


RCN Holdco Limited



Annual Report 2018





The RCN Holdco Limited Annual Report and Financial Statements

1 January to 31 December 2018

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Registered Company: 9691324

Directors' report

When preparing the 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 September 2015 and entered into a Limited Liability Partnership (LLP) providing personal injury services to members of the Royal College of Nursing.

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 in RCN Law LLP.

RCN Law LLP began trading in April 2016.

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 establishing itself and showing growth in line with forecast.

In 2018, RCN Law LLP dealt with 974 new referrals, compared to 937 in the previous year. Whilst 133 claims were settled, compared to 135 the previous year, a total of £1,153,037 in compensation was obtained for members, compared to £597,843 the previous year. This demonstrates that some of the more complex, and therefore higher worth, cases have been concluded.

There is a clear business plan in place for extending the services offered through RCN Law LLP. The services offered by RCN Law LLP were widened to include a range of private client law services to RCN members, including will writing, advice on Probate, establishing Trusts and Lasting Powers of Attorney. This service is provided on a paid-for basis and is also open to Members' families and friends and staff members.

RCN Law LLP have looked at the free legal helpline provision and entered into an agreement with Stephenson Solicitors LLP to take over the provision of Family Law queries in order to provide a better service to members. Members would therefore get a free Family Law advice session and then access to preferential rates should they wish to instruct Stephenson on a private basis.

In 2019, RCN Law LLP plans to expand the provision of Personal Injury services further by offering them to Members' family and friends and RCN Staff members in England and Wales. This will be on a different basis to the membership offer as those who utilise the service will be required to pay for an After the Event Insurance Policy and RCN Law will retain a percentage of any compensation received by way of a success fee.

Financial review

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

During the year ended 31 December 2018, RCN Law LLP made a profit of £122,676 (31 December 2017: £78,189). RCN Holdco Limited's share of the 2018 profit is £79,739 (31 December 2017: £50,823).

RCN Law LLP is projected to make a further increase in profit in 2019.

These accounts are prepared on a going concern basis. 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

Christopher Cox until March 2019
Timothy Golbourn until March 2019
Andrew Cowan from March 2019
Joanne Galbraith-Marten from March 2019

Share holders

Elizabeth Janet Davies until March 2019
Tom Sandford until March 2019
Dame Donna Kinnair from March 2019
Timothy Golbourn from March 2019

RCN Group Secretary

Jane Clarke

Registered office

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

Registered number

9691324

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, United Kingdom

RCN Group Lawyers

Bates Wells and Braithwaite LLP
2-6 Cannon Street, London EC4M 6YH

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; and
- 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.

Disclosure of information to auditor

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

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



Andrew Cowan
Director
Date: 22 March 2019

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

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 31st December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including section 1A of 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 of RCN Holdco Limited (the 'company') 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 section 1A of 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Reza Motazed (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 9 April 2019

Financial statements



Statement of comprehensive income for the year ended 31 December 2018

	Notes	31 December 2018 £	31 December 2017 £
Income			
Share of profit in RCN Law LLP		79,739	50,823
Total income		79,739	50,823
Expenditure			
Total expenditure		–	–
Profit before taxation		79,739	50,823
Tax on profit	6	–	–
Total comprehensive income for the period		79,739	50,823

Statement of financial position for the year ended 31 December 2018

	31 December 2018 £	31 December 2017 £
Fixed assets		
Unpaid share capital	2	2
Current assets		
Investment in RCN Law LLP	95,475	15,737
Total assets	95,477	15,739
Liabilities		
Creditors: amounts falling due within one year	–	–
Unpaid share in RCN Law LLP	(1)	(1)
Total liabilities	(1)	(1)
Net assets	95,476	15,738
Total assets less current liabilities	95,476	15,738
Capital and reserves		
Nominal share capital	2	2
Profit and loss account	95,474	15,736
Total shareholders funds	95,476	15,738

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

The accounts of RCN Holdco Limited (registered number 9691324) were approved by the board of directors and authorised for issue on 22 March 2019. They were signed on its behalf by:



Andrew Cowan
Director
Date: 22 March 2019

RCN Holdco Limited

Notes to the Financial Statements

for the year ended 31 December 2018

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

These accounts are prepared on a going concern basis. The directors consider that there are no material uncertainties about RCN Holdco Limited's ability to continue as a going concern.

RCN Holdco Limited's primary purpose is to manage its interests in its jointly controlled entity, RCN Law LLP. RCN Law LLP has a business plan to maximise income for the joint venture from outsourcing personal injury legal claims for members and recently introduced a wills and probate service.

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, New Law Legal Ltd, 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% (New Law) 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. Accrued income

No trading costs will be incurred.

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 2018.

2. Directors' remunerations

The Directors received no remuneration for their role as Director and incurred no expenses in the year ended 31 December 2018.

3. Called up share capital

Authorised Number Value	Class	Nominal	31 December 2018
2	Ordinary	£1	£2

The two £1 shares are held in trust by Dame Donna Kinnair and Timothy Golbourn and have been allotted, issued but not paid.

4. Ultimate controlling party

RCN Holdco has two ordinary £1 shares in issue held on trust for RCN UK by Dame Donna Kinnair and Timothy Golbourn. As RCN UK is, through the trust deed, the sole beneficiary of RCN Holdco. RCN Holdco is a smallest member of the RCN Group and their accounts are consolidated into the RCN Group. The RCN Group registered at 20 Cavendish Square, London W1G 0RN.

5. Related Party transactions

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

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.

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

	31 December 2018 £	31 December 2017 £
Profit on ordinary activities before tax	79,739	50,823
Profit /(loss) on ordinary activities at the main rate of corporation tax in the UK of 19% (31 December 2017: 19.25%)	15,150	9,782
Group relief surrendered/(claimed)	(15,150)	(5,537)
Adjust opening deferred tax to average rate of 19% (31 December 2017: 19.25%)	–	(490)
Deferred tax not recognised	–	(3,755)
Total tax charge	–	–

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The RCN is a Royal College set up by Royal
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