

RNIB ENTERPRISES LIMITED, COMPANY NUMBER: 00887094

RNIB Enterprises Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2019



**RNIB ENTERPRISES LIMITED
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC
REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

The directors submit their report and audited financial statements for the year ended 31 March 2019. RNIB Enterprises Limited is a private company limited by shares. The company is registered in England and Wales.

ACTIVITIES AND REVIEW OF THE BUSINESS

RNIB Enterprises Limited carries out commercial activities on behalf of The Royal National Institute of Blind People (RNIB). The majority of income is generated from the sale of retail goods and services to blind and partially sighted people and transcription services provided to other businesses.

FINANCIAL PERFORMANCE

The turnover for the year totals £11.1m (2018: £10.9m) representing a £0.2m increase year on year. Income is further analysed in Note 2, where we are showing a net annual increase of £0.6m in the sale of goods (primarily specialist transcription activities) and a decrease of £0.3m in income from services, which has arisen mainly due to difficulties collecting monies due for services charged during the year, now provided for in accordance with the organisational bad debt policy. The Board anticipates that the majority of these monies will be recovered over the next six months.

The trade debtor position has reduced by £0.8m year on year, monies owing to RNIB Enterprises now totalling £1.7m (2018: £2.4m). We actively manage our debtors and are working to reduce our debtor position.

Included in the total debtors figure is £3.1m (2018: £0.6m) owing from other group companies, which is offset by group creditors of £5.1m (2018: £3.4m), resulting in a net creditor balance of £2.0m (2018: £2.8m) to group companies. This is comprised of monies payable to RNIB under Deed of Covenant totalling £1.4m (2018: £0.2m) and inter-company recharges for administrative expenses. The surplus for the prior year was reduced due to a significant debtor provision impacting the out-turn.

RISK MANAGEMENT

The risk management process is handled by RNIB on behalf of the directors. Directors are confident that appropriate mitigation measures and controls are in place for the key group risks which are Finance, Strategy, Planning and Delivery, People, External Environment, Safeguarding and Regulatory risk and Technology, data and digital. More can be found on the risks and mitigations within the RNIB financial statements.

**RNIB Enterprises Limited
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

Statement of directors' responsibilities in respect of the financial statements (continued)

The directors 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they 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 auditors are aware of that information.

The Directors' report (incorporating the Strategic Report) has been approved on behalf of the board:



Stuart Alan Tinger, Director

22 October 2019

Independent auditors' report to the members of RNIB Enterprises Limited

Report on the audit of the financial statements

Opinion

In our opinion, RNIB Enterprises Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditors' report to the members of RNIB Enterprises Limited (continued)

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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 the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent auditors' report to the members of RNIB Enterprises Limited (continued)

Reporting on other information (Cont'd)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report, including the Strategic Report, for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Independent auditors' report to the members of RNIB Enterprises Limited (continued)

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:


- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or

Independent auditors' report to the members of RNIB Enterprises Limited (continued)

Companies Act 2006 exception reporting (Cont'd)

- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 October 2019

**RNIB Enterprises Limited
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	2	11,150,759	10,896,902
Cost of sales		<u>(4,806,160)</u>	<u>(4,787,433)</u>
GROSS PROFIT		6,344,599	6,109,469
Administrative expenses		<u>(4,984,115)</u>	<u>(5,854,922)</u>
OPERATING PROFIT	3	1,360,484	254,547
OTHER OPERATING INCOME			
Interest receivable and similar income		<u>1,233</u>	<u>14</u>
PROFIT BEFORE DEED OF COVENANT		1,361,717	254,561
Payment to RNIB under Deed of Covenant	5	<u>(1,361,717)</u>	<u>(254,561)</u>
RESULT BEFORE TAXATION		-	-
Tax on result	6	<u>-</u>	<u>-</u>
RESULT FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>

All comprehensive income in the current and prior years are included in the profit and loss account.

All results derive from continuing operations.


There are no material differences between the result before taxation and the result for the financial years stated above and their historical costs equivalents

The notes that follow form part of these financial statements.

**RNIB ENTERPRISES LIMITED
BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	2019	2018
		£	£
FIXED ASSETS			
Investments	7	10,000	10,000
CURRENT ASSETS			
Stocks	8	856,955	972,130
Debtors	9	5,497,754	3,759,473
Cash at bank and in hand		160,892	7,547
		<u>6,515,601</u>	<u>4,739,150</u>
CREDITORS: amounts falling due within one year	10	(6,520,601)	(4,744,150)
NET CURRENT LIABILITIES		<u>(5,000)</u>	<u>(5,000)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,000</u>	<u>5,000</u>
NET ASSETS		<u>5,000</u>	<u>5,000</u>
CAPITAL AND RESERVES			
Called up share capital	11	5,000	5,000
TOTAL SHAREHOLDERS' FUNDS		<u>5,000</u>	<u>5,000</u>

The financial statements on pages 10 to 18 are approved by the Board of Directors on 22 October 2019 and signed on its behalf by


Stuart Alan Tinger, Director

The notes on pages 12 to 18 form part of these financial statements.

RNIB Enterprises Limited
Notes to the financial statements
For the year ended 31 March 2019

1. Accounting Policies

a) Basis of Preparation

These financial statements have been prepared, under the historical cost convention, in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). They also conform to the requirements of the Companies Act 2006.

As the financial statements of RNIB Enterprises Limited are consolidated in those of its parent undertaking RNIB, the company has not prepared consolidated financial statements in accordance with S400 of the Companies Act 2006.

The following principal accounting policies have been applied consistently within the financial statements from year to year:

b) Going Concern

The financial statements have been prepared on a going concern basis and there are no material uncertainties about the company's ability to continue. RNIB is committed to ensuring its subsidiaries are operating effectively and has provided specific assurance of its ongoing support as part of the annual review process.

c) Cash Flow Statement

A cash flow statement has not been prepared on the grounds that the company is exempt from preparing such a statement under FRS102 as a wholly owned subsidiary of RNIB.

d) Turnover

The majority of turnover represents income generated from the sale of retail goods and services to blind and partially sighted people and transcription services provided to other businesses. A small amount of income is from commercial sponsorships, studio hire and royalties and is net of value added tax.

RNIB Enterprises Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2019

1. Accounting Policies (continued)

e) Expenditure

Expenditure, net of value added tax, is accounted for on an accruals basis.

f) Stock

Stocks of raw materials, consumables, work-in-progress, and finished goods are valued at the lower of cost and estimated selling price less costs to complete and sell. The cost of stock is calculated using the standard cost method on a first-in first-out basis. Finished goods for resale comprise products suitable for use by blind and partially sighted people. Provision is made to reduce carrying values for slow moving, obsolete and defective stock. Stocks are recognised as an expense in the period in which the related income is recognised.

g) Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

h) Accounting Estimates and Judgements

In preparing the financial statements, the directors are required to make estimates and judgements. The main estimates are the stock and debtors' provisions. Provision is made to reduce carrying values for slow moving, obsolete and defective stock. Debtors are stated after provision for impairment. Our policy is to provide for debtors over 90 days however due to the passage of time we have been more prudent in our year end provisioning.

RNIB Enterprises Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2019

2. TURNOVER

Analysis of turnover by geography:

	2019	2018
	£	£
United Kingdom	10,239,515	9,903,202
Europe	441,269	404,064
Rest of the World	469,975	589,636
	<u>11,150,759</u>	<u>10,896,902</u>

Analysis of turnover by category:

	2019	2018
	£	£
Sales of goods	10,773,152	10,170,473
Services	370,091	713,536
Royalty income	7,516	12,893
	<u>11,150,759</u>	<u>10,896,902</u>

3. OPERATING PROFIT

	2019	2018
	£	£
Operating profit is stated after charging:		
Auditors' remuneration – audit fee	<u>27,100</u>	<u>13,887</u>

4. EMPLOYEES

The company has no employees (2018: nil). The management and administration of the company is undertaken by staff from RNIB. The cost of their time is included within administrative expenses.

5. PAYMENT TO RNIB UNDER DEED OF COVENANT

Under a Deed of Covenant, the taxable profits for the year are payable to RNIB.

RNIB Enterprises Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2019

6. TAX ON RESULT

There is no charge (2018: nil) for taxation in the year since all taxable profits are covenanted to RNIB.

The Company will continue to gift all its profits under a deed of covenant to the RNIB, which will give rise to a nil tax charge in future years.

There is no deferred tax unprovided (2018: nil).

7. INVESTMENTS

	2019 £	2018 £
Investment in RNIB Business Services LLP	<u>10,000</u>	<u>10,000</u>

RNIB Enterprises Limited is one of two corporate members of RNIB Business Services LLP and has a £10,000 investment in the LLP. It is entitled to half of the profits and has the controlling voting interest.

8. STOCKS

	2019 £	2018 £
Finished goods for resale	765,523	835,271
Raw materials and consumables	<u>91,432</u>	<u>136,859</u>
	<u>856,955</u>	<u>972,130</u>

9. DEBTORS

	2019 £	2018 £
Trade debtors	1,651,993	2,431,896
Amounts owed by group undertakings	3,120,741	616,791
Other debtors	163,898	163,469
Prepayments and accrued income	<u>561,122</u>	<u>547,317</u>
	<u>5,497,754</u>	<u>3,759,473</u>

RNIB Enterprises Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2019

10. CREDITORS: amounts falling due within one year

	2019 £	2018 £ Restated
Trade creditors	265,380	193,921
Bank overdraft	86,997	163,785
Amounts owed to group undertakings	5,180,350	3,367,683
Taxes and social security	226,746	207,192
Other creditors	196,141	98,145
Accruals and deferred income	564,987	713,424
	<u>6,520,601</u>	<u>4,744,150</u>

The 2018 creditors have been restated by £207,192 to show the split of the VAT creditor to HMRC previously included within the intercompany creditor with RNIB.

Amounts due to and from other group companies are subject to no interest and are repayable on demand.

11. CALLED UP SHARE CAPITAL

	2019 £	2018 £
Authorised, issued and fully paid	<u>5,000</u>	<u>5,000</u>
Each share holds a nominal value of £1		

12. DIRECTORS' REMUNERATION

The directors did not receive any remuneration during this or the previous year for their services to the company.

RNIB Enterprises Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2019

13. CONTROLLING ENTITY AND RELATED PARTIES

The company is a wholly owned subsidiary of RNIB who is its ultimate parent undertaking and controlling party.

RNIB is a charity governed by Royal Charter in the United Kingdom. Included within debtors is £3,060,936 (2018: £608,324) due from RNIB Charity, £27,292 (2018: £nil) due from Action, £24,046 (2018: £nil) due from Cardiff Institute for the Blind, £8,089 (2018: £8,089) due from RNIB Specialist Learning Trust and £378 (2018: £378) due from RNIB Business Services LLP. Included within creditors is £4,840,228 (2018: £3,449,741) due to RNIB and £340,122 (2018: £125,134) due to RNIB Services Ltd.

The results of the company are consolidated into the financial statements of RNIB. The financial statements of RNIB are available on their website or from:

RNIB
105 Judd Street
London
WC1H 9NE

There were no transactions with other related parties that require disclosure.

14. CONTINGENT LIABILITY

The company has an annual legal obligation under deed of covenant to pass all taxable profits to the ultimate parent charity RNIB. While this constitutes a financial liability to the company, future profits cannot be reliably quantified and hence have not been included as a liability in the financial statements.

RNIB ENTERPRISES LIMITED
DIRECTORS AND ADVISORS
For the year ended 31 March 2019

DIRECTORS

The directors of the company who served during the year and up to the date of signing the financial statements were:

Derek Anthony Child (to 31 March 2019)
Sally Anne Harvey (to 9 April 2018)
Stuart Alan Tinger
Eleanor Southwood (from 2 May 2019)

COMPANY SECRETARY

Amy Gelsthorpe-Hill (to 31 May 2018)
Jayne Frampton (from 31 May 2018 to 2 August 2018)
Amelia Billington (from 3 August 2018 to 29 November 2018)
Sarah Plant (from 29 November to 30 June 2019)

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
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SOLICITORS

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London. W1A 1FH

REGISTERED OFFICE

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