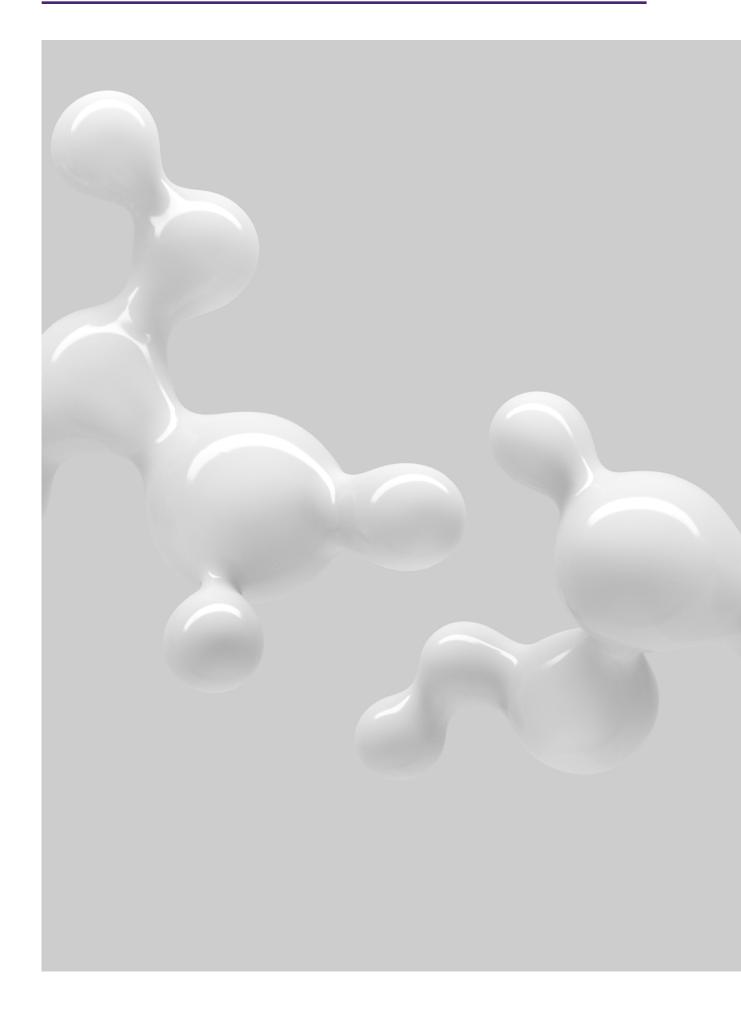
RCN Holdco Limited

Annual Report and Financial Statements 2020



The RCN Holdco Limited Annual Report and Financial Statements 1 January to 31 December 2020 Registered Company: 09691324

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Directors' report

When preparing the audited financial statements and the directors' report, the directors have taken advantage of the small companies' exemption and have not included a strategic report.

RCN Holdco Limited was formed in 17 July 2015 and entered into a Limited Liability Partnership (LLP) providing personal injury services to members of the Royal College of Nursing (RCN).

NewLaw Legal Limited and RCN Holdco Limited jointly control the entity RCN Law LLP and have equal voting and decision-making rights.

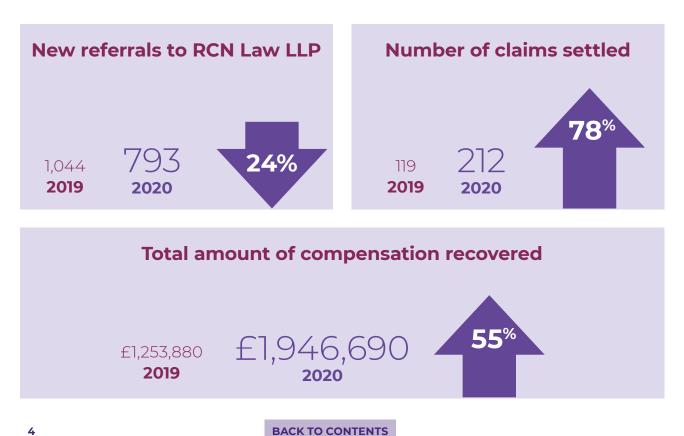
RCN Holdco Limited does not trade directly and its current purpose is the partnership with NewLaw Legal Limited in RCN Law LLP.

The RCN Holdco Limited directors who are also on the board of directors for RCN Law LLP continue to be confident that RCN Law LLP is showing growth in line with the forecast.

The RCN personnel on the RCN Law LLP Board are Joanne Galbraith-Marten, Head of Legal (Employment) and Andrew Cowan, Business Director.

In 2020, RCN Law LLP dealt with 793 new referrals compared to 1,044 in the previous year. The reduction in new matters was seen month-on-month following the start of the COVID-19 lockdown in March 2020. There were 212 claims settled, which was an increase on the 119 in the previous year, and the total amount of compensation recovered of £1,946,690 was an increase of almost £700,000 on the previous year (£1,253,880).

Both corporate members of RCN Law LLP have agreed that it will not make a dividend payment during the establishment phase of the joint venture. Until a dividend is received from RCN Law LLP, RCN Holdco Limited will not be in a position to make a dividend payment to the RCN (see note 1f).



RCN Law LLP has extended its services to include an offer of personal injury legal advice for friends and family (who are required to take out an After The Event Insurance Policy). This offer is in its infancy and has yet to produce any new instructions.

The range of private client law services on offer to RCN members, staff, family and friends has continued to result in more new instructions this year. This service is on a paid-for basis and in 2020 RCN Law LLP completed 1,198 wills for various clients. This was a significant increase on the 619 will matters in 2019.



The free 30-minute helpline to provide legal assistance generally and legal advice specifically for matters of family law, continues to be a resource that RCN members utilise. In 2020, 731 members sought assistance on a range of matters including neighbour disputes, speeding tickets, consumer law and landlord and tenant matters. The family law helpline, currently provided by Stephensons Solicitors received 453 calls from members requiring advice in relation to divorce, separation and issues concerning children. From 1 December 2020, the provision of the whole of the free 30-minute legal helpline moved to Stephensons Solicitors from RCN Law LLP.

RCN Law LLP experienced some operational challenges in 2019 in relation to increased numbers of complaints; following the implementation of an action plan (which was closely monitored by RCN's contract manager) this has been addressed in 2020 and the number of complaints received is within accepted norms.

Since the beginning of 2020, the COVID-19 pandemic has, and continues to impact, how we live and work. The impact on the work of RCN Law LLP has meant that, cases that we may have expected to conclude have not yet done so due to investigations being stymied and the courts not sitting with the same regularity. RCN Law did see a spike in instructions for wills in April and May (accounting for 38% of the whole year's wills instructions). The alternative business structure (ABS) has been more robust than some of its counterparts and has reacted well to changes in ways of working and continued to engage well with members. The RCN Group is committed to ensuring that we continue to represent and support nursing during this time, most practically and effectively.

Financial review

Under the partnership agreement, RCN Holdco Limited's share of RCN Law LLP profit/loss is 65%, with a further 35% share going to NewLaw Legal Limited.

During the year ended 31 December 2020, RCN Law LLP made a profit before tax of £437,888 (31 December 2019: £334,096). RCN Holdco Limited's share of the 2020 profit before tax is £284,627 (31 December 2019: £217,163).

The COVID-19 pandemic has created a crisis for the UK and the global economy. The RCN Group is not an exception in this instance.

However, the RCN Group operating within the health care sector has had a different experience than many other organisations during the COVID-19 pandemic. RCN Law LLP has increased its profits compared to the previous year.

The underlying business is focused on providing legal support to claim for personal injuries and probate services to RCN members.

The membership has substantially grown over the reporting period, and the RCN Law LLP business is anticipated to operate without facing any significant risk. Therefore, the directors consider that there are no material uncertainties about RCN Holdco Limited's ability to continue as a going concern.

Reference and administrative details

Directors

Andrew Cowan Joanne Galbraith-Marten

Shareholders (on behalf of RCN UK)

Dame Donna Kinnair Empty

RCN Group Secretary Jason Gregory

Registered office

20 Cavendish Square, London W1G 0RN Telephone 020 7409 3333 rcn.org.uk

Registered number 09691324

RCN Group bankers

National Westminster Bank PLC 250 Regent Street, London W1B 3BN

RCN Holdco Limited does not yet hold a bank account

Independent auditor

Deloitte LLP Statutory Auditor 1 New Street Square, London EC4A 3HQ

RCN Group Lawyers

Bates Wells LLP 10 Queen Street Place, London EC4R 1BE

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- · select suitable accounting policies and then apply them consistently
- · make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the persons who is a director at the date of approval of this report confirms that:

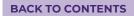
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were re-appointed as auditor to the Company in accordance with section 485 of the Companies Act 2006.

The Directors' Report was approved by the board and signed on its behalf by:

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Andrew Cowan Director Date: 13 April 2021



Independent auditor's report to the members of RCN Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of RCN Holdco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- · the statement of comprehensive income;
- · the statement of financial position; and
- the related notes 1 to 6.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

 Under the partnership agreement RCN Holdco Limited's share of RCN Law LLP profit/ loss is 65% and NewLaw Legal Limited's share is 35%. There is a risk that figures recognised in the RCN Holdco Limited's financial statements are not in accordance with the partnership agreement. We obtained RCN Law LLP financial statements and checked the correct recognition of 65% of RCN Law LLP's total profits.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- · certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

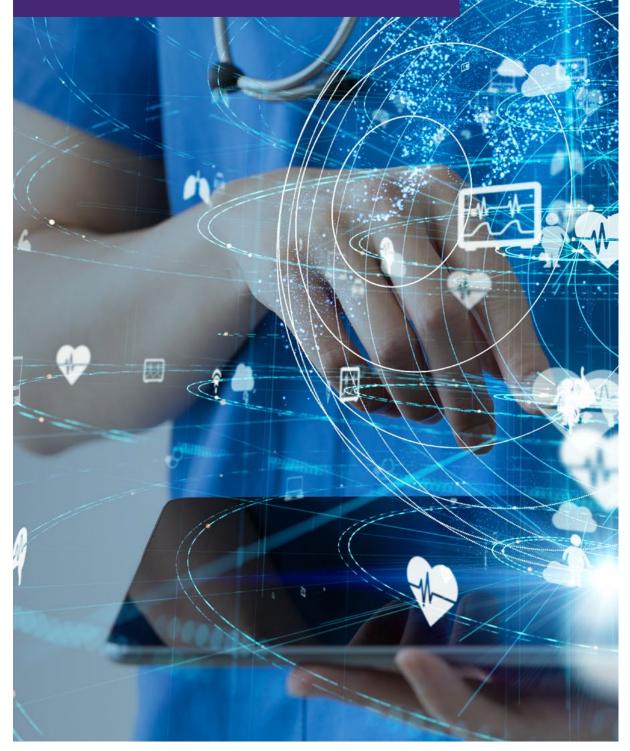
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Jonathan Gooding FCA (Senior statutory auditor) For and on behalf of Deloitte LLP Statutory Auditor St Albans, United Kingdom

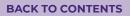
Date: 21 April 2021

Financial statements



Statement of comprehensive income for the year ended 31 December 2020

	Notes	$\begin{array}{c} \textbf{31 December 2020} \\ \texttt{\pounds} \end{array}$	$\begin{array}{c} \textbf{31 December 2019} \\ \texttt{\pounds} \end{array}$
Income			
Share of profit in RCN Law LLP		284,627	217,163
Total income		284,627	217,163
Expenditure			
Total expenditure		-	-
Profit before taxation		284,627	217,163
Tax credit on profit	6	25,214	(41,261)
Total comprehensive income for the year		309,841	175,902



Statement of financial position as at 31 December 2020

	Notes	31 December 2020 \pounds	$\begin{array}{c} \textbf{31 December 2019} \\ \texttt{\pounds} \end{array}$
Fixed assets			
Unpaid share capital	3	2	2
Current assets			
Tax credit	6	25,214	-
Investment in RCN Law LLP		597,266	312,639
Total assets		622,482	312,641
Liabilities			
Creditors: amounts falling due within one year:			
Taxation	6	-	(41,261)
Unpaid share in RCN Law LLP	5	(1)	(1)
Total liabilities		(1)	(41,262)
Net assets		622,481	271,379
Total assets less current liabilities		622,481	271,379
Capital and reserves			
Nominal share capital	3	2	2
Profit and loss account		622,479	271,377
Total shareholders' funds		622,481	271,379

The accounts have been prepared in accordance with the provisions of Section 1A of FRS 102.

The accounts of RCN Holdco Limited (registered number 09691324) were approved by the board of directors and authorised for issue on 13 April 2021. They were signed on its behalf by:

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Andrew Cowan Director Date: 13 April 2021

RCN Holdco Limited Notes to the Financial Statements for the year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

RCN Holdco Limited is a company incorporated in England under the Companies Act. It is a private company limited by shares. The address of the registered office is 20 Cavendish Square, London W1G 0RN.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102 section 1A small entities) issued by the Financial Reporting Council.

The functional currency of RCN Holdco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling.

b. Going concern

Following the introduction of lockdown measures in March 2020, the RCN Group has made an assessment regarding the impact of the ongoing COVID-19 pandemic on its operations and financial sustainability.

However, the RCN Group operating within the health care sector has had a different experience than many other organisations during the COVID-19 pandemic. RCN Law LLP has increased its profits compared to the previous year.

The underlying business is focused on providing legal support to claim for personal injuries and probate services to RCN members.

The membership has substantially grown over the reporting period and the RCN Law LLP business is anticipated to operate without facing any significant risk.

Therefore, the directors consider that there are no material uncertainties about RCN Holdco Limited's ability to continue as a going concern.

RCN Council supported by management believe the RCN and RCN Group entities remain financially viable and the RCN Holdco Limited 2020 annual report and financial statements can continue to be prepared on a going concern basis.

c. Joint ventures

RCN Holdco Limited has a jointly controlled operation, RCN Law LLP, with NewLaw Legal Limited. RCN Holdco Limited and the other corporate partner, NewLaw Legal Limited, have equal voting and decision-making rights. Under the terms of the partnership agreement no partner has a casting vote.

d. Tax

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

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.

Deferred tax assets and liabilities are recognised to the extent that there is sufficient evidence of suitable taxable profits.

e. Provisions

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.

f. Dividend

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the Board. Both corporate members have agreed that RCN Law LLP will not distribute a dividend during the establishment phase of the joint venture. Under the terms of the LLP agreement, profits/losses of the LLP will be distributed between corporate members only, in a 65% (RCN Holdco Limited) 35% (NewLaw Legal Limited) split.

g. Turnover

RCN Holdco Limited does not actively trade. Income received will be in the form of its share of any net profit/loss after tax generated by its jointly controlled entity.

h. Income recognition

Income is recognised and included in the Statement of Comprehensive income when there is a probable future economic benefit that can be reliably measured.

i. Governance and administration

During the establishment phase of the joint venture, governance and administration costs including audit fees have been absorbed by the sole beneficiary RCN UK.

j. Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates. There were no critical accounting judgements for the year ended 31 December 2020.

2. Directors' remunerations

The Directors received no remuneration for their role as Director and incurred no expenses in the year ended 31 December 2020.

3. Called up share capital

Authorised Number Value	Class	Nominal	31 December 2020
2	Ordinary	£1	£2

The two £1 shares are held in trust, for the benefit of the RCN UK, by Dame Donna Kinnair and empty awaiting allocation, and have been allotted, issued but not paid.

4. Ultimate controlling party

RCN Holdco Limited has two ordinary £1 shares in issue held on trust for RCN UK by Dame Donna Kinnair and empty awaiting allocation. Timothy Golbourn was a shareholder until 12 April 2021. RCN UK is, through the trust deed, the sole beneficiary of RCN Holdco Limited. RCN Holdco Limited is the smallest member of the RCN Group and is registered at 20 Cavendish Square, London W1G ORN.

5. Related party transactions

There have been no related party transactions with other group members. RCN Holdco Limited has one ordinary £1 share in its jointly controlled entity RCN Law LLP. There have been no related party transactions between RCN Holdco Limited and RCN Law LLP or with the other partner in the jointly controlled entity, NewLaw legal limited.

6. Taxation

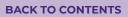
The RCN Group is the parent company of RCN Holdco Limited. The group tax relief is used to set off the profit made in the year. Therefore, no tax on profit is payable by RCN Holdco Limited.

In March 2021 the chancellor announced an increase in the rate of coporation tax rate to 25% from April 2023. The current rate of 19% is expected to remain until then.

The tax assessed for the period is lower than the main rate of corporation tax in the UK. The differences are explained below:

	$\begin{array}{c} \textbf{31 December 2020} \\ \texttt{\pounds} \end{array}$	$\begin{array}{c} \textbf{31 December 2019} \\ \texttt{\pounds} \end{array}$
Profit before tax	284,627	217,163
Group relief surrendered/(claimed)	(200,171)	-
Profit chargeable to corporation tax	84,456	217,163
Corporation tax at 19% payable	16,047	41,261

	Liability/(asset) brought forward £	Income prior £	Income current £	(Payments)/ receipts £	Liability/(asset) carried forward £
Current taxes					
Current period: to 31 December 2020	-	-	16,047	-	16,047
Over/(under) provided	41,261	(41,261)	-	-	-
Total	41,261			-	16,047
Deferred taxes					
Timing differences	-	_	_		-
Over/(under) provided	-	_	-		-
Total	-	(41,261)	16,047		-
Adjustment for prior periods			(41,261)		
Total profit and loss credit			(25,214)		



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Published by the Royal College of Nursing The RCN is a Royal College set up by Royal Charter and a Special Register Trade Union established under the Trade Union and Labour Relations (Consolidation) Act 1992