

RCN Publishing Company Limited  
Annual Report and Financial Statements  
For the Year Ended 31 December 2019  
Company Registration No 02119155

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## Directors

T Brooks (Chair)

C McNamara (Deputy Chair)

R Armitage

G Scott (resigned 31 May 2019)

P Smithers

K Fawcett OBE (resigned 12 November 2019)

R Grant

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# Strategic report

## for the year ended 31 December 2019

### Review of the business

#### Business overview

RCNi (trading name for RCN Publishing Company Limited) is a digital health information company with a portfolio of nursing journals, learning and decision support products, career services and events to help the nursing community deliver best practice and achieve their potential.

In line with our strategic aims, 2019 saw a reduction in the rate of decline for our traditional revenue streams

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## Financial risk management

The following statements summarise the company's

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### Price risk

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raw materials, such as paper, are purchased subject to contracts with suppliers based on current market prices. RCNi's risk register is reviewed and updated on a monthly basis by the RCNi Executive Team and with the Non-Executive Directors at every board meeting. RCNi risks are also reviewed by the RCN Group Audit Committee. This proactive approach to risk ensures that risk management is a fundamental part of our day to day business.

### Credit risk

The company's trade debtors consist mainly of advertising agencies and NHS trusts. The trusts are low risk.

### Liquidity risk

The company has no long-term borrowings. The facility of a short-term overdraft is available when required.

### Interest rate cash flow risk

The company does not have any borrowings and therefore the risk from interest rate hike is minimal. The company does have surplus funds which it is able to place in short-term deposit account with the company's bankers, however it does not depend on interest income and therefore the risk from interest rate changes is minimal.

### COVID-19 Pandemic

The COVID-19 outbreak in the UK is anticipated to

# Report of the Directors

for the year ended  
31 December 2019

The directors present their report together with the

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streams will experience further decline as  
recruitment slows down and becomes low priority.

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home for the foreseeable future. Whilst this is a  
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impact people and operations, RCNi spent 2019  
preparing for agile working.

(YHU\ HCRUW KDV EHHQ PDGH WR DYRLG GLVFUHWLRQDU\  
spend, negotiate revised payment terms with  
suppliers and ensure that customers pay in a timely  
manner. A strong cost control ethic is in place across  
the business, which is expected to yield a 11% savings  
when compared to budget.

Management have a robust business continuity plan  
in place which is regularly reviewed and updated.



## Directors' responsibilities statement

# Report of independent auditor to the members of RCN Publishing Company Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of RCN Publishing Company Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and for the year then ended in accordance with the accounting standards applicable in the United Kingdom and Republic of Ireland; and
- 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.

The financial statements comprise:

- the statement of income and retained earnings;
- the statement of financial position;
- the statement of changes in equity and;
- the related notes 1 to 19.

The accounting standards applicable 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 report on the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our status as auditors, including the Financial Reporting Council's ("the FRC") Ethical Standard (UK) (ES) and 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;

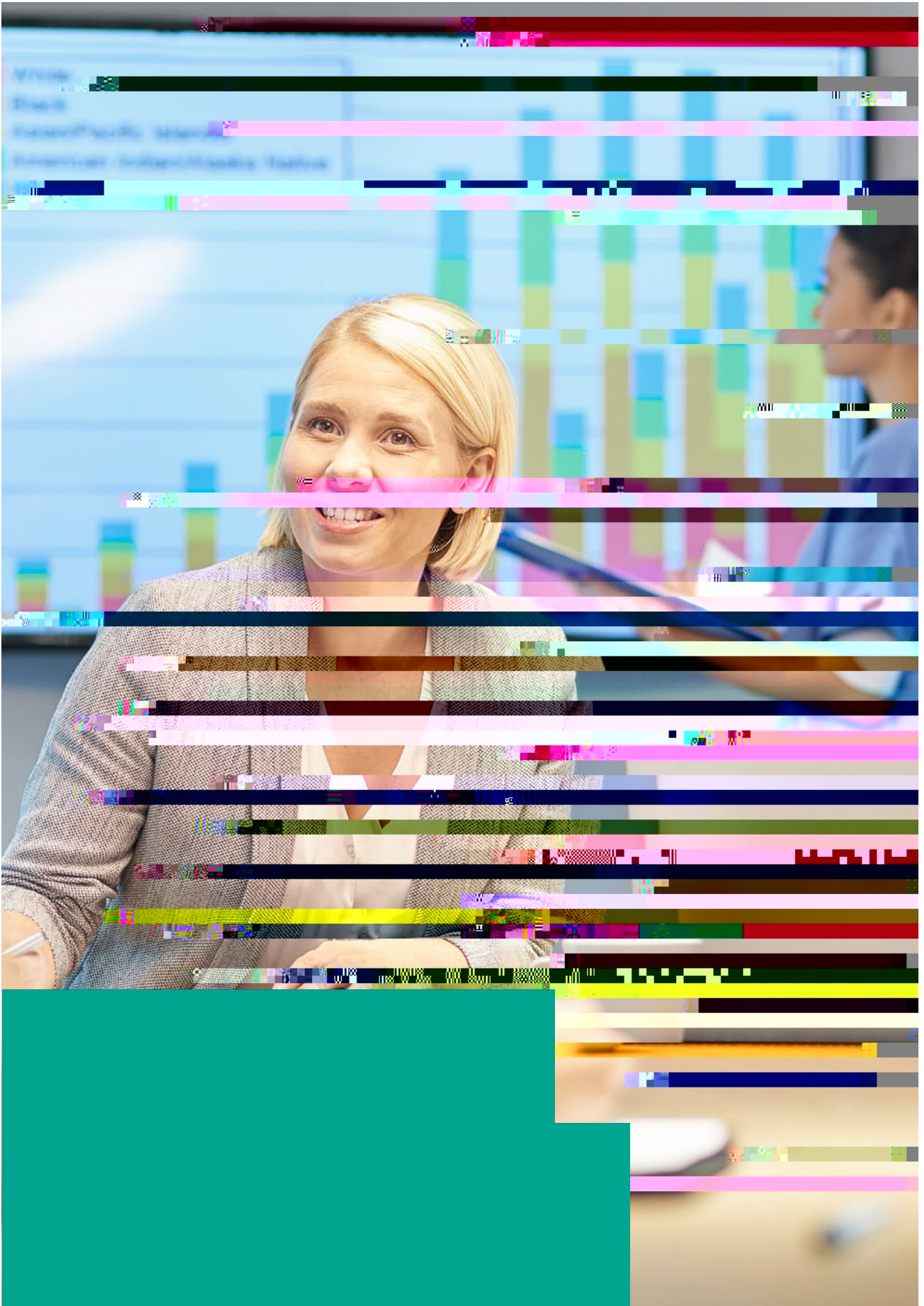
## Other information

The directors are responsible for the other information. The other information comprises the

## 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
- WKH ; QDQFLDO VWDWHPHQWV DUH QRW LQ DJUHHPHQW ZLWK the accounting records and returns; or
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## Statement of financial position at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
<b>Fixed assets</b>			
Tangible assets	8	200,912	290,808
Intangible assets	8	–	1,659
Total fixed assets		200,912	292,467

## Statement of changes in equity for the year ended 31 December 2019

	Note	Share Capital £	Profit and loss £	Total £
Balance at 1 January 2018		500,000	3,488,495	3,988,495
Profit for the year being total comprehensive income		–	88,779	88,779
Dividends paid		–	(275,000)	(275,000)
Balance at 31 December 2018		500,000	3,302,274	3,802,274
Profit for the year being total comprehensive income		–	355,790	355,790
Dividends paid		–	–	–
Balance at 31 December 2019		500,000	3,658,064	4,158,064

No dividend was proposed in 2018. The dividends paid in 2018 refer to dividends proposed in 2017.



# Notes forming part of the financial statements for the year ended 31 December 2019

## 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 Publishing Company Limited is a private company limited by shares and incorporated in the UK and registered in England and Wales under the & RPSDQLHV \$FW 7KH DGGUHV V RI WKH UHJLVWHUHG R dFH LV 20 Cavendish Square, London W1G 0RN. The nature of the group's operations and its principal activities are set out in the strategic report on pages 3 to 4.

7KH ¿ QDQFLDO VWDWHPHQWV KDYH EHHQ SUHSDUHG XQGHU WKH KLVWRULFDO FRVW FRQYHQWLRQ PRGL¿HG WR LQFOXGH certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of RCN Publishing Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in ZKLFK WKH FRPSDQ\ RSHUDWHV 7KH ¿ QDQFLDO VWDWHPHQWV are also presented in pounds sterling.

RCN Publishing Company Limited meets the GH¿QLWLRQ RI D TXDOLILQJ HQWLW\ XQGHU )56rqs DQG has therefore taken advantage of the discl5 (251>12.9 <0054.1n)5.2 (g C>5.2 <03(r)-6 (e)2.6 (6 0 -1.3 T(a)-16.5 (s )-46 3(rx1

It is reasonable to consider the business a going concern. Please see directors report on page 5 for further information.

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## Provisions

Provisions for future liabilities are recognised when

### 3. Turnover

Turnover, which is stated net of value added tax, represents the net amounts invoiced during the year, and is derived from the following activities:

The average monthly number of employees, including executive directors, employed by the company during the year was:

	Year ended 31 December 2019 Number	Year ended 31 December 2018 Number
Editorial and production	47	48
Distribution and sales	36	38
Administration	12	17

## 7. Taxation on profit on ordinary activities

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
UK corporation tax		
Current tax on profit of the year	100,363	–
Adjustments in respect of prior years	–	(30)
Total current tax (credit)/charge	100,363	(30)
Deferred taxation movement in the year		
Origination and reversal of timing differences in current year	(12,141)	(3,139)
Adjustments in respect of prior years	–	(1,688)
Short-term timing difference	(1,689)	–
Taxation on profit on ordinary activities	86,533	(4,857)

The tax assessed for the year is 19% (2018: 19%) which is the main rate of corporation tax in the UK.

### 7.1 Reconciliation of profit before tax to tax on ordinary activities

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Profit before tax	442,323	83,922
Tax on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	84,041	15,945
Expenses not deductible for tax purposes	279	167
Adjustments in respect of prior years	–	(30)
Group relief claimed	–	(21,507)
Change in tax rates	1	568
Fixed assets differences	21,779	–
Other reliefs and transfers	(21,194)	–
Adjustments in respect of deferred tax	1,627	–
Total tax (credit)/charge	86,533	(4,857)

## 8. Fixed assets

### Tangible assets

	Short leasehold improvements £	Asset in the course of construction £	Computer equipment £	Office equipment £	Fixtures and fittings £	Total £
<b>Cost of assets</b>						
As at 1 January 2019	388,124	7,667	1,097,571	38,437	134,160	1,665,959
Additions	–	3,608	58,616	–	3,167	65,391
As at 31 December 2019	388,124					

## 9. Debtors: amounts falling due within one year

	31 December 2019 £	31 December 2018 £
Trade debtors	1,002,451	796,315
Amounts owed by the Royal College of Nursing	404,748	252,613
Prepayments and accrued income	331,527	342,661
<b>Total</b>	<b>1,738,726</b>	<b>1,391,589</b>

The amounts due from the Royal College of Nursing are not subject to interest and are repayable on demand.

## 10. Creditors: amounts falling due within one year

	31 December 2019 £	31 December 2018 £





Stating the above, in December 2019, an Upper Tribunal judgment for the ongoing case between NewsCorp Versus HMRC was given in favour for the taxpayer. NewsCorp argued that online/digital publications are the same as paper-based products and should not be taxed at the standard rate. HMRC has appealed against the decision, and hearing is allowed at the next level of the judiciary, i.e., Court of Appeal.

Furthermore, the Government announced, in the March 2020 budget, that it will introduce legislation to extend the zero-rating to digital publications from 1 December 2020. Our VAT advisors, BDO, advised us that we are entitled to a four-year retrospective claim for the VAT paid on the products.

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### 13. Called up share capital

	Authorised		Allocated, called up and fully paid	
	31 December 2019 £	31 December 2018 £	31 December 2019 £	31 December 2018 £
Ordinary shares of £1 each	500,000	500,000	500,000	500,000

### 14. Dividends

## 17. Related party

In 1997 the company started a joint venture with BMJ, publishing the journal Evidence Based Nursing. The company's share of the revenue 31 December 2019 was £311,691 (31 December 2018: £343,187) and share of the cost was £99,762 (31 December 2018: £35,568). The company was owed £Nil by BMJ at 31 December 2019 (2018: £NIL).

The BMJ's immediate and ultimate parent undertaking which is also its ultimate controlling party as at 31 December 2019 was the British Medical Association. The BMA is the smallest and largest group in which the %0- LV FRQVROLGDWHG 7KH 5HJLVWHUHG 2dFH LV %0\$ +RXVH 7DYLVWR

## 18. Pension commitments

### 18.1 RCN UK de ned contribution pension scheme

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Contribution level	Employee		Employer
	If not salary sacrifice	Salary sacrifice	
Level 1	2.4%	3.0%	8.0%
Level 2	4.0%	5.0%	10.0%
Level 3	5.6%	7.0%	12.0%

All new employees are automatically enrolled into level 1 under auto enrolment regulation. Employees may then choose a higher contribution level.

### 18.2 RCN UK de ned bene t pension scheme

7KH 5&1 8. QDO VDODU\ GH QHG EHQH W SHQVLRQ VFKHPH ZDV UHYLHZH VFKHPH PHPEHUV DQG WUXVWHHV ZDV FDUULHG RXW )URP r -XQH sqqx E VDODU\ GH QHG EHQH W SHQVLRQ VFKHPH 5&1 8. QRZ SURYLGHV EHQH V &\$5( EDVLV YLD WKH RFFXSDWLRQDO SHQVLRQ VFKHPH \$OO EHQH WV D VDODU\ GH QHG EHQH W SHQVLRQ VFKHPH ZHUH WUDQVIHUHG WR WKH C company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis, the company does not recognise a pension asset or liability, or an actuarial pension reserve on the balance sheet. &RQWULEXWLRQV DUH FKDUJHG WR WKH SUR W DQG ORVV DFFRXQW DV W 30 September 2010, revised contribution rates to the Scheme were agreed, shown below. From 1 November 2013, changes to the scheme were implemented resulting in an employer's annual contribution rate of 10.5%.

Employer

10.5% (

## Life expectancies

## 19. Post-Balance Sheet Events COVID-19

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A going concern assessment has taken place in April 2020 and these continue to be updated and monitored up until the date of signing;

- Expected – assumes current strict restrictions are eased towards the end of June 2020 with some, but fewer, restrictions in place for the remainder of 2020.
- Best – current strict restrictions are eased towards the end of May 2020 with a return to some form of “normality” for the remainder of 2020.
- Worst – current strict restrictions remain until late in the year, at least until October 2020 and most likely beyond before restrictions begin to ease.

In all three scenarios above our interpretation of “normality” includes some form of social distancing  
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20 Cavendish Square  
London W1G 0RN  
Tel: 020 7409 3333  
[rcn.org.uk](http://rcn.org.uk)

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