

RCN Group summary of accounts 2022



Welcome

2022 was a historic year for the College. Our membership numbers exceeded 500,000 for the first time, and our members in the NHS on Agenda for Change terms and conditions voted for strike action throughout the UK.

Whilst much of the coverage has focused on the *Fair Pay for Nursing* campaign and our strike action, we have continued to work extensively on other priorities crucial to the long-term sustainability of the College. During 2022, we received both the KPMG report on RCN governance and the independent review into the culture of the RCN undertaken by Bruce Carr KC. Recommendations from both reports have been accepted in full by Council. An implementation plan incorporating the recommendations from both reports has been developed, and the rollout of this plan is well underway and will be a key focus throughout 2023.

We continue to ensure the College remains in a robust and sustainable financial position. Our strong membership numbers are reflected by increased membership income. Our other income streams continued to grow in 2022 following the removal of COVID-19 restrictions. Continuing professional development, education and consultancy performed particularly well and are expected to grow further in 2023. Council also approved a new reserves policy aimed at ensuring the long-term financial stability of the College.

Costs have increased significantly during 2022, due in part to activity returning to normal following the pandemic, notably our in-person events, including of course our first physical Congress since 2019. We continued to invest significantly in our Big 5 initiatives, including underpinning the work on the Independent Health and Social Care Strategy and in developing an organising model. Other significant contributors to increased costs were the *Fair Pay for Nursing* campaign and the provision for strike benefit claim payments for the strikes held in December.

To ensure we were able to support our members through industrial action, Council agreed during 2022 to increase the industrial action strike fund to £50m. Council monitors this fund closely and receives monthly reports of spend against the fund. Council took the decision to transfer some of our assets from the long-term portfolio into a short-term investment fund to ensure cash is available when required.

Our investment portfolio did - like many others - see a significant drop in value during the year. This stabilised towards the end of 2022 and continues to be monitored closely. Overall, both our investments and cash reserves are strong and generate income, and the investments provide capital growth in the long term.

In 2022 we also focussed on stability and improvement. We launched phase 1 of our Education, Learning and Development (ELD) portal, RCN Learn, and Council agreed to reinstate the RCN Institute of Nursing. Council approved our 2023-27 strategy, a new dawn for nursing, which places the college as the voice of nursing, we are relevant and engaged with our members and staff, and that good governance and culture underpins all that we do.

Our separate *2022 Review of the Year* sets out in detail the wide range of work the College undertook with and on behalf of our members. It records the truly momentous year that 2022 has been, which could not have been achieved without the commitment and dedication of our members and staff



Pat Cullen
General Secretary & Chief Executive

Summary financial review

The RCN Group consists of RCN UK, a special registered trade union and professional Royal College, RCN Publishing Company (RCNi), the RCN Foundation (RCNF), a registered charity, RCN Holdco Limited and COVID-19 Healthcare Support Appeal (CHSA).

The RCN Group statement of comprehensive income and statement of financial position for the year ended 31 December 2022 are set out on pages 5 and 6.

These summary financial statements are an excerpt from the RCN Group Annual report, which is prepared in accordance with Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council and the Trade Union and Labour Relations (Consolidation) Act 1992. For detailed information, including the notes to the accounts, please see the RCN Group Annual Report which can be found at: rcn.org.uk/About-us/How-the-RCN-is-governed/RCN-general-meetings/RCN-Annual-General-Meeting-2023

The RCN Group summary statements report the consolidation of RCN UK and its subsidiaries RCNi, the RCN Foundation and RCN Holdco Limited.

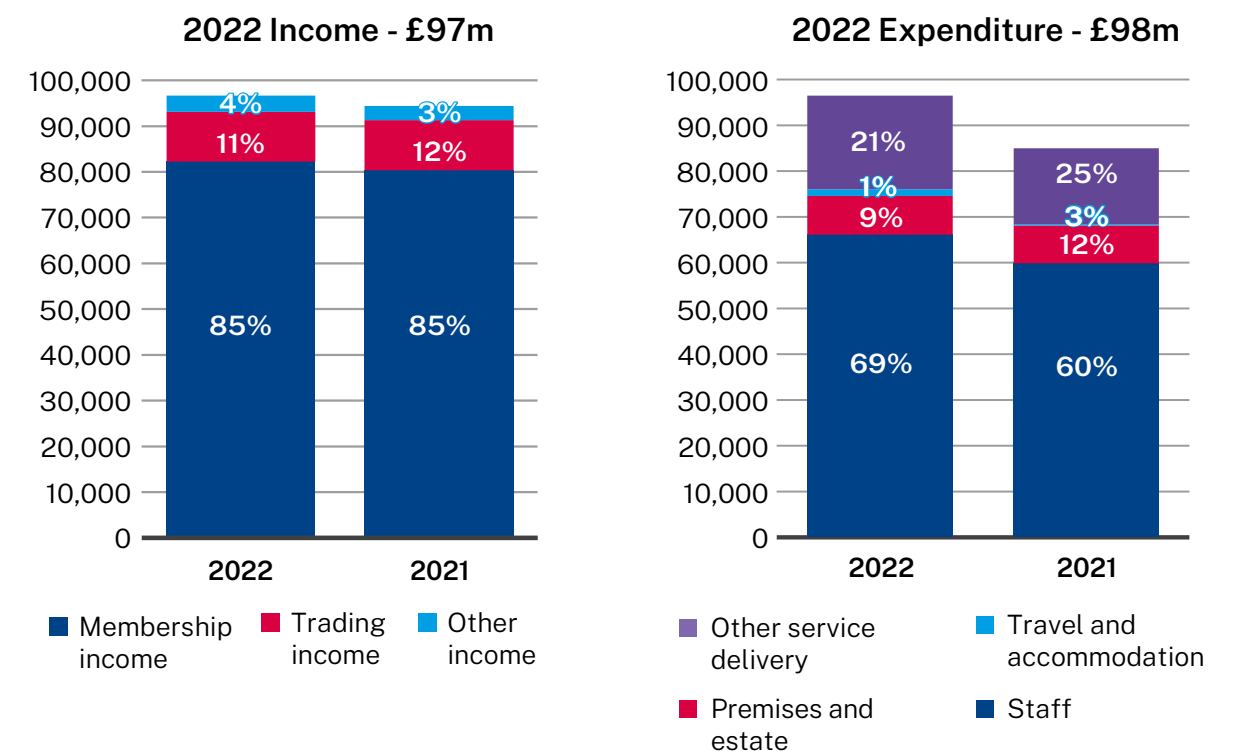
RCN Group results

The RCN Group results for the year ended 31 December 2022 report a deficit before taxation of £18.4m (31 December 2021: surplus before taxation £24.4m).

The RCN Group result has decreased by £42.8m compared to 2021. Income was £2.3m higher, and expenditure £11.7m higher. The modest operating deficit worsened by £30.4m unrealised losses on investments, though realised investment gains were £2.5m higher than the previous year.

The RCN Group operating deficit for the year ended 31 December 2022 was £1.0m.

The surplus before taxation for the RCN Group excluding the charitable activities of the RCN Foundation was £12.1m.



Income

The RCN Group income for the year ended 31 December 2022 was £96.7m (31 December 2021: £94.4m). The significant differences between income in 2022 and 2021 are shown below:

RCN Group income	2022 £'000	2021 £'000		Movement
Membership	82,258	80,326	↑	Overall increase of 2.4% in member subscription income compared to 2021, driven by the increased number of members.
RCNi trading income	10,863	10,967	↓	RCNi trading income (excluding income received from RCN UK) has decreased by 1% since 2021, reflecting reduced personal subscriptions income amid below inflation nursing pay and rising household costs.
Other income	3,550	3,081	↑	RCN UK saw improvements in sponsorship, conference and venue services income, and received donations to the Industrial Action Fund.
Total RCN Group	96,671	94,374	↑	Overall RCN Group income in 2022 was £2.4m higher than in 2021.

Expenditure

The RCN Group expenditure for the year ended 31 December 2022 was £97.7m (31 December 2021: £86m). The significant differences between expenditure in 2022 and 2021 are shown below:

RCN Group expenditure	2022 £'000	2021 £'000		Movement
Staff	66,926	60,581	↑	There was a 4.4% rise in overall full-time equivalent compared to 2021, and a cost increase due to the annual staff pay award and incremental progression.
Premises and estates	8,545	8,291	↑	Depreciation costs are lower due to lower capital expenditure in recent years. This offsets the impact of rising costs of maintenance and utilities.
Accommodation and travel	1,478	282	↑	Normal face-to-face activities have resumed across the Group, and there has been additional travel by staff supporting the RCN industrial action.
Other service delivery	19,886	16,876	↑	RCN UK costs of statutory ballot and industrial action are partially offset by the release of an historic provision for a legal case. RCN Foundation Group costs were lower in 2022 due to pandemic-related benevolent grants in 2021.
Strike benefits	867	-	↑	An estimated £0.9m of strike benefits will be claimed by members in 2023 for the two days of industrial action in December 2022.
Total RCN Group	97,702	86,030	↑	Overall RCN Group expenditure has increased by 13.6%.

Statement of comprehensive income for the year ended 31 December 2022

	RCN UK 31 December 2022 £'000	RCN UK 31 December 2021 Restated £'000	RCN Group 31 December 2022 £'000	RCN Group 31 December 2021 Restated £'000
Income				
Membership income	82,258	80,326	82,258	80,326
Trading income	-	-	10,863	10,967
Other income	4,963	3,953	3,550	3,081
Total income	87,221	84,279	96,671	94,374
Expenditure				
Staff costs	60,807	54,668	66,926	60,581
Premises and estate costs	8,538	8,510	8,545	8,291
Travel and accommodation	1,470	281	1,478	282
Other service delivery costs	17,071	11,182	20,753	16,876
Total expenditure	87,886	74,641	97,702	86,030
Operating (deficit)/surplus	(665)	9,638	(1,031)	8,344
Investment income	2,521	1,761	3,510	2,570
Net realised gains on investments	9,049	7,311	12,240	9,746
Net unrealised (losses)/gains on investments	(22,378)	2,085	(30,377)	3,177
Interest income on net defined benefit pension asset	885	456	885	456
Dividends received from subsidiary	1,096	414	-	-
Foreign exchange (losses)/gains on investments	(3,104)	119	(3,660)	125
(Deficit)/surplus before taxation	(12,596)	21,784	(18,433)	24,418
Taxation	-	-	(401)	(422)
(Deficit)/surplus after taxation	(12,596)	21,784	(18,834)	23,996
Actuarial (losses)/gains on defined benefit pension scheme	(16,419)	14,475	(16,419)	14,475
Actuarial gains/(losses) on defined benefit pension scheme - removal of scheme surplus	16,419	(14,475)	16,419	(14,475)
Defined benefit pension scheme adjustment	91	(629)	91	(776)
Revaluation reserve adjustment	(64)	(64)	(64)	(64)
Net unrealised gains on joint venture	-	-	511	522
Total comprehensive income for the period	(12,569)	21,091	(18,296)	23,678
Reserves brought forward	149,484	128,393	197,484	173,805
Reserves carried forward	136,915	149,484	179,188	197,483

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

Statement of financial position as at 31 December 2022

	RCN UK 31 December 2022 £'000	RCN UK 31 December 2021 Restated £'000	RCN Group 31 December 2022 £'000	RCN Group 31 December 2021 £'000
Fixed assets				
Property, plant and equipment	10,791	11,613	10,904	11,730
Intangible assets	-	-	-	-
Long term financial assets	90,908	115,351	123,210	156,486
Investment in joint venture	-	-	1,056	1,004
Total fixed assets	101,699	126,964	135,170	169,220
Current assets				
Inventory	11	13	11	13
Debtors and prepayments	3,993	2,817	4,696	4,423
Short term financial assets	8,032	-	11,552	500
Short-term deposits	37,336	32,291	43,239	37,052
Cash at bank and in hand	5,356	5,183	6,390	7,083
Total current assets	54,728	40,304	65,888	49,071
Creditors – amounts falling due within one year				
Creditors and accrued charges	(10,696)	(9,252)	(13,054)	(12,276)
Net current assets	44,032	31,052	52,834	36,795
Total assets less current liabilities	145,731	158,016	188,004	206,015
Provisions for liabilities and charges	(8,816)	(8,532)	(8,816)	(8,532)
Net assets	136,915	149,484	179,188	197,483
Represented by:				
Revaluation reserve	1,735	1,799	1,735	1,799
Accumulated funds	90,620	147,685	97,319	153,789
Industrial action fund	44,560	-	44,560	-
Total reserves excluding reserves for charitable purposes	136,915	149,484	143,614	155,588
Reserves for charitable purposes	-	-	35,574	41,895
Total reserves	136,915	149,484	179,188	197,483

The financial statements were approved by Council on 25 May 2023.

Paul Vaughan Carol Webley-Brown Pat Cullen

Paul Vaughan
Acting Chair of Council

Carol Webley-Brown
Honorary Treasurer

Pat Cullen
General Secretary & Chief Executive

Report by RCN Council on the summarised Financial Statements

These summarised financial statements are extracted from the full Annual Report and Financial Statements, which were approved by RCN Council and signed on their behalf. The full financial statements, on which the auditors Crowe U.K. LLP gave an unqualified audit report in May 2023, are available at: rcn.org.uk/About-us/How-the-RCN-is-governed/RCN-general-meetings/RCN-Annual-General-Meeting-2023

The auditors have confirmed to RCN Council that, in their opinion, the summarised financial statements are consistent with the full financial statements for the year ended 31 December 2022.

These summarised financial statements may not contain sufficient information to gain a complete understanding of the financial affairs of the RCN Group. The full Annual Report and Financial Statements may be obtained from: rcn.org.uk/About-us/How-the-RCN-is-governed/RCN-general-meetings/RCN-Annual-General-Meeting-2023

Signed on behalf of RCN Council by:

Paul Vaughan

Paul Vaughan
Acting Chair of Council
Date: 13 June 2023

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