RCN continues to improve its internal controls and believes that major risks have been identified and, where deficiencies have been identified, measures are being put in place to address these risks. The internal audit strategy for 2008/09 focuses on the risks identified within the corporate risk register.

Remuneration

The Remuneration Committee is appointed by Council to assist it in discharging its responsibilities for RCN staff and to maintain the highest possible standards of corporate governance in this area.

The main responsibilities of the Committee are:
- to advise on any proposals for major changes to the remuneration policy including the policy for and scope of pension arrangements for all staff and other terms and conditions of employment (benefits)
- to agree the remuneration and terms of employment of the Chief Executive & General Secretary and members of the UK Executive Team
- to monitor and evaluate the performance of the Chief Executive & General Secretary and members of the UK Executive Team
- to ensure there is an executive business continuity plan in place.

The Chair of the Committee will attend the AGM each year to answer any questions from the membership about all matters within its responsibilities.

The Committee met three times during the 2007/2008 financial year.

Reserves

The RCN has adopted a reserves policy which they consider appropriate to ensure the continued ability of the RCN to meet its objectives. Council has determined that free reserves should ideally be maintained at an ongoing level equivalent to between eight and twelve weeks’ normal expenditure, this equates to £18 million. In determining this target range of reserves Council has considered the income streams and expenditure profile of the organisation and considered the financial risks facing the organisation. It is considered appropriate to maintain free reserves at this level in order to protect against volatility in income or expenditure and protect the charity's funds from loss in value.

The level of free reserves at 31 March 2008 was £9.0 million (2007: £11.7m), which represents 6 weeks’ forward expenditure (2007: 8 weeks). Free reserves are calculated as unrestricted funds before the pension reserve, less the net book value of tangible fixed assets, plus the outstanding loan secured on those tangible fixed assets. In December 2007 the RCN repaid the £7.9 million outstanding on the loan secured on 20 Cavendish Square. This will increase future cash flows as loan interest will no longer be payable and also releases the RCN from a significant liability. However, because the value of the outstanding loan was deducted from fixed assets as part of the free reserves calculation, it does reduce the level of free reserves calculated to below the level agreed by Council. However, if the 2008/09 budgeted surplus is achieved it is expected that free reserves should increase to within the targeted range required by Council by March 2009.

The actuarial valuation of the RCN Pension Scheme at 31 March 2008, for the purposes of FRS17, showed a funding deficit on a FRS17 basis of £16.8 million. This is included in the financial calculations of the RCN. The current Pension Scheme as at 30 September 2007 is underway, the results of which will be available in August 2008.

Investments, policy & performance

The RCN has wide investment powers and is subject to the Trustee Act 2000. The investment objective is ‘to seek to protect real income and capital growth over time by placing the emphasis on equity type assets, while still generating a reasonable level of immediate income’. In order to achieve this Council has determined that equity investments should be held to a proportion of 65% to 75% of the portfolio, with 25% to 35% invested in fixed interest securities.

The fund managers have discretion over the selection of stocks, but avoid investments with significant interests in the tobacco, pornography or arms industries or which exploit child labour or vulnerable groups or who are involved in terrorism or drug trafficking.

An RCN tailored benchmark is used which is made up of a weighted total return from the following indices:

- **Gilts** - FT All Stock Index (30.0%)
- **UK Equities** - FTSE All Share Index (43.5%)
- **Overseas Equities** - FTSE World ex UK (£) (21.5%)
- **Hedge Funds** - Return from cash (5.0%)

The fund managers may deviate away from the benchmark at the major asset level by +/- 5%. Any further deviation is reported to the RCN.

Total net investment losses for the year ended 31 March 2008 were £428,000. The total fund return for the financial year was -1.0% and the benchmark return was -0.7%. Over the last five years the total fund return has been 78.4%, ahead of the benchmark return of 63.4%.

The RCN has wide investment powers and is subject to the Trustee Act 2000. The investment objective is ‘to seek to protect real income and capital growth over time by placing the emphasis on equity type assets, while still generating a reasonable level of immediate income’. In order to achieve this Council has determined that equity investments should be held to a proportion of 65% to 75% of the portfolio, with 25% to 35% invested in fixed interest securities.

The fund managers have discretion over the selection of stocks, but avoid investments with significant interests in the tobacco, pornography or arms industries or which exploit child labour or vulnerable groups or who are involved in terrorism or drug trafficking.

An RCN tailored benchmark is used which is made up of a weighted total return from the following indices:

- **Gilts** - FT All Stock Index (30.0%)
- **UK Equities** - FTSE All Share Index (43.5%)
- **Overseas Equities** - FTSE World ex UK (£) (21.5%)
- **Hedge Funds** - Return from cash (5.0%)

The RCN has wide investment powers and is subject to the Trustee Act 2000. The investment objective is ‘to seek to protect real income and capital growth over time by placing the emphasis on equity type assets, while still generating a reasonable level of immediate income’. In order to achieve this Council has determined that equity investments should be held to a proportion of 65% to 75% of the portfolio, with 25% to 35% invested in fixed interest securities.

The fund managers have discretion over the selection of stocks, but avoid investments with significant interests in the tobacco, pornography or arms industries or which exploit child labour or vulnerable groups or who are involved in terrorism or drug trafficking.

An RCN tailored benchmark is used which is made up of a weighted total return from the following indices:

- **Gilts** - FT All Stock Index (30.0%)
- **UK Equities** - FTSE All Share Index (43.5%)
- **Overseas Equities** - FTSE World ex UK (£) (21.5%)
- **Hedge Funds** - Return from cash (5.0%)

The fund managers may deviate away from the benchmark at the major asset level by +/- 5%. Any further deviation is reported to the RCN.

Total net investment losses for the year ended 31 March 2008 were £428,000. The total fund return for the financial year was -1.0% and the benchmark return was -0.7%. Over the last five years the total fund return has been 78.4%, ahead of the benchmark return of 63.4%.
During the year:

- we standardised many of our processes within the organisation, creating an effective means to identify, evaluate, prioritise, monitor, and communicate significant risks.
- we continued to monitor the business environment, so that new risks were identified and the potential impact of existing risks was recognised.

This was achieved at several organisational levels:

- The UK Executive Team undertook risk reviews as a fixed agenda item at their monthly business meetings. At these reviews, the relative severity of existing risks was assessed and any new or potential risks were identified. Subsequent to each review the corporate risk register is updated with the details of each risk, the controls in place, and any future actions needed to manage that risk.
- Our Audit Committee has been presented with a risk report at its meetings, highlighting the significant corporate risks, those that have been mitigated, and those that could pose a future threat or opportunity. These risk reports allowed the Committee to compare the UK Executives’ views with its own, and also with those of the Internal Audit team. During the year our Audit Committee reported to our Council on risk management.
- In addition, our Finance and Corporate Services Committee received summaries of risk management within the written Director’s Reports presented to its meetings.
- We widened our scope beyond business risk management, and incorporated the outcomes from corporate health and safety reviews into our risk reporting process.
- Our Internal Audit department carried out a programme of audits that were prioritised using a risk-based approach. The Head of Internal Audit has visibility of the UK Executive Team risk register and attends the Audit Committee. The Head of Internal Audit is able to comment on our risk management independently of the UK Executive Team.

The business risk topics identified during the year were:

- reputation risk
- financial risk
- employee risk
- membership risk
- governance risk
- compliance risk
- infrastructure risk
- health and safety risk.

Reserves

Council has adopted a reserves policy which they consider appropriate to ensure the continued ability of the RCN to meet its objectives. Council has determined that free reserves should ideally be maintained at an ongoing level equivalent to between eight and twelve weeks’ normal expenditure, which equates to £18 million. In determining this target range of reserves Council has considered the income streams and expenditure profile of the organisation and considered the financial risks facing the organisation. It is considered appropriate to maintain free reserves at this level in order to protect against volatility in income or expenditure and protect the charity’s funds from loss in value.

The level of free reserves at 31 March 2008 was £9.0 million (2007: £11.7m), which represents 6 weeks’ forward expenditure (2007: 8 weeks). Free reserves are calculated as unrestricted funds held at year end less the book value of tangible fixed assets, plus the outstanding loan secured on those tangible fixed assets. In December 2007 the RCN repaid the £7.0 million outstanding on the loan secured on 20 Cavendish Square. This will increase future cash flows as loan interest will no longer be payable and also releases the RCN from a significant liability. However, because the value of the outstanding loan was deducted from fixed assets as part of the free reserves calculation, it does reduce the level of free reserves calculated to below the level agreed by Council. However, if the 2008/09 budgeted surplus is achieved it is expected that free reserves should increase to within the targeted range required by Council by March 2009.

The actuarial valuation of the RCN Pension Scheme at 31 March 2008, for the purposes of FRS17, showed a funding deficit on a FRS17 basis of £16.8 million. This is included in the current Pension Scheme as at 30 September 2007 is underway, the results of which will be available in August 2008.

Investments, policy & performance

The RCN has wide investment powers and is subject to the Trustee Act 2000. The investment objective is ‘to seek to protect real income and capital growth over time by placing the emphasis on equity type assets, while still generating a reasonable level of immediate income’. In order to achieve this Council has determined that equity investments should be held to a proportion of 65% to 75% of the portfolio, with 25% to 35% invested in fixed interest securities.

The fund managers have discretion over the selection of stocks, but avoid investments with significant interests in the tobacco, pornography or arms industries or who exploit child labour or vulnerable groups or who are involved in terrorism or drug trafficking.

An RCN tailored benchmark is used which is made up of a weighted total return from the following indices:

- Gilts - FT All Stock Index (30.0%)
- UK Equities - FTSE All Share Index (43.5%)
- Overseas Equities - FTSE World ex UK (£) (21.5%)
- Hedge Funds - Return from cash (5.0%)

The fund managers may deviate away from the benchmark at the major asset level by +/- 5%. Any further deviation is reported to the RCN.

Total net investment losses for the year ended 31 March 2008 were £428,000. The total fund return for the financial year was -1.0% and the benchmark return was -0.7%. Over the last five years the total fund return has been 78.4%, ahead of the benchmark return of 63.4%. The fund managers may deviate away from the benchmark at the major asset level by +/- 5%. Any further deviation is reported to the RCN.
The financial statements are presented in the format required under ‘Statement of Recommended Practice: Accounting and Reporting by Charities’ (SORP, 2005) and the statement of financial activities reflects the strategic priorities of the RCN.

The consolidated statement of financial activities and consolidated balance sheet for the year ended 31 March 2008 are set out on pages 34 and 35. The transactions of the RCN include amounts relating to activities as a Trade Union and these are identified in the accounts as ‘Representation Activities’. Charitable activities are carried out through the RCN and its associated charities, The Royal College of Nursing Charitable Trust and John Howard Nurses Homes.

The ‘Unrestricted Funds’ relate to the income which is available to meet the RCN’s general purposes as set out in the Royal Charter. The ‘Restricted Funds’ and ‘Endowment Funds’ are made available to the RCN for specific purposes, and are not available to meet the general expenditure of the RCN. Details of the unrestricted, restricted and endowment funds are set out in notes 14 to 16 to the accounts.

Total income for the year was £82,587,000 (2007: £78,993,000 before pension curtailment gain). If the exceptional pension scheme gain in 2007 is excluded, total income showed an increase of 4.5%. Subscription income increased by £2,839,000, due primarily to the increase in subscription rate as of January 2008 (2007: £1,914,000).

Total resources expended decreased in 2007/08 from £77,957,000 to £74,841,000. However, if the net pension scheme charge for the year is excluded, total resources expended showed an increase of £3,914,000 (2.4%). This increase in resources expended includes the overall increase in the movement on provisions, specifically the increase in the members’ indemnity provision which increased by £1,076,000.

The statement of financial activities shows that the RCN had total incoming resources of £7,746,000 in the year. The net income has increased due in part to the increase in subscription income of £1,914,000 (2007: £1,889,000).

The defined benefit pension scheme liability at 31 March 2008 was £16.9 million (2007: £21.4 million). The decrease of this liability was in part achieved by a bullet payment of £2.5 million to The Pensions Trust. Further details of pension scheme matters can be found in note 19 to the accounts.

At 31 March 2008, the free reserves of the Group were £9.0m (2007: £11.7m), equivalent to 6 weeks’ forward expenditure (2007: 8 weeks).

The RCN Charitable Trust wholly owns three trading subsidiaries, RCN Publishing Company (RCNPC), RCN Membership Services (RCNMS) and RCN Licensing (RCNL). The principal activities of RCNPC are communications through journal publishing, exhibitions and public relations within nursing and related fields. This includes the publication of Nursing Standard. The company made a profit of £1,189,000 for the financial year (2007: £544,000), an increase of 119% on the previous year due primarily to a 30% increase in classified advertising income and a 9% increase in journal subscription income.

The activities of RCNMS consist of procuring insurance, financial and ancillary products and services, and the marketing and publicising of the same, to the Royal College of Nursing of the United Kingdom and its members. The company receives its income from a share of commission generated by this service. The company made a profit of £250,000 for the financial year (2007: £44,000). 2006/07 profit was reduced because of the inclusion of a provision for the potential repayment of advertising commission. This provision has been carried forward into the 2007/08 accounts and will be paid once the final amount has been finalised by the parties involved. Generating new business and maintaining renewal business proved harder as a result of heightened competition in household and motor insurance and loan markets. This was predominantly due to an increasingly competitive market which was driven increasingly by consumer use of the internet to both purchase products and search for information on cheapest prices.

The activities of RCNL consist of licensing the RCN’s logos and trademarks and the supplying of catering and ancillary services. The RCN made a profit of £834,000 for the financial year (2007: £226,000). RCN Licensing maintained the income derived from the rental of conference facilities at 20 Cavendish Square and associated catering sales. One-off and annually recurring trademark licensing contracts continued to underpin the RCN’s revenues.

The John Howard Nurses Homes (JHH) was founded as a charity under the terms of the will of Sir John Howard to provide accommodation for nurses whose health has broken down or who otherwise are not able to follow their profession and whose means are limited. The charity had net incoming resources of £170,000 in the year (2007: net outgoing resources of £38,000). A programme of major works has now been completed to improve the external environment for the residents. Discussions between the RCN and another party to explore the possibility of transferring the trusteeship of the charity are continuing.
The financial statements are presented in the format required under 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP, 2005) and the statement of financial activities reflects the strategic priorities of the RCN.

The consolidated statement of financial activities and consolidated balance sheet for the year ended 31 March 2008 are set out on pages 34 and 35. The transactions of the RCN include amounts relating to activities as a Trade Union and these are identified in the accounts as 'Representation Activities'. Charitable activities are carried out through the RCN and its associated charities, The Royal College of Nursing Charitable Trust and John Howard Nurses Homes.

The ‘Unrestricted Funds’ relate to the income which is available to meet the RCN’s general purposes as set out in the Royal Charter. The ‘Restricted Funds’ and ‘Endowment Funds’ are made available to the RCN for specific purposes, and are not available to meet the general expenditure of the RCN. Details of the unrestricted, restricted and endowment funds are set out in notes 14 to 16 to the accounts.

Total income for the year was £82,587,000 (2007: £78,993,000 before pension curtailment gain). If the exceptional pension scheme gain in 2007 is excluded, total income showed an increase of 4.5%. Subscription income increased by £2,839,000, due primarily to the increase in subscription rate as of January 2007 and January 2008.

Total resources expended decreased in 2007/08 from £77,957,000 to £74,841,000. However, if the net pension charge for the year is excluded, total resources expended showed an increase of £3,156,000 (4.1%). This increase in resources expended includes the overall increase in the movement on provisions, specifically the increase in the members’ indemnity provision which increased by £1,076,000.

The statement of financial activities shows that the RCN had net incoming resources of £7,746,000 in the year. The net incoming resources have generated an improvement in the funds position of the RCN in comparison to the previous year. The Group’s funds increased by £7,252,000 and the Group’s total net assets, including the pension scheme liability, were £29,949,000 at 31 March 2008 (2007: £26,697,000). Excluding the pension scheme liability, total net assets were £46,822,000 (2007: £43,541,000).

The net losses in the value of the RCN’s investments totalled £428,000. Net losses were made up of realised gains of £13,000 arising from the sale of investments and unrealised losses of £441,000.

The reported unrealised losses reflect the downturn in the stock market during the period January to March 2008.
Report of the independent auditors

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

We have audited the group and parent charity financial statements (“the financial statements”) of The Royal College of Nursing of the United Kingdom (“the RCN”) for the year ended 31 March 2008 which comprise the Group Statement of Financial Activities, the Group and the RCN Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The responsibilities of the Council as trustees for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice are set out in the Statement of Council’s Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with the Charities (Accounts and Reports) Regulations 2005 (“the 2005 Regulations”). This report is for and only for the RCN’s Council and not for any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and the RCN’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

■ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group and the RCN’s affairs as at 31 March 2008 and of the Group’s and the RCN’s income statements and application of resources, including the Group’s income and expenditure and cash flows, for the year then ended; and

■ the financial statements have been properly prepared in accordance with the Charities Act 1993.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
25 July 2008

Statement of Council’s responsibilities

Our Royal Charter, the Charities Act 1993 and trade union legislation require us, as Trustees, to prepare a report and financial statements for each financial year which give a true and fair view of the RCN’s financial activities during the year and of its financial position at the end of the year.

In preparing accounts that give a true and fair view, we should follow best practice and:

■ select suitable accounting policies and apply them consistently
■ make judgements and estimates that are reasonable and prudent
■ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
■ prepare the accounts on the going-concern basis unless it is inappropriate to presume that the College will continue in operation.

We are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the RCN and enable us to ensure that the financial statements comply with applicable law. We are also responsible for safeguarding the assets of the RCN, taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council confirms that these financial statements are in accordance with relevant legislation and the Royal Charter. Investments are managed by professional fund managers acting under terms of reference agreed with the Council and in accordance with the Trust Deed of the Charitable Trust.

Council’s policy is to maximise capital and income growth whilst minimising the risk by holding a well diversified portfolio.

Signed on behalf of Council

Sandra James
Chair of RCN Council
25 July 2008

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. So far as each trustee is aware, there is no relevant audit information (that is, information needed by the RCN’s auditors in connection with preparing their report) of which the RCN’s auditors are unaware, and he/she has taken all the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the RCN’s auditors are aware of the information.

Sandra James
Chair of RCN Council
25 July 2008

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
25 July 2008
Report of the independent auditors

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and the RCN's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and the RCN's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the Group's and the RCN's respective assets, liabilities, financial performance and cash flows; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
25 July 2008

Statement of Council’s responsibilities

Our Royal Charter, the Charities Act 1993 and trade union legislation require us, as Trustees, to prepare a report and financial statements for each financial year which give a true and fair view of the RCN’s financial activities during the year and of its financial position at the end of the year.

In preparing accounts that give a true and fair view, we should follow best practice and:
- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the accounts on the going-concern basis unless it is inappropriate to presume that the College will continue in operation.

We are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the RCN and enable us to ensure that the financial statements comply with applicable law. We are also responsible for safeguarding the assets of the RCN, taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. So far as each trustee is aware, there is no relevant audit information (that is, information needed by the RCN’s auditors in connection with preparing their report) of which the RCN’s auditors are unaware, and he/she has taken all the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the RCN’s auditors are aware of the information.

Signed on behalf of Council

Sandra James
Chair of RCN Council
25 July 2008
Consolidated Statement of Financial Activities  
for the Year Ended 31 March 2008

Unrestricted Funds

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted Funds</th>
<th>Other</th>
<th>Restricted</th>
<th>Endowment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td></td>
<td>Activities</td>
<td>Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INCOMING RESOURCES
Incoming resources from charitable activities:
Subscriptions income 26,523 34,669 – – 61,192 58,353
Represent 4 472 307 664 – 1,443 1,757
Influence 4 150 2,807 217 – 3,174 3,591
Support and protect 4 120 295 171 – 586 646
Develop 4 21 12,213 997 – 13,231 12,084

Incoming resources from generated funds:
Donations – – 150 348 – 498 152
Legacies – – 52 – – 52 588
Investment income 5 – 1,637 220 – 1,857 1,071
Other trading income – – 554 – – 554 490

TOTAL INCOMING RESOURCES 27,286 52,684 2,617 – 82,587 99,827

RESOURCES EXPENDED
COST OF GENERATING FUNDS
Fundraising and sponsorship costs 8.1 – 502 – – 502 409
Investment management fee 8.1 – 73 – – 73 94
Other trading costs 8.1 – 94 – – 94 353

CHERITABLE ACTIVITIES
Represent 8.1 9,786 8,844 891 – 19,521 20,349
Influence 8.1 3,958 8,442 366 – 12,766 15,093
Support & Protect 8.1 9,982 6,022 279 – 16,283 16,184
Develop 8.1 2,884 19,476 1,856 – 24,216 22,607

GOVERNANCE COSTS 8.1 676 710 – – 1,386 1,168

PAST SERVICE PENSION COSTS 19 – – – – – 1,700

TOTAL RESOURCES EXPENDED 27,286 44,163 3,392 – 74,841 77,957

NET INCOMING RESOURCES FOR THE YEAR BEFORE TRANSFERS 27,286 52,684 2,617 – 82,587 99,827

Net investment gains and losses 10 – (238) (189) (1) (428) 737
Actuarial gains/(losses) on defined benefit pension scheme 19 – (66) – – (66) 3,830

NET MOVEMENT IN FUNDS – 8,217 (964) (1) 7,252 26,437

Fund balances b/f at 31 March 2007 13,453 8,134 1,110 22,697 (3,740)

Fund balances c/f at 31 March 2008 21,670 7,170 1,109 29,949 22,697

All amounts shown relate to continuing activities. There are no material differences between net incoming resources for the year before transfers stated above and their historic cost equivalent. Notes on pages 37 to 54 form part of these accounts.

Sandra James  
Chair of RCN Council

Jane McCready  
Honorary Treasurer

Peter Carter  
Chief Executive & General Secretary

Date: 25 July 2008

RCN ANNUAL REPORT AND ACCOUNTS 2007/2008  35
### Consolidated Balance Sheet

**as at 31 March 2008**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Representation</th>
<th>Activities</th>
<th>Activities</th>
<th>Funds</th>
<th>Funds</th>
<th>Total 2008</th>
<th>Total 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td>Representation</td>
<td>Other</td>
<td>Restricted</td>
<td>Endowment</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td></td>
<td></td>
<td>9</td>
<td>–</td>
<td>–</td>
<td>24,763</td>
<td>25,131</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td>10</td>
<td>–</td>
<td>–</td>
<td>15,501</td>
<td>23,248</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td></td>
<td></td>
<td>11</td>
<td>7,262</td>
<td>5,606</td>
<td>5,347</td>
<td>4,461</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td></td>
<td></td>
<td>21</td>
<td>–</td>
<td>–</td>
<td>21,496</td>
<td>16,201</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accrued charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,230</td>
<td>2,154</td>
<td></td>
<td>15,589</td>
<td>9,621</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,230</td>
<td>2,154</td>
<td></td>
<td>55,853</td>
<td>58,000</td>
</tr>
<tr>
<td><strong>CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS (excluding pension scheme liability)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS (including pension scheme liability)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUNDS OF THE CHARITY:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other trading income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of fixed asset</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit pension scheme curtailment gain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL INCOMING RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>27,286</td>
<td>52,684</td>
<td>2,617</td>
<td></td>
<td>82,587</td>
</tr>
<tr>
<td><strong>RESOURCES EXPENDED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising and sponsorship costs</td>
<td></td>
<td></td>
<td>8.1</td>
<td>–</td>
<td>502</td>
<td>–</td>
<td>502</td>
</tr>
<tr>
<td>Investment management fee</td>
<td></td>
<td></td>
<td>8.1</td>
<td>–</td>
<td>73</td>
<td>–</td>
<td>73</td>
</tr>
<tr>
<td>Other trading costs</td>
<td></td>
<td></td>
<td>8.1</td>
<td>–</td>
<td>94</td>
<td>–</td>
<td>94</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Represent</td>
<td></td>
<td></td>
<td>8.1</td>
<td>9,786</td>
<td>8,844</td>
<td>891</td>
<td>–</td>
</tr>
<tr>
<td>Influence</td>
<td></td>
<td></td>
<td>8.1</td>
<td>3,958</td>
<td>8,442</td>
<td>366</td>
<td>–</td>
</tr>
<tr>
<td>Support &amp; Protect</td>
<td></td>
<td></td>
<td>8.1</td>
<td>9,982</td>
<td>6,022</td>
<td>279</td>
<td>–</td>
</tr>
<tr>
<td>Develop</td>
<td></td>
<td></td>
<td>8.1</td>
<td>2,884</td>
<td>19,476</td>
<td>1,856</td>
<td>–</td>
</tr>
<tr>
<td>Governance costs</td>
<td></td>
<td></td>
<td>8.1</td>
<td>676</td>
<td>710</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Past service pension costs</td>
<td></td>
<td></td>
<td>19</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>TOTAL RESOURCES EXPENDED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>27,286</td>
<td>44,163</td>
<td>3,392</td>
<td>–</td>
<td>74,841</td>
</tr>
<tr>
<td><strong>NET INCOMING RESOURCES FOR THE YEAR BEFORE TRANSFERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>8,521</td>
<td>(775)</td>
<td>–</td>
<td>7,746</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>(238)</td>
<td>(189)</td>
<td>(1)</td>
<td>(428)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>(66)</td>
<td>–</td>
<td>–</td>
<td>(66)</td>
</tr>
<tr>
<td><strong>NET MOVEMENT IN FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>8,217</td>
<td>(964)</td>
<td>(1)</td>
<td>7,252</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>13,453</td>
<td>8,134</td>
<td>1,110</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>–</td>
<td>21,670</td>
<td>7,170</td>
<td>1,109</td>
<td>–</td>
</tr>
</tbody>
</table>

---

All amounts shown relate to continuing activities. There are no material differences between net incoming resources for the year before transfers stated above and their historic cost equivalent. Notes on pages 37 to 54 form part of these accounts.
Parent Balance Sheet
as at 31 March 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>RCN 2008 £'000</th>
<th>RCN 2007 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>11</td>
<td>11,338 16,024</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td></td>
<td>11,687 5,099</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>726 1,873</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>23,756 23,003</td>
</tr>
<tr>
<td>CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accrued charges</td>
<td>12.1</td>
<td>(10,053) (9,790)</td>
</tr>
<tr>
<td>NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>12.3</td>
<td>(5,046) (3,835)</td>
</tr>
<tr>
<td>NET ASSETS (excluding pension scheme liability)</td>
<td></td>
<td>13,703 13,213</td>
</tr>
<tr>
<td>Defined benefit pension scheme liability</td>
<td>19</td>
<td>(16,873) (20,844)</td>
</tr>
<tr>
<td>TOTAL NET LIABILITIES (including pension scheme liability)</td>
<td></td>
<td>(8,210) (11,466)</td>
</tr>
<tr>
<td>FUNDS: INCOME FUNDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>15</td>
<td>3,924 4,878</td>
</tr>
<tr>
<td>Designated Funds</td>
<td>16</td>
<td>4,733 4,500</td>
</tr>
<tr>
<td>General reserve</td>
<td></td>
<td>– –</td>
</tr>
<tr>
<td>Pension reserve</td>
<td>19</td>
<td>(16,873) (20,844)</td>
</tr>
<tr>
<td>Total unrestricted funds</td>
<td></td>
<td>(16,873) (20,844)</td>
</tr>
<tr>
<td>TOTAL FUNDS</td>
<td></td>
<td>(8,210) (11,466)</td>
</tr>
</tbody>
</table>

Notes on pages 37 to 54 form part of these accounts.

Sandra James  
Chair of RCN Council  
Date: 25 July 2008

Jane McCready  
Honorary Treasurer

Peter Carter  
Chief Executive & General Secretary

Consolidated Cashflow Statement

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 £’000</th>
<th>2007 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash inflow from operating activities</td>
<td>1</td>
<td>3,057</td>
</tr>
<tr>
<td>Returns on investments and servicing of income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest received</td>
<td>5</td>
<td>2,002</td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>9</td>
<td>(1,042)</td>
</tr>
<tr>
<td>Disposal of tangible fixed asset</td>
<td>9</td>
<td>–</td>
</tr>
<tr>
<td>Acquisiton of investment</td>
<td>10</td>
<td>(5,097)</td>
</tr>
<tr>
<td>Disposal of investment</td>
<td>10</td>
<td>12,332</td>
</tr>
<tr>
<td>Decrease in investment cash</td>
<td></td>
<td>84</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from investing activities</td>
<td></td>
<td>8,279</td>
</tr>
<tr>
<td>Management of liquid resources</td>
<td>21</td>
<td>(5,295)</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of loan on Cavendish Square</td>
<td>22</td>
<td>(7,036)</td>
</tr>
<tr>
<td>Decrease in cash</td>
<td></td>
<td>(995)</td>
</tr>
</tbody>
</table>

Notes to the Accounts
as at 31 March 2008

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 £’000</th>
<th>2007 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net incoming resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>5</td>
<td>(1,857)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9</td>
<td>1,546</td>
</tr>
<tr>
<td>Defined benefit pension scheme curtailment gain</td>
<td>19</td>
<td>–</td>
</tr>
<tr>
<td>Past service pension costs</td>
<td>19</td>
<td>–</td>
</tr>
<tr>
<td>Total pension contributions less current service and finance costs</td>
<td>19</td>
<td>(4,037)</td>
</tr>
<tr>
<td>Gain on disposal of fixed assets</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>Write off of fixed assets</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>11</td>
<td>(1,031)</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors due within one year</td>
<td>12</td>
<td>(586)</td>
</tr>
<tr>
<td>Decrease in deferred income (due after more than one year)</td>
<td>12</td>
<td>(117)</td>
</tr>
<tr>
<td>Increase in provisions for liabilities and charges</td>
<td>12</td>
<td>1,390</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td></td>
<td>3,057</td>
</tr>
</tbody>
</table>
Notes to the Accounts
as at 31 March 2008

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Net incoming resources</td>
<td>7,746</td>
<td>21,870</td>
</tr>
<tr>
<td>Investment income</td>
<td>5 (1,857)</td>
<td>(1,071)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9</td>
<td>1,546</td>
</tr>
<tr>
<td>Defined benefit pension scheme curtailment gain</td>
<td>19</td>
<td>(20,834)</td>
</tr>
<tr>
<td>Past service pension costs</td>
<td>19</td>
<td>1,700</td>
</tr>
<tr>
<td>Total pension contributions less current service and finance costs</td>
<td>19</td>
<td>(4,037)</td>
</tr>
<tr>
<td>Gain on disposal of fixed assets</td>
<td></td>
<td>(261)</td>
</tr>
<tr>
<td>Write off of fixed assets</td>
<td>3</td>
<td>242</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>11</td>
<td>(1,031)</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors due within one year</td>
<td>12</td>
<td>586</td>
</tr>
<tr>
<td>Decrease in deferred income (due after more than one year)</td>
<td>12</td>
<td>117</td>
</tr>
<tr>
<td>Increase in provisions for liabilities and charges</td>
<td>12</td>
<td>1,390</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>3,057</td>
<td>7,851</td>
</tr>
</tbody>
</table>

Notes on pages 37 to 54 form part of these accounts.

Sandra James
Chair of RCN Council
Date: 25 July 2008

Jane McCready
Honorary Treasurer

Peter Carter
Chief Executive & General Secretary
Notes to the Accounts (continued)

2 Reconciliation of net cash flow to increase in net funds

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in liquid resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used to increase liquid resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash outflow from repayment of loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net cash resulting from cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net funds at 31 March 2007</td>
<td>11,240</td>
<td>2,830</td>
</tr>
<tr>
<td>Net funds at 31 March 2008</td>
<td>22,576</td>
<td>11,240</td>
</tr>
</tbody>
</table>

(b) Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. No amounts are included in the accounts in respect of annual subscriptions in arrears. Revenue grants for specific purposes are recognised on receipt as restricted income.

Legacy income is accrued at the point that the entitlement, measurability and certainty of the amount becomes known. Income is allocated on the Statement of Financial Activities (SOFA) as in Note (e) below.

(c) Deferred income

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

(d) Items of consolidation

The Group financial statements consolidate the results of the RCN's trading subsidiaries and its associated charities, RCNCT and John Howard Nurses Homes (JHH). Any surplus or deficit of income arising on charitable activities within the RCN is transferred to the RCNCT by resolution of Council. All group assets held for charitable purposes are held by the registered charity called The Property and Income of the RCN, or within the RCNCT, JHH or the endowment and restricted income funds. The non-charitable trading subsidiary companies are RCN Publishing Company Limited (RCNPC), RCN Licensing Limited (RCNL) and RCN Membership Services Limited (RCNMS). The results of these companies are consolidated in these group accounts. These companies are wholly owned by the RCNCT.

(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 in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice "Accounting and reporting by Charities" (SORP revised 2005) and Charities Act 1993. The RCN uses the exemption conferred by Section 230 of Companies Act 1985 in not preparing a separate income and expenditure account for the RCN that excludes its wholly owned subsidiaries. The net income for the RCN excluding its wholly owned subsidiaries for the year ended 31 March 2008 was £3,250,000.

(e) Expenditure

Expenditure is recognised on an accruals basis according to the activities laid out in the RCN Strategic Plan 2003. Cost centres are mapped to these activities so as to ascertain the relevant costs. Where expenditure cannot be directly allocated under these main categories, they are allocated by headcount across these expenditure headings in the SOFA.

Represent This includes activities in furthering the interests of nurses and nursing and being their voice locally, nationally and internationally.

Influence This includes activities for lobbying governments and others to develop and implement policy that improves the quality of patient care, and builds on the importance of nurses, health care assistants and nursing students to health outcomes.

Support and protect This includes activities that support and protect the value of nurses and nursing staff in all their diversity, their terms and conditions of employment in all employment sectors, and the interests of nurses professionally.

Develop This includes activities to develop continued learning and progression which are key to the nursing profession and are important factors in motivating and retaining staff.

(g) Legal services

Costs arising from the provision of legal services to members are charged to the SOFA in the year in which they are incurred under Represent. Because of the prolonged nature of litigation, and the uncertainty of the outcome of any particular case, no estimate is made for ongoing cases.

In cases where there is litigation which falls within the professional indemnity insurance, RCN includes a provision within the accounts to cover the RCN's proportion of the potential liability.

(h) Pensions

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

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA 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 fair 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. 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. A pension scheme liability is recognised to the extent that the Charity has a legal or constructive obligation to settle the liability.

(i) Irrecoverable Value Added Tax

All costs are charged against relevant departments gross of Value Added Tax. Recoverable Value Added Tax is netted against support costs and then reallocated across the main categories of expenditure.

(j) Tax – subsidiary trading companies

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.

However, deferred tax assets and liabilities are not recognised as the trading subsidiary companies have a policy to eliminate taxable profits by making gift aid payments and therefore no asset or liability is likely to crystallise.

(k) Intangible income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. No amounts are included in the accounts in respect of annual subscriptions in arrears. Revenue grants for specific purposes are recognised on receipt as restricted income.

No value has been placed on the support given to the RCN by way of volunteer assistance. There is no other intangible income.

(l) Depreciation

Expenditure of a capital nature over £4,000 is capitalised at cost as fixed assets within the relevant fund.
Notes to the Accounts (continued)

2 Reconciliation of net cash flow to increase in net funds

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 £’000</th>
<th>2007 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in liquid resources</td>
<td>(995)</td>
<td>(46)</td>
</tr>
<tr>
<td>Cash used to increase liquid resources</td>
<td>5,295</td>
<td>8,141</td>
</tr>
<tr>
<td>Change in net cash resulting from cash flows</td>
<td>7,036</td>
<td>315</td>
</tr>
<tr>
<td>Net funds at 31 March 2007</td>
<td>11,336</td>
<td>8,410</td>
</tr>
<tr>
<td>Net funds at 31 March 2008</td>
<td>22,576</td>
<td>11,240</td>
</tr>
</tbody>
</table>

(b) Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. No amounts are included in the accounts in respect of annual subscriptions in arrears.

Revenue grants for specific purposes are recognised on receipt as restricted income.

Legacy income is accrued at the point that the entitlement, measurability and certainty of the amount becomes known.

Income is allocated on the Statement of Financial Activities (SOFA) as shown in Note (e) below.

(c) Deferred income

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

(d) Details of consolidation

The group financial statements consolidate the results of the RCN’s trading subsidiaries and its associated charities, RCNCT and John Howard Nurses Homes (JHH). Any surplus or deficit of income arising on charitable activity within the RCN is transferred to the RCNCT by resolution of Council. All group assets held for charitable purposes are held by the registered charity called The Property and Income of the RCN, or within the RCNCT, JHH or the endowment and restricted income funds. The non-charitable trading subsidiary companies are RCN Publishing Company Limited (RCPCL), RCN Licensing Limited (RCLL) and RCN Membership Services Limited (RNCMS). The results of these companies are consolidated in these group accounts. These companies are wholly owned by the RCNCT.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, modified for the revaluation of freehold land and buildings and investments, and in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice “Accounting and reporting by Charities” (SORP revised 2005) and Charities Act 1993. The RCN uses the exemption conferred by Section 230 of Companies Act 1985 in not preparing a separate income and expenditure account for the RCN that excludes its wholly owned subsidiaries. The net income for the RCN, excluding its wholly owned subsidiaries for the year ended 31 March 2008 was £3,250,000.

(e) Expenditure

Expenditure is recognised on an accruals basis according to the activities laid out in the RCN Strategic Plan 2003. Cost centres are mapped to these activities so as to ascertain the relevant costs. Where expenditure cannot be directly allocated under these main categories, they are allocated by headcount across these expenditure headings in the SOFA.

Represent This includes activities in furthering the interests of nurses and nursing and being their voice locally, nationally and internationally.

Influence This includes activities for lobbying governments and others to develop and implement policy that improves the quality of patient care, and builds on the importance of nurses, health care assistants and nursing students to health outcomes.

Support and protect This includes activities that support and protect the value of nurses and nursing staff in all their diversity, their terms and conditions of employment in all employment sectors, and the interests of nurses professionally.

Develop This includes activities to develop continued learning and progression which are key to the nursing profession and are important factors in motivating and retaining staff.

Legal services Costs arising from the provision of legal services to members are charged to the SOFA in the year in which they are incurred under Represent. Because of the prolonged nature of litigation, and the uncertainty of the outcome of any particular case, no attempt is made to estimate future costs, or recoveries of costs, for ongoing cases.

In cases where there is litigation which falls within the professional indemnity insurance, RCN includes a provision within the accounts to cover the RCN’s proportion of the potential liability.

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

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA under the heading of Actuarial gains and losses on defined benefit pension scheme. Defined benefit schemes are funded, with the assets held separately within 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 fair 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. 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. A pension scheme liability is recognised to the extent that the Charity has a legal or constructive obligation to settle the liability.

Irrecoverable Value Added Tax

All costs are charged against relevant departments gross of Value Added Tax. Recoverable Value Added Tax is netted against support costs and then reallocated across the main categories of expenditure.

Tax – subsidiary trading companies

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. However, deferred tax assets and liabilities are not recognised as the trading subsidiary companies have a policy to eliminate taxable profits by making gift aid payments and therefore no asset or liability is likely to crystallise.

Intangible income

No value has been placed on the support given to the RCN by way of volunteer assistance. There is no other intangible income.

Depreciation

Expenditure of a capital nature over £1,000 is capitalised at cost as fixed assets within the relevant fund.
Notes to the Accounts (continued)

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

(h) Endowments
Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion of capital to income under certain circumstances.

(i) Restricted funds
Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income ... as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

(j) Unrestricted and designated funds
Unrestricted funds are expendable at the discretion of Council in the furtherance of the objects of the RCN. Council may, at their discretion, set aside unrestricted funds for specific future purposes in the form of designated funds.

(k) Tangible fixed assets
Tangible fixed assets are included at cost or, in the case of certain freehold properties used for primary purpose activities, at valuation. The revalued book amounts have not been updated as the charity 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 9.

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

(o) Investments
Fixed asset investments are stated at market valuation, where market value represents the mid market price on the last trading day before the year end. Unlisted securities are stated at original cost. Investments purchased as part of treasury management, which are intended to be held for less than one year are shown as current assets; investments held to generate longer term income and capital growth are shown within fixed assets. Any unrealised or realised gains or losses arising from investments are charged to the SOFA. Investments in subsidiaries are stated at cost less provision for any impairment. Impairments are charged to resources expended on charitable activities.

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

4 Unrestricted income from charitable activities

<table>
<thead>
<tr>
<th>Conference</th>
<th>Exhibitor</th>
<th>RCN Publishing Company</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegate fees</td>
<td>£’000</td>
<td>Sponsorship</td>
<td>£’000</td>
<td>Income</td>
</tr>
<tr>
<td>2008</td>
<td>14</td>
<td>154</td>
<td>–</td>
<td>611</td>
</tr>
<tr>
<td>2007</td>
<td>3</td>
<td>162</td>
<td>2,503</td>
<td>289</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,071</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5 Investment income

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>UK equities</td>
<td>312</td>
<td>465</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>UK fixed interest</td>
<td>211</td>
<td>247</td>
</tr>
<tr>
<td>Overseas hedged funds</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Cash held for investment</td>
<td>17</td>
<td>63</td>
</tr>
<tr>
<td>Bank interest</td>
<td>1,295</td>
<td>274</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,857</strong></td>
<td><strong>1,071</strong></td>
</tr>
</tbody>
</table>

6 Subsidiary and other Group Entities

6.1 Subsidiary Results
RCN Publishing Company Limited (RCNPC) is a publisher of nursing journals. RCN Membership Services Limited (RCNMS) receives commission income from companies that provide affinity type benefits to RCN members. RCN Licensing Limited (RCNL) receives income from companies granted licenses to use the RCN’s logo and trademarks and the supply of catering services.

Activities of RCNPC are included within the Develop and Influence activities (Note q). Details of the trading activities of the subsidiaries are set out below.

<table>
<thead>
<tr>
<th>RCNPC</th>
<th>RCNPC</th>
<th>RCNMS</th>
<th>RCNMS</th>
<th>RCNL</th>
<th>RCNL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>2008</td>
<td>13,733</td>
<td>12,241</td>
<td>939</td>
<td>963</td>
<td>474</td>
</tr>
<tr>
<td>2007</td>
<td>12,544</td>
<td>11,697</td>
<td>(644)</td>
<td>(919)</td>
<td>(190)</td>
</tr>
<tr>
<td>Costs</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>2008</td>
<td>(2,594)</td>
<td>(1,997)</td>
<td>(644)</td>
<td>(919)</td>
<td>(190)</td>
</tr>
<tr>
<td>2007</td>
<td>(1,267)</td>
<td>(574)</td>
<td>(295)</td>
<td>(44)</td>
<td>(284)</td>
</tr>
<tr>
<td>Net profit</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>2008</td>
<td>1,189</td>
<td>544</td>
<td>295</td>
<td>44</td>
<td>284</td>
</tr>
<tr>
<td>2007</td>
<td>(1,267)</td>
<td>(574)</td>
<td>(295)</td>
<td>(44)</td>
<td>(284)</td>
</tr>
<tr>
<td>Amount gift aided to RCNCT</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Retained in subsidiary</td>
<td>(78)</td>
<td>(30)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Each of the trading subsidiaries reported in the table above is wholly owned by the Royal College of Nursing Charitable Trust.
Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present obligations under the lease.

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion of capital to income under certain circumstances.

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income ... as restricted expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

Unrestricted funds are expendable at the discretion of Council in the furtherance of the objects of the RCN. Council may, at their discretion, set aside unrestricted funds for specific future purposes in the form of designated funds.

Income and expenditure are allocated to “Representation Activities” according to the activities of the underlying cost centres.

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

Gift Aid payments from trading subsidiaries, representing an estimate of each of the company’s taxable profits for the period, is included in full in the profit and loss account. Adjustments for any under or over inclusion of Gift Aid are recognised following submission of each company’s taxation computation to HM Revenue & Customs. Under the current Gift Aid arrangements, all current and future taxable profits are payable to Royal College of Nursing Charitable Trust.

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

**Table: Unrestricted income from charitable activities**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delegate fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exhibitor</td>
<td>14</td>
<td>154</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>28</td>
<td>779</td>
</tr>
<tr>
<td>£’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publishing</td>
<td>61</td>
<td>1,431</td>
</tr>
<tr>
<td>Company income</td>
<td>289</td>
<td>2,642</td>
</tr>
<tr>
<td>£’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>254</td>
<td>252</td>
</tr>
<tr>
<td>£’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>611</td>
<td>1,431</td>
</tr>
<tr>
<td>£’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,385</td>
<td>15,576</td>
</tr>
</tbody>
</table>

**5 Investment income**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK equities</td>
<td>312</td>
<td>465</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>UK fixed interest</td>
<td>211</td>
<td>247</td>
</tr>
<tr>
<td>Overseas hedged funds</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Cash held for investment</td>
<td>17</td>
<td>63</td>
</tr>
<tr>
<td>Bank interest</td>
<td>1,295</td>
<td>274</td>
</tr>
<tr>
<td>£’000</td>
<td>1,857</td>
<td>1,071</td>
</tr>
</tbody>
</table>

### 6 Subsidiary and Other Group Entities

**6.1 Subsidiary Results**

RCN Publishing Company Limited (RCNPC) is a publisher of nursing journals. RCN Membership Services Limited (RCNMS) receives commission income from companies that provide affinity type benefits to RCN members. RCN Licensing Limited (RCNL) receives income from companies granted licenses to use the RCN’s logo and trademarks and the supply of catering services.

Activities of RCNPC are included within the Develop and Influence activities (Note 4). Details of the trading activities of the subsidiaries are set out below.

<table>
<thead>
<tr>
<th></th>
<th>RCNPC</th>
<th>RCNPC</th>
<th>RCNPC</th>
<th>RCNPC</th>
<th>RCNL</th>
<th>RCNL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£’000</td>
<td>13,733</td>
<td>12,241</td>
<td>939</td>
<td>963</td>
<td>474</td>
<td>367</td>
</tr>
<tr>
<td>Costs</td>
<td>(12,544)</td>
<td>(11,697)</td>
<td>(644)</td>
<td>(919)</td>
<td>(190)</td>
<td>(141)</td>
</tr>
<tr>
<td>Net profit</td>
<td>1,189</td>
<td>544</td>
<td>295</td>
<td>44</td>
<td>284</td>
<td>226</td>
</tr>
<tr>
<td>Amount gift aided to RCNCT</td>
<td>(1,267)</td>
<td>(574)</td>
<td>(295)</td>
<td>(44)</td>
<td>(284)</td>
<td>(226)</td>
</tr>
<tr>
<td>Retained in subsidiary</td>
<td>(78)</td>
<td>(30)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Each of the trading subsidiaries reported in the table above is wholly owned by the Royal College of Nursing Charitable Trust.
Of the total staff costs, £18,222,000 (2007: £15,207,000) has been allocated to Representation Activities. In respect of pensions, an amount of £4,500,000 has been paid (2007: £2,121,000) in excess of the historic employers contribution rate so as to reduce the pension fund deficit. The average number of staff employed during the year was 870 (2007: 967). The full time equivalent number of staff was 796 (2007: 842).

Full time equivalent staff numbers by department category:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Boards</td>
<td>100</td>
<td>105</td>
</tr>
<tr>
<td>English Regions</td>
<td>187</td>
<td>188</td>
</tr>
<tr>
<td>RCN Institute</td>
<td>80</td>
<td>129</td>
</tr>
<tr>
<td>RCN Direct</td>
<td>84</td>
<td>101</td>
</tr>
<tr>
<td>RCN Publishing</td>
<td>77</td>
<td>78</td>
</tr>
<tr>
<td>Other</td>
<td>268</td>
<td>241</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>796</td>
<td>842</td>
</tr>
</tbody>
</table>

The number of staff whose emoluments (salary and other taxable benefits) fall into the following bands is:

<table>
<thead>
<tr>
<th></th>
<th>2008 £'000</th>
<th>2007 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 – £70,000</td>
<td>43</td>
<td>35</td>
</tr>
<tr>
<td>£70,000 – £80,000</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>£80,000 – £90,000</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>£90,000 – £100,000</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>£100,000 – £110,000</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>£110,000 – £120,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>£120,000 – £130,000</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>£170,000 – £180,000</td>
<td>1</td>
<td>–</td>
</tr>
</tbody>
</table>

Emoluments do not include pension contributions, which total £691,000 (2007: £464,000). However 66 (2007: 42) of the above are members of the RCN’s defined benefit pension scheme.

The total emoluments for the Chief Executive & General Secretary in the year was £111,801 (2007: £123,371).

2007/08 staff costs include £1,300,000 in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCN’s operations.

8 Total resources expended

8.1 Analysis of total resources expended

<table>
<thead>
<tr>
<th></th>
<th>Support Costs</th>
<th>Other Direct Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Representation</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Representation</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Cost of Generating Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising and sponsorship costs</td>
<td>–</td>
<td>79</td>
<td>423</td>
</tr>
<tr>
<td>Investment management fee</td>
<td>–</td>
<td>–</td>
<td>73</td>
</tr>
<tr>
<td>Other trading costs</td>
<td>–</td>
<td>–</td>
<td>94</td>
</tr>
<tr>
<td><strong>Charitable Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Represent</td>
<td>2,562</td>
<td>2,493</td>
<td>5,055</td>
</tr>
<tr>
<td>Influence</td>
<td>1,086</td>
<td>1,610</td>
<td>2,696</td>
</tr>
<tr>
<td>Support and protect</td>
<td>2,121</td>
<td>1,753</td>
<td>3,874</td>
</tr>
<tr>
<td>Develop</td>
<td>902</td>
<td>2,887</td>
<td>3,789</td>
</tr>
<tr>
<td><strong>Governance Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Represent</td>
<td>125</td>
<td>125</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,796</td>
<td>8,947</td>
<td>15,743</td>
</tr>
</tbody>
</table>

Included above within governance costs is auditors’ remuneration for audit services of £129,000 (2007: £108,000) and £16,000 (2007: £20,000) was paid for consultancy and accounting services.
Of the total staff costs, £18,222,000 (2007: £15,207,000) has been allocated to Representation Activities. In respect of pensions, an amount of £4,500,000 has been paid (2007: £2,121,000) in excess of the historic employers contribution rate so as to reduce the pension fund deficit. The average number of staff employed during the year was 870 (2007: 967). The full time equivalent number of staff was 796 (2007: 842).

Full time equivalent staff numbers by department category:

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Boards</td>
<td>100</td>
<td>105</td>
</tr>
<tr>
<td>English Regions</td>
<td>187</td>
<td>188</td>
</tr>
<tr>
<td>RCN Institute</td>
<td>80</td>
<td>129</td>
</tr>
<tr>
<td>RCN Direct</td>
<td>84</td>
<td>101</td>
</tr>
<tr>
<td>RCN Publishing</td>
<td>77</td>
<td>78</td>
</tr>
<tr>
<td>Other</td>
<td>268</td>
<td>241</td>
</tr>
<tr>
<td>Total</td>
<td>796</td>
<td>842</td>
</tr>
</tbody>
</table>

The number of staff whose emoluments (salary and other taxable benefits) fall into the following bands is:

<table>
<thead>
<tr>
<th>Band</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 – £70,000</td>
<td>43</td>
<td>35</td>
</tr>
<tr>
<td>£70,000 – £80,000</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>£80,000 – £90,000</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>£90,000 – £100,000</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>£100,000 – £110,000</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>£110,000 – £120,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>£120,000 – £130,000</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>£170,000 – £180,000</td>
<td>1</td>
<td>–</td>
</tr>
</tbody>
</table>

Emoluments do not include pension contributions, which total £691,000 (2007: £464,000). However 66 (2007: 42) of the above are members of the RCN's defined benefit pension scheme.

The total emoluments for the Chief Executive & General Secretary in the year was £111,801 (2007: £123,371).

2007/08 staff costs include £1,300,000 in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCN's operations.

6.2 Summarised balance sheets of subsidiary trading companies

<table>
<thead>
<tr>
<th>Company</th>
<th>RCNPC</th>
<th>RCNPC</th>
<th>RCNMS</th>
<th>RCNMS</th>
<th>RCNL</th>
<th>RCNL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Current assets</td>
<td>232</td>
<td>305</td>
<td>4,931</td>
<td>5,015</td>
<td>4,244</td>
<td>4,418</td>
</tr>
<tr>
<td>Creditors: falling due within one year</td>
<td>(2,569)</td>
<td>(2,652)</td>
<td>(258)</td>
<td>(258)</td>
<td>(549)</td>
<td>(473)</td>
</tr>
<tr>
<td>Creditors and accrued charges</td>
<td>(45)</td>
<td>(180)</td>
<td>(237)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total net assets</td>
<td>2,590</td>
<td>2,668</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Capital and reserves</td>
<td>2,590</td>
<td>2,668</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Ordinary share capital held by the RCNCT (£) is:</td>
<td>500,000</td>
<td>500,000</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

The RCN Charitable Trust has beneficial ownership of all the shares in RCNPC Ltd, RCNMS Ltd and RCNL Ltd.

6.3 John Howard Nurses Homes

The John Howard Nurses Homes (JHH) was founded as a charity under the terms of the will of Sir John Howard to provide accommodation for nurses whose health has broken down or who otherwise are not able to follow their profession and whose means are limited.

The results of John Howard Nurses Homes are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Costs</th>
<th>Net surplus/(deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>100</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>2007</td>
<td>100</td>
<td>63</td>
<td>(38)</td>
</tr>
</tbody>
</table>

Summarised balance sheet of John Howard Nurses Homes:

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed assets</th>
<th>Current assets</th>
<th>Creditors: falling due within one year</th>
<th>Total net assets</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>63</td>
<td>62</td>
<td>91</td>
<td>(22)</td>
<td>151</td>
<td>114</td>
</tr>
<tr>
<td>63</td>
<td>62</td>
<td>91</td>
<td>(22)</td>
<td>151</td>
<td>114</td>
</tr>
</tbody>
</table>

7 Staff Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Salaries</th>
<th>Social security</th>
<th>Pensions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>34,488</td>
<td>32,657</td>
<td>2,756</td>
<td>2,649</td>
<td>45,936</td>
</tr>
</tbody>
</table>

Included above within governance costs is auditors' remuneration for audit services of £129,000 (2007: £108,000) and £16,000 (2007: £20,000) was paid for consultancy and accounting services.
Out of pocket expenses reimbursed to Council members while carrying out trustee duties amounted to £116,000 (2007: £94,000).

In addition a small amount of expenses was reimbursed to Council members in respect of non-trustee duties carried out on behalf of the RCN. The number of Council members who received reimbursement was 43. £31,112 was paid in the year to the employers of the President as recompense for time spent on services for the RCN.

8.2 Analysis of support costs
Support costs breakdown by activity

<table>
<thead>
<tr>
<th>Support</th>
<th>Represent £’000</th>
<th>Influence £’000</th>
<th>Support and protect £’000</th>
<th>Develop £’000</th>
<th>Governance £’000</th>
<th>Fund raising £’000</th>
<th>Total Support Costs £’000</th>
<th>Total Support Costs £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Executive Team</td>
<td>65</td>
<td>35</td>
<td>49</td>
<td>49</td>
<td>3</td>
<td>1</td>
<td>202</td>
<td>448</td>
</tr>
<tr>
<td>Finance</td>
<td>385</td>
<td>205</td>
<td>295</td>
<td>288</td>
<td>19</td>
<td>6</td>
<td>1,198</td>
<td>1,440</td>
</tr>
<tr>
<td>Human Resources</td>
<td>763</td>
<td>407</td>
<td>586</td>
<td>572</td>
<td>38</td>
<td>12</td>
<td>2,378</td>
<td>2,125</td>
</tr>
<tr>
<td>Systems</td>
<td>789</td>
<td>421</td>
<td>606</td>
<td>591</td>
<td>39</td>
<td>12</td>
<td>2,458</td>
<td>2,447</td>
</tr>
<tr>
<td>Facilities</td>
<td>1,129</td>
<td>602</td>
<td>864</td>
<td>846</td>
<td>56</td>
<td>18</td>
<td>3,515</td>
<td>3,188</td>
</tr>
<tr>
<td>Depreciation</td>
<td>496</td>
<td>265</td>
<td>380</td>
<td>372</td>
<td>25</td>
<td>8</td>
<td>1,546</td>
<td>1,961</td>
</tr>
<tr>
<td>WAG Recovery</td>
<td>(409)</td>
<td>(218)</td>
<td>(313)</td>
<td>(306)</td>
<td>(20)</td>
<td>(7)</td>
<td>(1,273)</td>
<td>(1,478)</td>
</tr>
<tr>
<td>Membership Records</td>
<td>392</td>
<td>209</td>
<td>299</td>
<td>294</td>
<td>19</td>
<td>6</td>
<td>1,219</td>
<td>1,048</td>
</tr>
<tr>
<td>Additional Pension</td>
<td>1,445</td>
<td>770</td>
<td>1,108</td>
<td>1,083</td>
<td>71</td>
<td>23</td>
<td>5,500</td>
<td>2,121</td>
</tr>
<tr>
<td>Total</td>
<td>5,055</td>
<td>2,696</td>
<td>3,874</td>
<td>3,789</td>
<td>250</td>
<td>79</td>
<td>15,743</td>
<td>13,300</td>
</tr>
</tbody>
</table>

All support costs are allocated to activities on the basis of full time equivalent budgeted headcount.

9 Fixed Assets – Group

<table>
<thead>
<tr>
<th>Freehold and Buildings £’000</th>
<th>Leasehold Improvements £’000</th>
<th>Furniture &amp; Equipment £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or Valuation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2007</td>
<td>3,029</td>
<td>25,979</td>
<td>11,330</td>
</tr>
<tr>
<td>Additions</td>
<td>53</td>
<td>661</td>
<td>467</td>
</tr>
<tr>
<td>Disposals/Write-offs</td>
<td>(7)</td>
<td>–</td>
<td>(102)</td>
</tr>
<tr>
<td>Balance at 31 March 2008</td>
<td>3,075</td>
<td>26,640</td>
<td>11,695</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2007</td>
<td>1,032</td>
<td>4,512</td>
<td>9,663</td>
</tr>
<tr>
<td>Charge for year</td>
<td>89</td>
<td>578</td>
<td>879</td>
</tr>
<tr>
<td>Disposals/Write-offs</td>
<td>(4)</td>
<td>–</td>
<td>(102)</td>
</tr>
<tr>
<td>Balance at 31 March 2008</td>
<td>1,117</td>
<td>5,090</td>
<td>10,440</td>
</tr>
<tr>
<td>Net book value at 31 March 2008</td>
<td>1,958</td>
<td>21,550</td>
<td>1,255</td>
</tr>
<tr>
<td>Net book value at 31 March 2007</td>
<td>1,997</td>
<td>21,467</td>
<td>1,667</td>
</tr>
</tbody>
</table>

The historical cost of re-valued assets is:

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements £’000</td>
<td>Leasehold improvements £’000</td>
</tr>
<tr>
<td>22,165</td>
<td>22,058</td>
</tr>
<tr>
<td>4,705</td>
<td>4,247</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,460</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td><strong>17,811</strong></td>
</tr>
</tbody>
</table>

All fixed assets are in the name of the RCN Charitable Trust except those identified at note 6.2. Freehold and leasehold properties were re-valued on 31 March 1997 on an open market basis by Drivas Jonas, Chartered Surveyors. In 2007/08 a programme of improvements to RCN offices in Cardiff, at a cost of £350,000, was commenced. At 31st March 2008, 53% of the project had been completed. £186,000 is included in leasehold additions above in respect of this work.

Computer software with a net book value of £247,000 (Membership database) is included in furniture and equipment. Finance leases assets are capitalised.

10 Investments – Group

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value at 31 March</td>
<td>£’000</td>
</tr>
<tr>
<td>£22,699</td>
<td>19,763</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>£5,097</td>
</tr>
<tr>
<td>£10,681</td>
<td>12,880</td>
</tr>
<tr>
<td>Realised gain/(loss) on revaluation</td>
<td>£13</td>
</tr>
<tr>
<td>Unrealised gain/(loss) on revaluation</td>
<td>£(441)</td>
</tr>
<tr>
<td>Investments at market value at 31 March</td>
<td>£15,036</td>
</tr>
<tr>
<td>£9</td>
<td>22,699</td>
</tr>
<tr>
<td>UK unlisted securities</td>
<td>£456</td>
</tr>
<tr>
<td>Cash held for reinvestment</td>
<td>£540</td>
</tr>
<tr>
<td>Market value at 31 March</td>
<td>£15,501</td>
</tr>
<tr>
<td>£9</td>
<td>23,248</td>
</tr>
<tr>
<td>Cost at 31 March</td>
<td>£14,416</td>
</tr>
<tr>
<td>£9</td>
<td>19,890</td>
</tr>
</tbody>
</table>

Investments at market value comprise:

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed Investments</td>
<td>£’000</td>
</tr>
<tr>
<td>UK equities</td>
<td>£6,204</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>£10,601</td>
</tr>
<tr>
<td>UK fixed interest</td>
<td>£3,726</td>
</tr>
<tr>
<td>£6,096</td>
<td>5,675</td>
</tr>
<tr>
<td>Overseas hedged funds</td>
<td>£1,009</td>
</tr>
<tr>
<td>£1,303</td>
<td>1,303</td>
</tr>
<tr>
<td>Investments at market value</td>
<td>£15,035</td>
</tr>
<tr>
<td>£22,699</td>
<td>22,699</td>
</tr>
<tr>
<td>UK unlisted securities</td>
<td>£9</td>
</tr>
<tr>
<td>Cash held for reinvestment</td>
<td>£457</td>
</tr>
<tr>
<td>Total</td>
<td>£15,501</td>
</tr>
<tr>
<td>£23,248</td>
<td>23,248</td>
</tr>
</tbody>
</table>

During the year 33% of the investment portfolio was liquidated, releasing £7,300,000 to the RCN’s cash reserves.

Holdings over 5%

The following investments represented holdings in excess of 5% of the investment portfolio at 31 March 2008:

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarasin Sterling Class A income bonds</td>
<td>26.4%</td>
</tr>
<tr>
<td>Sarasin CI Equiuser Sterling Global Thematic Fund units</td>
<td>23.0%</td>
</tr>
<tr>
<td>All investments are held in the name of the RCN Charitable Trust.</td>
<td>7.0%</td>
</tr>
<tr>
<td>All investments are held in the name of the RCN Charitable Trust.</td>
<td>2.0%</td>
</tr>
</tbody>
</table>
Out of packet expenses reimbursed to Council members while carrying out trustee duties amounted to £116,000 (2007: £94,000).

In addition a small amount of expenses was reimbursed to Council members in respect of non-trustee duties carried out on behalf of the RCN. The number of Council members who received reimbursement was 43. £31,112 was paid in the year to the employers of the President as recompense for time spent on services for the RCN.

8.2 Analysis of support costs

Support costs breakdown by activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Support Costs</th>
<th>Total Support Costs</th>
<th>Support Costs</th>
<th>Total Support Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Represent</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Influence</td>
<td>65</td>
<td>35</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Develop</td>
<td>789</td>
<td>421</td>
<td>606</td>
<td>606</td>
</tr>
<tr>
<td>Governance</td>
<td>789</td>
<td>421</td>
<td>606</td>
<td>606</td>
</tr>
<tr>
<td>Fund Raising</td>
<td>1,129</td>
<td>602</td>
<td>864</td>
<td>864</td>
</tr>
<tr>
<td>VAF Recovery</td>
<td>496</td>
<td>265</td>
<td>380</td>
<td>380</td>
</tr>
<tr>
<td>Membership Records</td>
<td>392</td>
<td>209</td>
<td>299</td>
<td>299</td>
</tr>
<tr>
<td>Finance</td>
<td>385</td>
<td>205</td>
<td>295</td>
<td>295</td>
</tr>
<tr>
<td>Human Resources</td>
<td>763</td>
<td>407</td>
<td>586</td>
<td>586</td>
</tr>
<tr>
<td>Systems</td>
<td>789</td>
<td>421</td>
<td>606</td>
<td>606</td>
</tr>
<tr>
<td>Facilities</td>
<td>1,129</td>
<td>602</td>
<td>864</td>
<td>864</td>
</tr>
<tr>
<td></td>
<td>496</td>
<td>265</td>
<td>380</td>
<td>380</td>
</tr>
<tr>
<td></td>
<td>392</td>
<td>209</td>
<td>299</td>
<td>299</td>
</tr>
<tr>
<td></td>
<td>385</td>
<td>205</td>
<td>295</td>
<td>295</td>
</tr>
<tr>
<td></td>
<td>763</td>
<td>407</td>
<td>586</td>
<td>586</td>
</tr>
<tr>
<td></td>
<td>789</td>
<td>421</td>
<td>606</td>
<td>606</td>
</tr>
<tr>
<td></td>
<td>1,129</td>
<td>602</td>
<td>864</td>
<td>864</td>
</tr>
<tr>
<td></td>
<td>496</td>
<td>265</td>
<td>380</td>
<td>380</td>
</tr>
<tr>
<td></td>
<td>392</td>
<td>209</td>
<td>299</td>
<td>299</td>
</tr>
<tr>
<td></td>
<td>385</td>
<td>205</td>
<td>295</td>
<td>295</td>
</tr>
<tr>
<td></td>
<td>763</td>
<td>407</td>
<td>586</td>
<td>586</td>
</tr>
<tr>
<td></td>
<td>789</td>
<td>421</td>
<td>606</td>
<td>606</td>
</tr>
<tr>
<td></td>
<td>1,129</td>
<td>602</td>
<td>864</td>
<td>864</td>
</tr>
</tbody>
</table>

All support costs are allocated to activities on the basis of full time equivalent budgeted headcount.

9 Fixed Assets – Group

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Freehold and Buildings</th>
<th>Leasehold Improvements</th>
<th>Furniture &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or Valuation</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Balance at 31 March 2007</td>
<td>3,029</td>
<td>25,979</td>
<td>11,330</td>
<td>40,338</td>
</tr>
<tr>
<td>Additions</td>
<td>53</td>
<td>661</td>
<td>467</td>
<td>1,181</td>
</tr>
<tr>
<td>Disposals/Write-offs</td>
<td>(7)</td>
<td>(102)</td>
<td>(109)</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2008</td>
<td>3,075</td>
<td>26,640</td>
<td>11,695</td>
<td>41,410</td>
</tr>
<tr>
<td>Charge for year</td>
<td>89</td>
<td>578</td>
<td>879</td>
<td>1,546</td>
</tr>
<tr>
<td>Disposals/Write-offs</td>
<td>(4)</td>
<td>(102)</td>
<td>(106)</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2008</td>
<td>1,117</td>
<td>5,090</td>
<td>10,440</td>
<td>16,647</td>
</tr>
<tr>
<td>Net book value at 31 March 2008</td>
<td>1,958</td>
<td>21,550</td>
<td>1,255</td>
<td>24,763</td>
</tr>
<tr>
<td>Net book value at 31 March 2007</td>
<td>1,997</td>
<td>21,467</td>
<td>1,667</td>
<td>25,131</td>
</tr>
</tbody>
</table>

The historical cost of re-valued assets is:

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

All fixed assets are in the name of the RCN Charitable Trust except those identified at note 6.2. Freehold and leasehold properties were re-valued on 31 March 1997 on an open market basis by Drivas Jonas, Chartered Surveyors. In 2007/08 a programme of improvements to RCN offices in Cardiff, at a cost of £350,000, was commenced. At 31 March 2008, 53% of the project had been completed. £186,000 is included in leasehold additions above in respect of this work.

Computer software with a net book value of £247,000 (Membership database) is included in furniture and equipment.

Finance leases assets are capitalised.

10 Investments – Group

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value at 31 March</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>5,097</td>
<td>12,880</td>
</tr>
<tr>
<td>Disposals at market value</td>
<td>(12,332)</td>
<td>(10,681)</td>
</tr>
<tr>
<td>Realised gain/(loss) on revaluation</td>
<td>13</td>
<td>(236)</td>
</tr>
<tr>
<td>Unrealised gain/(loss)</td>
<td>(441)</td>
<td>973</td>
</tr>
<tr>
<td>Investments at market value</td>
<td>15,036</td>
<td>22,699</td>
</tr>
<tr>
<td>UK unlisted securities</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Cash held for reinvestment</td>
<td>457</td>
<td>540</td>
</tr>
<tr>
<td>Total</td>
<td>15,501</td>
<td>23,248</td>
</tr>
</tbody>
</table>

All investments are held in the name of the RCN Charitable Trust.
### 11 Debtors

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£’000</strong></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>Due within one year:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ subscriptions due</td>
<td>– 99</td>
<td>– 47</td>
<td>–</td>
<td>–</td>
<td>– 99</td>
<td>– 99</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>1,822</td>
<td>1,955</td>
<td>734</td>
<td>891</td>
<td>1,993</td>
<td>2,050</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>698</td>
<td>600</td>
<td>–</td>
<td>–</td>
<td>1,944</td>
<td>1,338</td>
</tr>
<tr>
<td>Provision for bad debts</td>
<td>199</td>
<td>43</td>
<td>–</td>
<td>(39)</td>
<td>(84)</td>
<td></td>
</tr>
<tr>
<td>Other debtors</td>
<td>899</td>
<td>719</td>
<td>258</td>
<td>236</td>
<td>1,503</td>
<td>1,058</td>
</tr>
<tr>
<td><strong>Amounts due from subsidiaries and associated undertakings:</strong></td>
<td>7,938</td>
<td>12,694</td>
<td>6,270</td>
<td>4,432</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,338</td>
<td>16,024</td>
<td>7,262</td>
<td>5,606</td>
<td>5,347</td>
<td>4,461</td>
</tr>
</tbody>
</table>

### 12 Creditors and accrued charges

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£’000</strong></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>12.1 Amounts falling due within 1 year:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>5,605</td>
<td>6,620</td>
<td>1,862</td>
<td>2,117</td>
<td>7,210</td>
<td>8,417</td>
</tr>
<tr>
<td>Trade Creditors</td>
<td>2,226</td>
<td>1,715</td>
<td>989</td>
<td>686</td>
<td>3,347</td>
<td>2,715</td>
</tr>
<tr>
<td>PAYE and social security</td>
<td>775</td>
<td>732</td>
<td>344</td>
<td>293</td>
<td>869</td>
<td>813</td>
</tr>
<tr>
<td>Pension contribution</td>
<td>448</td>
<td>436</td>
<td>182</td>
<td>174</td>
<td>501</td>
<td>473</td>
</tr>
<tr>
<td>Other creditors</td>
<td>291</td>
<td>43</td>
<td>2</td>
<td>–</td>
<td>412</td>
<td>367</td>
</tr>
<tr>
<td>Bank overdrafts and loans</td>
<td>708</td>
<td>244</td>
<td>676</td>
<td>217</td>
<td>800</td>
<td>698</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,053</td>
<td>9,790</td>
<td>4,055</td>
<td>3,487</td>
<td>13,139</td>
<td>13,483</td>
</tr>
</tbody>
</table>

### 12.2 Amounts falling due after more than 1 year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£’000</strong></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Deferred income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3,806</td>
<td>3,923</td>
</tr>
<tr>
<td>Cavendish Square loan</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6,701</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,806</td>
<td>10,624</td>
</tr>
</tbody>
</table>

The £7.0 million loan outstanding at 31 March 2007, which was secured on 20 Cavendish Square, was repaid in full in December 2007.

### 12.3 Provisions for liabilities and charges

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£’000</strong></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Onerous leases</td>
<td>161</td>
<td>207</td>
<td>–</td>
<td>–</td>
<td>161</td>
<td>207</td>
</tr>
<tr>
<td>Provision for dilapidations</td>
<td>275</td>
<td>354</td>
<td>–</td>
<td>–</td>
<td>275</td>
<td>354</td>
</tr>
<tr>
<td>Provision for professional indemnity claims</td>
<td>3,230</td>
<td>2,154</td>
<td>3,230</td>
<td>2,154</td>
<td>3,230</td>
<td>2,114</td>
</tr>
<tr>
<td>Provision for restructuring</td>
<td>409</td>
<td>822</td>
<td>–</td>
<td>–</td>
<td>409</td>
<td>822</td>
</tr>
<tr>
<td>Other provisions</td>
<td>971</td>
<td>909</td>
<td>–</td>
<td>–</td>
<td>1,150</td>
<td>298</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,046</td>
<td>3,835</td>
<td>3,230</td>
<td>2,154</td>
<td>5,225</td>
<td>3,835</td>
</tr>
</tbody>
</table>

### Movements – provisions for liabilities and charges

<table>
<thead>
<tr>
<th></th>
<th>Balance b/f</th>
<th>Charged to</th>
<th>Balance c/f</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31.3.07</strong></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Onerous leases</td>
<td>207</td>
<td>–</td>
<td>(46)</td>
</tr>
<tr>
<td>Provision for dilapidations</td>
<td>354</td>
<td>–</td>
<td>(44)</td>
</tr>
<tr>
<td>Professional indemnity claims</td>
<td>2,154</td>
<td>2,163</td>
<td>(127)</td>
</tr>
<tr>
<td>Provision for restructuring</td>
<td>822</td>
<td>408</td>
<td>(247)</td>
</tr>
<tr>
<td>Other provisions</td>
<td>298</td>
<td>909</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,835</td>
<td>3,480</td>
<td>(802)</td>
</tr>
</tbody>
</table>

### Notes to the Accounts (continued)

Provisions likely to fall due within one year: £5,160,000.
Provisions likely to fall due between one and five years: £65,000.

The onerous lease provisions relate to two properties leased by the RCN, which are surplus to requirements. One is currently empty. The leases expire in July 2009 and April 2011. Other provisions include estimated costs of commercial disputes.
### 11.2 Amounts falling due after more than 1 year

<table>
<thead>
<tr>
<th>RCN</th>
<th>RCN</th>
<th>Representation</th>
<th>Representation</th>
<th>Group</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Deferred income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cavendish Square loan</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The £7.0 million loan outstanding at 31 March 2007, which was secured on 20 Cavendish Square, was repaid in full in December 2007.

### 12.3 Provisions for liabilities and charges

<table>
<thead>
<tr>
<th>RCN</th>
<th>RCN</th>
<th>Representation</th>
<th>Representation</th>
<th>Group</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Onerous leases</td>
<td>161</td>
<td>207</td>
<td>–</td>
<td>–</td>
<td>161</td>
</tr>
<tr>
<td>Provision for dilapidations</td>
<td>275</td>
<td>354</td>
<td>–</td>
<td>–</td>
<td>275</td>
</tr>
<tr>
<td>Provision for professional indemnity claims</td>
<td>3,230</td>
<td>2,154</td>
<td>3,230</td>
<td>2,154</td>
<td>3,230</td>
</tr>
<tr>
<td>Provision for restructuring</td>
<td>409</td>
<td>822</td>
<td>–</td>
<td>–</td>
<td>409</td>
</tr>
<tr>
<td>Other provisions</td>
<td>971</td>
<td>298</td>
<td>–</td>
<td>–</td>
<td>1,150</td>
</tr>
</tbody>
</table>

5,046 3,835 3,230 2,154 5,225 3,835

Movements – provisions for liabilities and charges

<table>
<thead>
<tr>
<th>Balance b/f</th>
<th>Charged to</th>
<th>Balance c/f</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.3.07</td>
<td>SOFA</td>
<td>Released</td>
</tr>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Onerous leases</td>
<td>207</td>
<td>–</td>
</tr>
<tr>
<td>Provision for dilapidations</td>
<td>354</td>
<td>–</td>
</tr>
<tr>
<td>Professional indemnity claims</td>
<td>2,154</td>
<td>2,154</td>
</tr>
<tr>
<td>Provision for restructuring</td>
<td>822</td>
<td>822</td>
</tr>
<tr>
<td>Other provisions</td>
<td>978</td>
<td>978</td>
</tr>
</tbody>
</table>

3,835 3,480 (802) (1,288) 5,225

Provisions likely to fall due within one year: £5,360,000.

Provisions likely to fall due between one and five years: £65,000.

The onerous lease provisions relate to two properties leased by the RCN, which are surplus to requirements. One is currently empty. The leases expire in July 2009 and April 2011. Other provisions include estimated costs of commercial disputes.
Notes to the Accounts (continued)

13 Leasing commitments

13.1 Operating leases
The annual commitment as at 31 March 2008 under non-cancellable operating leases was:

<table>
<thead>
<tr>
<th>Leases expiring:</th>
<th>Land and Buildings</th>
<th>Other Assets</th>
<th>Land and Buildings</th>
<th>Other Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 £'000</td>
<td>2007 £'000</td>
<td>2008 £'000</td>
<td>2007 £'000</td>
</tr>
<tr>
<td>Within one year</td>
<td>40</td>
<td>105</td>
<td>68</td>
<td>43</td>
</tr>
<tr>
<td>Within two to five years</td>
<td>652</td>
<td>296</td>
<td>294</td>
<td>409</td>
</tr>
<tr>
<td>Over five years</td>
<td>659</td>
<td>977</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,351</strong></td>
<td><strong>362</strong></td>
<td><strong>1,376</strong></td>
<td><strong>452</strong></td>
</tr>
</tbody>
</table>

13.2 Amounts payable during the year ended 31 March 2008 under operating leases were:

<table>
<thead>
<tr>
<th></th>
<th>2008 £'000</th>
<th>2007 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold buildings</td>
<td>1,060</td>
<td>1,095</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>269</td>
<td>358</td>
</tr>
<tr>
<td>Cars</td>
<td>252</td>
<td>318</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,581</strong></td>
<td><strong>1,771</strong></td>
</tr>
</tbody>
</table>

14 Endowment funds

14.1 Permanent

<table>
<thead>
<tr>
<th>Investments Net gains/(losses)</th>
<th>31.3.07 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Colyer Fund</td>
<td>284</td>
<td>–</td>
<td>–</td>
<td>(15)</td>
</tr>
<tr>
<td>Other educational funds</td>
<td>113</td>
<td>–</td>
<td>–</td>
<td>(7)</td>
</tr>
<tr>
<td>Total permanent endowment funds</td>
<td><strong>397</strong></td>
<td>–</td>
<td>–</td>
<td><strong>37</strong></td>
</tr>
<tr>
<td>John Howard Nurses Homes</td>
<td>117</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Research fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daphne Heald Research &amp; Development fund</td>
<td>322</td>
<td>–</td>
<td>–</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Total permanent endowment funds</strong></td>
<td><strong>836</strong></td>
<td>–</td>
<td>–</td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

14.2 Expendable

<table>
<thead>
<tr>
<th>Investments Net gains/(losses)</th>
<th>31.3.07 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2)</td>
</tr>
<tr>
<td>Benevolent funds</td>
<td>237</td>
<td>–</td>
<td>–</td>
<td>42</td>
</tr>
<tr>
<td>Other funds</td>
<td>6</td>
<td>–</td>
<td>–</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total expendable endowment funds</strong></td>
<td><strong>274</strong></td>
<td>–</td>
<td>–</td>
<td><strong>39</strong></td>
</tr>
<tr>
<td><strong>Total endowment funds</strong></td>
<td><strong>1,110</strong></td>
<td>–</td>
<td>–</td>
<td><strong>1,109</strong></td>
</tr>
</tbody>
</table>

All endowment funds, with the exception of John Howard Homes (£117,000) are held by the RCN Charitable Trust.

15 Restricted income funds

<table>
<thead>
<tr>
<th></th>
<th>Balance at 31.3.07 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>Investments Net gains/(losses) £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trevor Clay Scholarship Fund</td>
<td>350</td>
<td>28</td>
<td>(12)</td>
<td>–</td>
<td>(17)</td>
</tr>
<tr>
<td>RCN Institute</td>
<td>1,496</td>
<td>1,234</td>
<td>(2,251)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other educational funds</td>
<td>878</td>
<td>30</td>
<td>(8)</td>
<td>(124)</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Total educational funds</strong></td>
<td><strong>2,724</strong></td>
<td><strong>1,292</strong></td>
<td><strong>(2,271)</strong></td>
<td><strong>(124)</strong></td>
<td><strong>(32)</strong></td>
</tr>
<tr>
<td><strong>Benevolent funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCN Benevolent fund</td>
<td>581</td>
<td>105</td>
<td>(101)</td>
<td>–</td>
<td>(3)</td>
</tr>
<tr>
<td>Sick Nurses fund</td>
<td>196</td>
<td>6</td>
<td>(1)</td>
<td>–</td>
<td>(10)</td>
</tr>
<tr>
<td>Mayday and other funds</td>
<td>1</td>
<td>247</td>
<td>(100)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total benevolent funds</strong></td>
<td><strong>778</strong></td>
<td><strong>358</strong></td>
<td><strong>(202)</strong></td>
<td><strong>(13)</strong></td>
<td><strong>921</strong></td>
</tr>
<tr>
<td>Research funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>169</td>
<td>13</td>
<td>–</td>
<td>–</td>
<td>(9)</td>
<td></td>
</tr>
<tr>
<td>Housing fund</td>
<td>1,081</td>
<td>16</td>
<td>–</td>
<td>(55)</td>
<td>1,042</td>
</tr>
<tr>
<td>Forum and other funds</td>
<td>3,382</td>
<td>938</td>
<td>(919)</td>
<td>124</td>
<td>(80)</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td><strong>8,134</strong></td>
<td><strong>2,617</strong></td>
<td><strong>(3,392)</strong></td>
<td><strong>(189)</strong></td>
<td><strong>7,170</strong></td>
</tr>
</tbody>
</table>

The RCN Institute educational funds and the forum and other funds, totalling £3,924,000 (2007: £4,878,000), are held by the RCN. The other restricted funds are held by the RCN Charitable Trust.

16 Movement on unrestricted funds

<table>
<thead>
<tr>
<th>General Funds</th>
<th>Revaluation Reserve</th>
<th>Designated Funds</th>
<th>Pension Deficit</th>
<th>Total Unrestricted Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Balance at 1 April</td>
<td>23,689</td>
<td>6,097</td>
<td>4,511</td>
<td>(20,844)</td>
</tr>
<tr>
<td>Net incoming/(outgoing) resources</td>
<td>4,484</td>
<td>–</td>
<td>–</td>
<td>4,037</td>
</tr>
<tr>
<td>Investment net gains</td>
<td>(238)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Pension Escrow account income</td>
<td>(234)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transfers</td>
<td>1,081</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2008</strong></td>
<td><strong>30,037</strong></td>
<td><strong>3,761</strong></td>
<td><strong>4,745</strong></td>
<td><strong>(16,873)</strong></td>
</tr>
</tbody>
</table>

Designated funds totalling £4,733,000 (2007: £4,500,000) and the Pension Deficit Fund are held by the RCN.
Notes to the Accounts (continued)

13 Leasing commitments

13.1 Operating leases

The annual commitment as at 31 March 2008 under non-cancellable operating leases was:

<table>
<thead>
<tr>
<th></th>
<th>Land and Buildings</th>
<th>Other Assets</th>
<th>Land and Buildings</th>
<th>Other Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 £'000</td>
<td>2007 £'000</td>
<td>2008 £'000</td>
<td>2007 £'000</td>
</tr>
<tr>
<td>Within one year</td>
<td>40</td>
<td>105</td>
<td>68</td>
<td>43</td>
</tr>
<tr>
<td>Within two to five years</td>
<td>652</td>
<td>296</td>
<td>279</td>
<td>409</td>
</tr>
<tr>
<td>Over five years</td>
<td>659</td>
<td>977</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,351</strong></td>
<td><strong>1,376</strong></td>
<td><strong>362</strong></td>
<td><strong>452</strong></td>
</tr>
</tbody>
</table>

13.2 Amounts payable during the year ended 31 March 2008 under operating leases were:

<table>
<thead>
<tr>
<th></th>
<th>2008 £'000</th>
<th>2007 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold buildings</td>
<td>1,060</td>
<td>1,095</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>269</td>
<td>358</td>
</tr>
<tr>
<td>Cars</td>
<td>252</td>
<td>318</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,581</strong></td>
<td><strong>1,771</strong></td>
</tr>
</tbody>
</table>

14 Endowment funds

14.1 Permanent

Educational funds
- John Colyer Fund: 284 – – – (15) 269
- Other educational funds: 113 – – – (7) 106
- John Howard Nurses Homes Research fund: 397 – – – (22) 375
- Total permanent endowment funds: 836 – – – (40) 796

14.2 Expendable

Educational funds: 31 – – – (2) 29
Benevolent funds: 237 – – – 42 279
Other funds: 6 – – – (1) 5
- Total expendable endowment funds: 274 – – – 39 313
- Total endowment funds: 1,110 – – – (1) 1,009

All endowment funds, with the exception of John Howard Homes (£117,000) are held by the RCN Charitable Trust.

15 Restricted income funds

<table>
<thead>
<tr>
<th></th>
<th>Balance at 31.3.07 £'000</th>
<th>Incoming Resources £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>Net gains/ (losses) £'000</th>
<th>Balance at 31.3.08 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trevors Clay Scholarship Fund</td>
<td>350</td>
<td>28</td>
<td>(12)</td>
<td>–</td>
<td>(17)</td>
<td>349</td>
</tr>
<tr>
<td>RCN Institute</td>
<td>1,496</td>
<td>1,234</td>
<td>(2,251)</td>
<td>–</td>
<td>–</td>
<td>479</td>
</tr>
<tr>
<td>Other educational funds</td>
<td>878</td>
<td>30</td>
<td>(8)</td>
<td>(124)</td>
<td>(15)</td>
<td>761</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,724</strong></td>
<td><strong>1,292</strong></td>
<td><strong>(2,271)</strong></td>
<td><strong>(124)</strong></td>
<td><strong>(32)</strong></td>
<td><strong>1,589</strong></td>
</tr>
<tr>
<td>Benevolent funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCN Benevolent fund</td>
<td>581</td>
<td>105</td>
<td>(101)</td>
<td>–</td>
<td>(3)</td>
<td>582</td>
</tr>
<tr>
<td>Sick Nurses fund</td>
<td>196</td>
<td>6</td>
<td>(1)</td>
<td>–</td>
<td>(10)</td>
<td>191</td>
</tr>
<tr>
<td>Mayday and other funds</td>
<td>1</td>
<td>247</td>
<td>(100)</td>
<td>–</td>
<td>–</td>
<td>148</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>778</strong></td>
<td><strong>358</strong></td>
<td><strong>(202)</strong></td>
<td><strong>(13)</strong></td>
<td><strong>(1)</strong></td>
<td><strong>921</strong></td>
</tr>
<tr>
<td>Research funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>169</td>
<td>13</td>
<td>–</td>
<td>–</td>
<td>(9)</td>
<td>173</td>
</tr>
<tr>
<td>Housing fund</td>
<td>1,081</td>
<td>16</td>
<td>–</td>
<td>–</td>
<td>(55)</td>
<td>1,042</td>
</tr>
<tr>
<td>Forum and other funds</td>
<td>3,382</td>
<td>938</td>
<td>(919)</td>
<td>124</td>
<td>(80)</td>
<td>3,445</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td><strong>8,134</strong></td>
<td><strong>2,617</strong></td>
<td><strong>(3,392)</strong></td>
<td><strong>(124)</strong></td>
<td><strong>(189)</strong></td>
<td><strong>7,170</strong></td>
</tr>
</tbody>
</table>

16 Movement on unrestricted funds

<table>
<thead>
<tr>
<th></th>
<th>General Funds £'000</th>
<th>Revaluation Reserve £'000</th>
<th>Designated Funds £'000</th>
<th>Pension Deficit £'000</th>
<th>Total Unrestricted Funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 April</td>
<td>23,689</td>
<td>6,097</td>
<td>4,511</td>
<td>(20,844)</td>
<td>13,453</td>
</tr>
<tr>
<td>Net incoming/(outgoing) resources</td>
<td>4,484</td>
<td>–</td>
<td>–</td>
<td>4,037</td>
<td>8,521</td>
</tr>
<tr>
<td>Investment net gains</td>
<td>(238)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(238)</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(66)</td>
</tr>
<tr>
<td>Pension Escrow account income</td>
<td>(234)</td>
<td>–</td>
<td>234</td>
<td>–</td>
<td>(16,873)</td>
</tr>
<tr>
<td>Transfers</td>
<td>2,336</td>
<td>(2,336)</td>
<td>–</td>
<td>–</td>
<td>21,670</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2008</strong></td>
<td><strong>30,037</strong></td>
<td><strong>3,761</strong></td>
<td><strong>4,745</strong></td>
<td><strong>16,873</strong></td>
<td><strong>21,670</strong></td>
</tr>
</tbody>
</table>

Designated funds totalling £4,733,000 (2007: £4,500,000) and the Pension Deficit Fund are held by the RCN.
### Notes to the Accounts (continued)

#### 17 Analysis of net assets between funds

<table>
<thead>
<tr>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Endowment Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

**Fund Balances at 31 March 2008 are represented by:**

- **Tangible fixed assets**: £24,763
- **Investments**: £10,921
- **Current assets**: £25,029
- **Current liabilities and provisions**: £18,364
  - assets due after 1 year: £3,806

**Net assets (excluding pension scheme liability)**: £38,543

**Defined benefit pension scheme liability**: £16,873

**Total net assets (including pension scheme liability)**: £21,670

#### 18 The funds set out in notes 14 to 16 are held for the following purposes:

- **Educational funds**: To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

- **Benevolent funds**: To assist nurses who, by reason of adversity, ill health or otherwise, are in need of assistance.

- **Research funds**: To fund a research and development unit within the RCN and to provide funds to undertake research projects.

- **Housing fund**: To fund future housing projects.

- **Forum and other funds**: Forum funds to be used at the discretion of individual forums provided they meet the objectives of the RCN.

- **Designated funds**: To underpin the RCN pension scheme deficit funding plan agreed with the scheme trustees (£4,734,000).

#### 19 Pensions

- **Defined benefit pension scheme**: The Group operates a defined benefit pension scheme with the assets of the scheme being held in separate trustee administered funds.
  - The pension cost is assessed in accordance with FRS17: Retirement benefits, based on the advice of independent qualified actuaries using the projected unit method.
  - The pension scheme was subject to an actuarial valuation at 31 March 2003 by a qualified independent actuary. The valuation using the minimum funding requirement basis indicated that there was a deficit of £31,254,000. The assumptions used in the valuation were that the projected rate of return on investments would exceed future salary increases by 1.94% per annum and future pension increases by 2.47% per annum.
  - The market value of the fund as at 31 March 2008, net of additional voluntary contributions was £108.6 million. There was no holding greater than 5% of the value of the fund at 31 March 2008.
  - Total FRS17 pension costs charged to the SOFA in the year amounted to £6,918,000 (2007: £9,265,000)
  - As at 31 March 2008 £460,000 was due to the Pension Scheme (2007: £473,000).

- **Funds set out in notes 14 to 16 are held for the following purposes:**
  - **Educational funds**: To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.
  - **Benevolent funds**: To assist nurses who, by reason of adversity, ill health or otherwise, are in need of assistance.
  - **Research funds**: To fund a research and development unit within the RCN and to provide funds to undertake research projects.
  - **Housing fund**: To fund future housing projects.
  - **Forum and other funds**: Forum funds to be used at the discretion of individual forums provided they meet the objectives of the RCN.
  - **Designated funds**: To underpin the RCN pension scheme deficit funding plan agreed with the scheme trustees (£4,734,000).

#### Employer

16.4% of pensionable salaries plus additional annual lump sum contributions. The lump sum contributions set out in the schedule of contributions are £2.1m in 2007, with subsequent payments increasing by RPI + 2% thereafter.

#### Contributory employees

8.9% or 5.7% of pensionable salaries (depending on benefit scale) as set out in the schedule of contributions (previously 6.0% of pensionable salaries).

The final salary defined benefit pension scheme was reviewed in 2006/07 and formal consultation with scheme members and trustees was carried out. With effect from 1 June 2007, benefits will no longer be accrued under the final salary defined benefit pension scheme. In future, RCN will provide benefits on a career average revalued earnings (CARE) basis via a new occupational pension scheme. A result, a curtailment gain of £20,854,000 arose in 2006/07. Existing active members who have previously transferred-in benefits have had service credits increased to offset the effect of losing the final salary link on this element of their benefits. This increase resulted in an additional cost in 2006/07 shown on the Statement of Financial Activities as past service costs.

#### FRS 17 Retirement Benefits

Under the provision of FRS 17 the current deficit in the defined benefit scheme of £16,873,000 has been included as a provision for the funding of the scheme as at 31 March 2008.

The principal actuarial assumptions were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.0%</td>
<td>5.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Inflation assumptions</td>
<td>3.5%</td>
<td>3.1%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Rate of increase in salaries</td>
<td>0.0%</td>
<td>5.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Rate of increase in pension deferment and payment</td>
<td>3.5%</td>
<td>3.1%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

#### Agreement with the scheme

The valuation for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 March 2003 and updated to 31 March 2008 by a qualified independent actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2008.

#### An analysis of the scheme and the expected long term return rates at 31 March 2008 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 Expected rate of return</th>
<th>2007 Expected rate of return</th>
<th>2006 Expected rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>64,598 7.0%</td>
<td>76,359 7.0%</td>
<td>68,567 7.0%</td>
</tr>
<tr>
<td>Bonds</td>
<td>28,160 4.1%</td>
<td>10,788 4.1%</td>
<td>11,269 3.9%</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>– 4.6%</td>
<td>3,210 4.6%</td>
<td>3,217 4.3%</td>
</tr>
<tr>
<td>Property</td>
<td>7,230 7.0%</td>
<td>6,205 7.0%</td>
<td>5,719 7.0%</td>
</tr>
<tr>
<td>Other</td>
<td>5,373 4.7%</td>
<td>6,703 4.7%</td>
<td>2,073 3.9%</td>
</tr>
<tr>
<td>Insured pensioners</td>
<td>3,242 4.6%</td>
<td>– 4.6%</td>
<td>3,210 4.3%</td>
</tr>
<tr>
<td>Total market value of assets</td>
<td>108,603</td>
<td>106,630</td>
<td>96,055</td>
</tr>
<tr>
<td>Actuarial value of liability</td>
<td>(125,476)</td>
<td>(127,474)</td>
<td>(136,184)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(16,873)</td>
<td>(7,170)</td>
<td>(46,822)</td>
</tr>
</tbody>
</table>

#### Analysis of net assets between funds

<table>
<thead>
<tr>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Endowment Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

**Fund Balances at 31 March 2008 are represented by:**

- **Tangible fixed assets**: £24,763
- **Investments**: £10,921
- **Current assets**: £25,029
- **Current liabilities and provisions**: £18,364
  - assets due after 1 year: £3,806

**Net assets (excluding pension scheme liability)**: £38,543

**Defined benefit pension scheme liability**: £16,873

**Total net assets (including pension scheme liability)**: £21,670

#### FRS 17 Retirement Benefits

Under the provision of FRS 17 the current deficit in the defined benefit scheme of £16,873,000 has been included as a separate liability on the balance sheet. The actuarial revaluation as at 31 March 2006 was deferred pending the transfer of pension arrangements to The Pensions Trust. The latest actuarial valuation was at 30 September 2007 (results available in summer 2008).

#### An analysis of the scheme and the expected long term return rates at 31 March 2008 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 Expected rate of return</th>
<th>2007 Expected rate of return</th>
<th>2006 Expected rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>64,598 7.0%</td>
<td>76,359 7.0%</td>
<td>68,567 7.0%</td>
</tr>
<tr>
<td>Bonds</td>
<td>28,160 4.1%</td>
<td>10,788 4.1%</td>
<td>11,269 3.9%</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>– 4.6%</td>
<td>3,210 4.6%</td>
<td>3,217 4.3%</td>
</tr>
<tr>
<td>Property</td>
<td>7,230 7.0%</td>
<td>6,205 7.0%</td>
<td>5,719 7.0%</td>
</tr>
<tr>
<td>Other</td>
<td>5,373 4.7%</td>
<td>6,703 4.7%</td>
<td>2,073 3.9%</td>
</tr>
<tr>
<td>Insured pensioners</td>
<td>3,242 4.6%</td>
<td>– 4.6%</td>
<td>3,210 4.3%</td>
</tr>
<tr>
<td>Total market value of assets</td>
<td>108,603</td>
<td>106,630</td>
<td>96,055</td>
</tr>
<tr>
<td>Actuarial value of liability</td>
<td>(125,476)</td>
<td>(127,474)</td>
<td>(136,184)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(16,873)</td>
<td>(7,170)</td>
<td>(46,822)</td>
</tr>
</tbody>
</table>
Notes to the Accounts (continued)

17 Analysis of net assets between funds

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Endowment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds £’000</td>
<td>Funds £’000</td>
<td>Funds £’000</td>
<td>Funds £’000</td>
</tr>
<tr>
<td>Fund Balances at 31 March 2008 are represented by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>24,763</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments</td>
<td>10,921</td>
<td>3,588</td>
<td>992</td>
</tr>
<tr>
<td>Current assets</td>
<td>25,029</td>
<td>3,582</td>
<td>117</td>
</tr>
<tr>
<td>Current liabilities and provisions</td>
<td>(18,364)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Credits – amounts due after 1 year</td>
<td>(3,806)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net assets (excluding pension scheme liability)</td>
<td>38,543</td>
<td>7,170</td>
<td>1,109</td>
</tr>
<tr>
<td>Defined benefit pension scheme liability</td>
<td>(16,873)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total net assets (including pension scheme liability)</td>
<td>21,670</td>
<td>7,170</td>
<td>1,109</td>
</tr>
</tbody>
</table>

18 The funds set out in notes 14 to 16 are held for the following purposes:

**Educational funds**
To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

**Benevolent funds**
To assist nurses who, by reason of adversity, ill health or otherwise, are in need of assistance.

**Research funds**
To fund a research and development unit within the RCN and to provide funds to undertake research projects.

**Housing fund**
To fund future housing projects.

**Forum and other funds**
Forum funds to be used at the discretion of individual forums provided they meet the objectives of the RCN.

**Designated funds**
To underpin the RCN pension scheme deficit funding plan agreed with the scheme trustees (£4,734,000).

19 Pensions

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

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

The pension scheme was subject to an actuarial valuation at 31 March 2003 by a qualified independent actuary. The valuation using the minimum funding requirement basis indicated that there was a deficit of £31,254,000. The assumptions used in the valuation were that the projected rate of return on investments would exceed future salary increases by 1.94% per annum and future pension increases by 2.47% per annum.

The market value of the fund as at 31 March 2008, net of additional voluntary contributions was £108.6 million. There was no holding greater than 5% of the value of the fund at 31 March 2008.

Total FRS17 pension costs charged to the SOFA in the year amounted to £4,198,000 (2007: £9,265,000)

2008

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Equities</td>
<td>64,598</td>
<td>76,359</td>
</tr>
<tr>
<td>Bonds</td>
<td>28,160</td>
<td>3,210</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>–</td>
<td>3,210</td>
</tr>
<tr>
<td>Property</td>
<td>7,230</td>
<td>6,205</td>
</tr>
<tr>
<td>Other</td>
<td>1,217</td>
<td>3,362</td>
</tr>
<tr>
<td>Insured pensioners</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total market value of assets</td>
<td>108,603</td>
<td>106,630</td>
</tr>
<tr>
<td>Actuarial value of liability</td>
<td>(125,476)</td>
<td>(127,474)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(16,873)</td>
<td>(20,844)</td>
</tr>
</tbody>
</table>

Employer

16.4% of pensionable salaries plus additional annual lump sum contributions. The lump sum contributions set out in the schedule of contributions are £2.1m in 2007, with subsequent payments increasing by RPI + 2% thereafter.

**Contributory employees**
8.9% or 5.7% of pensionable salaries (depending on benefit scale) as set out in the schedule of contributions (previously 6.0% of pensionable salaries).

The final salary defined benefit pension scheme was reviewed in 2006/07 and formal consultation with scheme members and trustees was carried out. With effect from 1 June 2007, benefits will no longer be accrued under the final salary defined benefit pension scheme. In future, RCN will provide benefits on a career average revalued earnings (CARE) basis via a new occupational pension scheme. As a result, a curtailment gain of £20,854,000 arose in 2006/07. Existing active members who have previously transferred-in benefits have had service credits increased to offset the effect of losing the final salary link on this element of their benefits. This increase resulted in an additional cost in 2006/07 shown on the Statement of Financial Activities as past service costs.

**FRS 17 Retirement Benefits**
Under the provision of FRS 17 the current deficit in the defined benefit scheme of £16,873,000 has been included as a separate liability on the balance sheet. The actuarial revaluation as at 31 March 2006 was deferred pending the transfer of pension arrangements to The Pensions Trust. The latest actuarial valuation was at 30 September 2007 (results available in summer 2008).

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 March 2003 and updated to 31 March 2008 by a qualified independent actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2008. The principal actuarial assumptions were as follows:

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.0%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Inflation assumptions</td>
<td>3.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Rate of increase in salaries</td>
<td>0.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Rate of increase in pension deferment and payment</td>
<td>3.5%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

18 The funds set out in notes 14 to 16 are held for the following purposes:

**Educational funds**
To provide higher educational facilities, scholarships and annual awards for nurses who are studying or intending to study.

**Benevolent funds**
To assist nurses who, by reason of adversity, ill health or otherwise, are in need of assistance.

**Research funds**
To fund a research and development unit within the RCN and to provide funds to undertake research projects.

**Housing fund**
To fund future housing projects.

**Forum and other funds**
Forum funds to be used at the discretion of individual forums provided they meet the objectives of the RCN.

**Designated funds**
To underpin the RCN pension scheme deficit funding plan agreed with the scheme trustees (£4,734,000).
The history of experience gains and losses are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Difference between the actual and expected return on assets:</th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>amount (£’000)</td>
<td>(11,716)</td>
<td>984</td>
<td>12,585</td>
<td>2,304</td>
<td>6,826</td>
</tr>
<tr>
<td></td>
<td>as % of scheme assets</td>
<td>(11%)</td>
<td>1%</td>
<td>13%</td>
<td>3%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Experience gains (losses) on scheme liabilities:

<table>
<thead>
<tr>
<th>Year</th>
<th>amount (£’000)</th>
<th>as % of scheme liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>–</td>
<td>0%</td>
</tr>
<tr>
<td>2006</td>
<td>–</td>
<td>0%</td>
</tr>
<tr>
<td>2005</td>
<td>–</td>
<td>0%</td>
</tr>
<tr>
<td>2004</td>
<td>(732)</td>
<td>(1)%</td>
</tr>
</tbody>
</table>

Total amount of gains/(losses) recognised in statement of financial activities:

<table>
<thead>
<tr>
<th>Year</th>
<th>amount (£’000)</th>
<th>as % of scheme liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>(66)</td>
<td>0%</td>
</tr>
<tr>
<td>2006</td>
<td>3,830</td>
<td>3%</td>
</tr>
<tr>
<td>2005</td>
<td>(12,800)</td>
<td>(9%)</td>
</tr>
<tr>
<td>2004</td>
<td>(724)</td>
<td>(1%)</td>
</tr>
</tbody>
</table>

Notes to the Accounts (continued)

Analysis of the amount charged to Net Incoming Resources:

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Current service costs</td>
<td>(4,876)</td>
<td>(6,898)</td>
</tr>
<tr>
<td>Past service costs</td>
<td>–</td>
<td>(1,700)</td>
</tr>
<tr>
<td>Other finance income / (costs)</td>
<td>678</td>
<td>(667)</td>
</tr>
<tr>
<td>Amount charged to net incoming resources before curtailment gain</td>
<td>(4,198)</td>
<td>(9,265)</td>
</tr>
<tr>
<td>Curtailment gain</td>
<td>–</td>
<td>20,834</td>
</tr>
<tr>
<td>Current year contribution</td>
<td>8,235</td>
<td>5,886</td>
</tr>
<tr>
<td><strong>Net amount charged to Net Incoming Resources</strong></td>
<td><strong>4,037</strong></td>
<td><strong>17,455</strong></td>
</tr>
</tbody>
</table>

Analysis of net return of pension scheme:

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Expected return on pension scheme assets</td>
<td>7,131</td>
<td>6,164</td>
</tr>
<tr>
<td>Interest on pension liabilities</td>
<td>(6,453)</td>
<td>(6,831)</td>
</tr>
<tr>
<td><strong>Net surplus/(deficit)</strong></td>
<td><strong>678</strong></td>
<td><strong>(667)</strong></td>
</tr>
</tbody>
</table>

Analysis of amount recognised in statement of financial activities:

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Actual return less expected return on assets</td>
<td>(11,716)</td>
<td>994</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>11,650</td>
<td>2,846</td>
</tr>
<tr>
<td><strong>Actuarial gain/(losses) recognised in SOFA</strong></td>
<td><strong>(66)</strong></td>
<td><strong>3,830</strong></td>
</tr>
</tbody>
</table>

20 RCN Institute

The RCN Institute (England) is not a separate legal entity, but a part of the Royal College of Nursing of the United Kingdom. The Institute’s mission is to advance the practice of nursing and to provide personal and professional development opportunities for its customers. The income and expenditure of the RCN Institute for the year ended 31 March is set out below.

Income

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Higher Education</td>
<td>818</td>
<td>1,141</td>
</tr>
<tr>
<td>Funding Council Grant</td>
<td>156</td>
<td>525</td>
</tr>
<tr>
<td>Academic Fees and Support Costs</td>
<td>406</td>
<td>370</td>
</tr>
<tr>
<td>Research Contracts</td>
<td>956</td>
<td>1,141</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>–</td>
<td>29</td>
</tr>
<tr>
<td>Restricted Funds Investment Income</td>
<td>2,336</td>
<td>3,206</td>
</tr>
</tbody>
</table>

Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Staff Costs</td>
<td>4,191</td>
<td>5,100</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>2,841</td>
<td>2,447</td>
</tr>
<tr>
<td>Provision for Restructuring</td>
<td>–</td>
<td>822</td>
</tr>
<tr>
<td><strong>Net Expenditure</strong></td>
<td><strong>7,032</strong></td>
<td><strong>8,369</strong></td>
</tr>
</tbody>
</table>

The activities of the RCN Institute are part of the RCN’s commitment to the development of the science and art of nursing. The number of staff employed within the RCN Institute is shown in note 7 and, of those, the number of staff whose emoluments exceeded £60,000 in the year to 31 March 2008 was 4 (2007: 4).

During 2007 the RCN entered into strategic alliances with Warwick University (Research) and the Open University (Higher Education courses). As a result of these alliances the Research (July 2007) and Higher Education (October 2007) activities of the RCN Institute transferred to Warwick University and the Open University respectively. The Institute’s new purpose is to provide learning and development opportunities to members and the wider public.
The history of experience gains and losses are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between the actual and expected return on assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– amount (£’000)</td>
<td>(11,716)</td>
<td>984</td>
<td>12,585</td>
<td>2,304</td>
<td>6,826</td>
</tr>
<tr>
<td>– as % of scheme assets</td>
<td>(11%)</td>
<td>1%</td>
<td>13%</td>
<td>3%</td>
<td>12%</td>
</tr>
<tr>
<td>Experience gains (losses) on scheme liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– amount (£’000)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(732)</td>
</tr>
<tr>
<td>– as % of scheme liabilities</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>(1)%</td>
</tr>
<tr>
<td>Total amount of gains/(losses) recognised in statement of financial activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– amount (£’000)</td>
<td>(66)</td>
<td>3,830</td>
<td>(12,800)</td>
<td>(724)</td>
<td>2,738</td>
</tr>
<tr>
<td>– as % of scheme liabilities</td>
<td>0%</td>
<td>3%</td>
<td>(9%)</td>
<td>(1%)</td>
<td>3%</td>
</tr>
</tbody>
</table>

20 RCN Institute

The RCN Institute (England) is not a separate legal entity, but a part of the Royal College of Nursing of the United Kingdom. The Institute's mission is to advance the practice of nursing and to provide personal and professional development opportunities for its customers. The income and expenditure of the RCN Institute for the year ended 31 March is set out below.
Notes to the Accounts (continued)

21 Management of liquid resources

<table>
<thead>
<tr>
<th>2007</th>
<th>Cash flow</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
</tbody>
</table>

Cash invested in UK money market and deposit accounts

Cash at bank and in hand

Overdraft

Short-term deposits

Cavendish Square loan

16,201 5,295 21,496

22 Analysis of changes in net funds

<table>
<thead>
<tr>
<th>2007</th>
<th>Cash flow</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
</tbody>
</table>

Cash at bank and in hand

Overdraft

Short-term deposits

Cavendish Square loan

11,240 11,336 22,576

23 Revaluation reserve

Balance 31 March 2007

<table>
<thead>
<tr>
<th></th>
<th>Transfers to</th>
<th>Investment</th>
<th>Balance 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Reserves</td>
<td>Unrealised Loss</td>
<td>£’000</td>
</tr>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
</tbody>
</table>

Land and buildings

Investments

2,739 (63) - 2,676

3,358 (1,832) (441) 1,085

2,676 1,085 3,761

24 Capital commitment

The value of contracts committed to but not provided for was nil (2007: nil).

25 Contingent liabilities

Contingent liabilities estimated at £375,000 under the member’s professional indemnity insurance scheme have not been provided for as the crystallisation of the liabilities is considered unlikely.

Liverpool Victoria made an advance of commission to RCN Membership Services Ltd of £5m as part of a 10-year contract, running from January 2005 to December 2014. The advance is recoupable from commission income, above certain limits, otherwise payable by Liverpool Victoria to RCNMS under the contract. To the extent that the advance is not fully recouped during the term of the contract, it will be repaid on termination of the contract. Repayment of the advance by means of this recoupment has been restricted due to difficult trading conditions, giving rise to a contingent liability on the part of RCNMS as at 31 March 2008 of approximately £550,000.

26 Related party transactions

RCNMS Ltd and RCNL Ltd derived all of their income from contracts with Liverpool Victoria Friendly Society Limited (LVFS Ltd) via a subsidiary Membership Services Direct Limited (MSD Ltd). Richard Bernhard is a director of both RCNMS Ltd and RCNL Ltd. He has retired and is no longer a director of MSD Ltd. Details of the trading of RCNMS Ltd and RCNL Ltd are shown in Note 6.

27 Trade union and labour relations (consolidation) Act 1992

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>Cash flow</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Cash invested in UK money market and deposit accounts</td>
<td>16,201</td>
<td>5,295</td>
<td>21,496</td>
</tr>
</tbody>
</table>

22 Analysis of changes in net funds

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>Cash flow</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>2,437</td>
<td>(357)</td>
<td>1,880</td>
</tr>
<tr>
<td>Overdraft</td>
<td>(362)</td>
<td>(438)</td>
<td>(800)</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td>16,201</td>
<td>5,295</td>
<td>21,496</td>
</tr>
<tr>
<td>Cavendish Square loan</td>
<td>(7,036)</td>
<td>7,036</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>11,240</td>
<td>11,336</td>
<td>22,576</td>
</tr>
</tbody>
</table>

23 Revaluation reserve

<table>
<thead>
<tr>
<th></th>
<th>Balance 31 March 2007</th>
<th>Transfers to General Reserves</th>
<th>Investment Unrealised Loss</th>
<th>Balance 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>2,739</td>
<td>(63)</td>
<td>-</td>
<td>2,676</td>
</tr>
<tr>
<td>Investments</td>
<td>3,358</td>
<td>(1,832)</td>
<td>(441)</td>
<td>1,085</td>
</tr>
<tr>
<td></td>
<td>6,097</td>
<td>(1,895)</td>
<td>(441)</td>
<td>3,761</td>
</tr>
</tbody>
</table>

24 Capital commitment

The value of contracts committed to but not provided for was nil (2007: nil).

25 Contingent liabilities

Contingent liabilities estimated at £375,000 under the member's professional indemnity insurance scheme have not been provided for as the crystallisation of the liabilities is considered unlikely.

Liverpool Victoria made an advance of commission to RCN Membership Services Ltd of £5m as part of a 10-year contract, running from January 2005 to December 2014. The advance is recoupable from commission income, above certain limits, otherwise payable by Liverpool Victoria to RCNMS under the contract. To the extent that the advance is not fully recouped during the term of the contract, it will be repaid on termination of the contract. Repayment of the advance by means of this recoupment has been restricted due to difficult trading conditions, giving rise to a contingent liability on the part of RCNMS as at 31 March 2008 of approximately £550,000.

26 Related party transactions

RCNMS Ltd and RCNL Ltd derived all of their income from contracts with Liverpool Victoria Friendly Society Limited (LVFS Ltd) via a subsidiary Membership Services Direct Limited (MSD Ltd). Richard Bernhard is a director of both RCNMS Ltd and RCNL Ltd (resigned 30/06/2008). Messrs Rutherford and Wacey are directors of RCNMS Ltd and continue as directors of MSD Ltd. Details of the trading of RCNMS Ltd and RCNL Ltd are shown in Note 6.

27 Trade union and labour relations (consolidation) Act 1992

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

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

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