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- PRINT ON ONE SIDE ONLY

# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

THE ROYAL COLLEGE OF MIDWIVES

Year ended:

31 December 2012

List no:

503T

Head or Main Office:

15 Mansfield Street  
London  
W1G 9NH

Website address (if available)

Has the address changed during  
the  
year to which the return relates?

Yes

No

✓

(Click the appropriate box)

General Secretary:

Prof. Cathy Warwick

Telephone Number:

0300 303 0444

Contact name for queries  
regarding

Chris Truman

Telephone Number:

0300 303 0444 –

E-mail:

Chris. Truman@rcm.org.uk

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

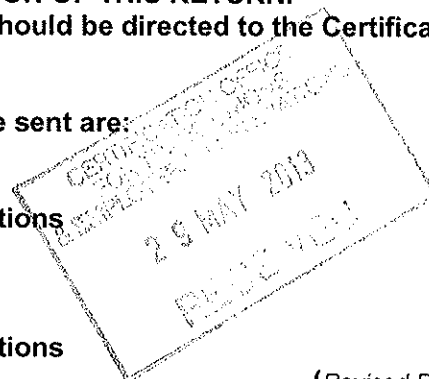
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

# RETURN OF MEMBERS

(see notes 10 and 11)

NUMBER OF MEMBERS AT THE END OF THE YEAR						
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS	
MALE	121	5	0	1	127	
FEMALE	39,297	1,535	37	380	41,249	
TOTAL	39,418	1,540	37	381	A	41,376

Number of members included in totals box 'A' above for whom no home or authorised address is held:

352
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Number of members at end of year contributing to the General Fund

41,376
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## OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
The RCM Board Member	Donna Ockenden		

State whether the union is:

a. A branch of another trade union?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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If yes, state the name of that other union:

b. A federation of trade unions?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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If yes, state the number of affiliated unions:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		7,360,481
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		7,360,481
<b>Total of all income from members</b>		
<b>Investment income (as at page 12)</b>		
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	357,898	
<b>Total of other income (as at page 4)</b>		357,898
		<b>7,718,379</b>
		<b>TOTAL INCOME</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		1,887,002
<b>Administrative expenses (as at page 10)</b>		4,252,388
<b>Federation and other bodies (specify)</b>		
Donation to the RCM Trust	1,322,497	
RCM Branches/ Boards expenditure	254,962	
<b>Total expenditure Federation and other bodies</b>		1,577,459
<b>Taxation</b>		-
		<b>7,716,849</b>
		<b>TOTAL EXPENDITURE</b>
Surplus (deficit) for year		1,530
Amount of general fund at beginning of year		496,464
Amount of general fund at end of year		497,994

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Income from the RCM Branches/Boards	55,489	
Interest received	109	
Membership services	3,527	
Miscellaneous income	486	
Magazine/website income	96,830	
Union Learning Fund - England	194,552	
Union Learning Fund - Scotland	6,905	
<b>TOTAL OTHER INCOME</b>		357,898
<b>TOTAL OF ALL OTHER INCOME</b>		357,898

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Legal	158,200	<b>brought forward</b> Education and Training services	588,735
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications Magazine including website and communities	430,535	Salary Costs Dedicated Officers	816,839
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		Members professional indemnity insurance	385,017
		Members accident insurance	64,719
		Provision of Library	31,692
Other Cash Payments			
<b>carried forward</b>	588,735	<b>Total (should agree with figure in General Fund)</b>	1,887,002

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			

<b>FUND 5</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			

(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			

<b>FUND 7</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			



(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>		
		<b>£</b>	<b>£</b>	
<b>Income</b>	Members contributions and levies			
	Investment income (as at page 12)			
	Other income (specify)			
		Total other income as specified		
		Total income		
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)			
	Non-political expenditure			
			Total expenditure	
			Surplus (deficit) for year	
			Amount of political fund at beginning of year	
			Amount of political fund at the end of year (as Balance Sheet)	
			Number of members at end of year contributing to the political fund	
			Number of members at end of the year not contributing to the political fund	
			Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>		
		<b>£</b>	<b>£</b>	
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund			
	Funds received back from central political fund			
	Other income (specify)			
		Total other income as specified		
		Total income		
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)			
	Non-political expenditure			
			Total expenditure	
			Surplus (deficit) for year	
			Amount held on behalf of trade union political fund at beginning of year	
			Amount remitted to central political fund	
			Amount held on behalf of central political fund at end of year	
			Number of members at end of year contributing to the political fund	
			Number of members at end of the year not contributing to the political fund	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

	£
<b>Administrative Expenses</b>	
Remuneration and expenses of staff	2,686,473
Salaries and Wages included in above	£2,530,552
Auditors' fees	49,313
Legal and Professional fees	24,634
Occupancy costs	58,557
Stationery, printing, postage, telephone, etc.	160,005
Expenses of Executive Committee (Head Office)	-
Expenses of conferences	90,660
Other administrative expenses (specify)	
Insurance	56,527
Press & Publicity	37,360
Data processing	88,109
Catering	7,286
Bank charges	10,719
Affiliations	13,213
General maintenance	17,737
General expenditure	200,801
Marketing including renewals	194,772
Training courses	24,965
Subs ad donations	5,410
Staff recruitment	12,598
<b>Other Outgoings</b>	
Interest payable:	
Bank loans (including overdrafts)	
Mortgages	
Other loans	
Depreciation	
Taxation	
Outgoings on land and buildings (specify)	

Other outgoings (specify)		
Rent to the RCM Trust		85,368
ER training members, staff officials		163,803
Projects ( ULR)		39,316
ER Staff costs		224,762
	<b>Total</b>	4,252,388
Charged to:	General Fund (Page 3)	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	4,252,388



# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
		Total investment income	
		Credited to:	
		General Fund (Page 3)	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	

# BALANCE SHEET as at 31.12.2012

(see notes 47 to 50)

Previous Year		£	£
	<b>Fixed Assets</b> (at page 14)		
	<b>Investments</b> (as per analysis on page 15)		
	Quoted (Market value £      )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
	Loans to other trade unions		
	Sundry debtors		
512,795	Cash at bank and in hand		508,647
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
512,795	<b>Total of other assets</b>		508,647
	<b>TOTAL ASSETS</b>		508,647
496,464	Fund (Account    )		497,994
	Fund (Account    )		
	Fund (Account    )		
	Superannuation Fund (Account    )		
	Political Fund (Account    )		
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
16,331	Sundry creditors		10,653
	Accrued expenses		
	Provisions		
	Other liabilities		
	<b>TOTAL LIABILITIES</b>		10,653
512,795	<b>TOTAL ASSETS</b>		508,647

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
<b>Cost or Valuation</b>						
At start of year						
Additions						
Disposals						
Revaluation/Transfer s						
At end of year						
<b>Accumulated Depreciation</b>						
At start of year						
Charges for year						
Disposals						
Revaluation/Transfer s						
At end of year						
<b>Net book value at end of year</b>						
<b>Net book value at end of previous year</b>						

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)		
Market Value of Quoted Investment		
<b>UNQUOTED</b> Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	7,360,481	-	7,360,481
From Investments	-	-	-
Other Income (including increases by revaluation of assets)	357,898	-	357,898
<b>Total Income</b>	7,718,379	-	7,718,379
<b>EXPENDITURE</b> (including decreases by revaluation of	-	-	-
<b>Total Expenditure</b>	7,716,849	-	7,716,849
<b>Funds at beginning of year</b> (including reserves)	496,494	-	496,494
<b>Funds at end of year</b> (including reserves)	497,994	-	497,994
<b>ASSETS</b>			
Fixed Assets			-
Investment Assets			-
Other Assets			508,647
<b>Total Assets</b>			508,647
<b>LIABILITIES</b>			
<b>Total Liabilities</b>			10,653
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			497,994

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

SEE DOCUMENT (2)

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**2. ACCOUNTING POLICIES (CONTINUED)**

**f) Investments**

Investments are stated at mid-market value at the balance sheet date. Gains are calculated based on the difference between the closing market value or sales proceeds and the purchase price or opening market value.

**g) Leasing**

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

**h) Pension contributions**

The RCM runs a defined benefit scheme for its members. The RCM's contributions are based on actuarial advice and the costs of the scheme are accounted for under the provisions of Financial Reporting Standard No 17 Retirement Benefits.

**i) Income**

Donated income is credited to the Income and Expenditure Account in the period in which it is received. Investment income, interest and other incoming resources are credited to the Income and Expenditure Account as they are earned. Income received for services is recognised during the year in which the service is provided. Grant and contract income is recognised in the Income and Expenditure Account to the extent that entitlement to the income has been earned at the end of the year. Subscriptions income is only recognised during the year to which the subscription relates; subscription income received in advance of the period to which it relates is deferred. Other income is accounted for on the accruals basis.

**j) Expenditure**

Expenditure is accounted for on the accrual basis and includes any unrecoverable elements of VAT.

**3. BRANCH RETURNS**

47 branches of the RCM have not submitted accounts to Headquarters for the year ended 31 December 2012. The omission of these branches does not materially affect these accounts; accordingly the balance sheet includes only the latest known cash balances in respect of these branches. The income and expenditure account includes:

- a) the income and expenditure of Headquarters;
- b) the income and expenditure of 124 (2011: 142) Boards and Branches which have submitted accounts; and
- c) amounts received at Headquarters from the branches that have not submitted accounts.

The total cash at bank and in hand shown in the Group balance sheet of £2,665,203 (2011: £2,618,283) includes £ 508,647 (2011: £512,795) held by branches.

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**4. INCOME**

	2012	2011
	£	£
Membership subscriptions	7,360,481	7,013,724
Conference income	59,602	54,660
Income raised by branches/boards	55,489	56,379
Donations and legacies	22,558	36,788
Commercial partnership income	415,279	289,400
Other income inc funded projects	332,767	312,358
Sales of publications	4,600	6,123
Journal income	129,107	123,042
Consultancy	53,154	3,725
	<b>8,433,037</b>	<b>7,896,199</b>

**5. STAFF COSTS AND NUMBERS**

	2012	2011
	£	£
Wages and salaries	3,526,823	3,034,598
Social security costs	358,174	277,227
Pension costs	345,364	135,283
	<b>4,230,361</b>	<b>3,447,108</b>

	No.	No.
Average numbers employed (full time equivalent)		
Professional	47	49
Support	24	25
	<b>71</b>	<b>74</b>

**6. PENSIONS**

The RCM operate a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2010 and the results have been updated to 31 December 2012 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**6. PENSIONS (CONTINUED)**

The RCM currently pays contributions at the rate of 11.9% of pensionable pay in respect of future accrual of benefits. In addition the RCM pays £13,833 per month and 8.3% of pensionable pay in respect of shortfall contributions. Member contributions are payable in addition at the rate of 7% of pensionable pay. With effect from 1 July 2011 future accrual of benefits are accrued under a career average earnings benefit structure.

**Present values of scheme liabilities, fair value of assets and (deficit)**

	<b>31 December 2012 £'000s</b>	<b>31 December 2011 £'000s</b>	<b>31 August 2010 £'000s</b>
Fair value of scheme assets	18,136	17,185	16,210
Present value of scheme liabilities	22,337	20,419	18,697
Deficit in scheme	(4,201)	(3,234)	(2,487)
Unrecognised surplus	-	-	-
Liability to be recognised	(4,201)	(3,234)	(2,487)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	<b>31 December 2012 £'000s</b>	<b>31 December 2011 £'000s</b>
Scheme liabilities at start of period	20,419	18,697
Current service cost	268	422
Interest cost	951	998
Contributions by scheme participants	168	183
Actuarial losses	1,330	1,162
Benefits paid, death in service insurance premiums and expenses	(871)	(760)
Past service costs	72	-
Business combinations	-	-
Curtailments	-	(283)
Settlements	-	-
Scheme liabilities at end of period	22,337	20,419

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**6. PENSIONS (CONTINUED)**

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF  
SCHEME ASSETS**

	<b>31 December 2012 £'000s</b>	<b>31 December 2011 £'000s</b>
Fair value of scheme assets at start of period	17,185	16,210
Expected return on scheme assets	860	928
Actuarial gains / (losses)	61	(79)
Contributions by employer	733	703
Contributions by scheme participants	168	183
Benefits paid, death in service insurance premiums and expenses	(871)	(760)
Fair value of scheme assets at end of period	18,136	17,185

The actual return on the scheme assets over the year ending 31 December 2012 was £921,000.

Total expense recognised in profit and loss account

	<b>31 December 2012 £'000s</b>	<b>31 December 2011 £'000s</b>
Current service cost	268	422
Interest cost	951	998
Expected return on scheme assets	(860)	(928)
Past service cost	72	-
(Gains) on curtailments	-	(283)
Settlements	-	-
Total expense recognised in profit and loss account	431	209

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**6. PENSIONS (CONTINUED)**

Statement of total recognised gains and losses

	31 December 2012 £'000s	31 December 2011 £'000s
Difference between expected and actual return on scheme assets: Amount: gain / (loss)	61	(79)
Experience gains and losses arising on the scheme liabilities: Amount: (loss)	(385)	(34)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount: (loss)	(945)	(1,128)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognized) Amount: (loss)	(1,269)	(1,241)
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable Amount: (loss)/ gain	-	-
<b>Total amount recognised in statement of total recognised gains and losses:</b> Amount: (loss)	<b>(1,269)</b>	<b>(1,241)</b>

Assets

	31 December 2012 £'000s	31 December 2011 £'000s
Equities	8,803	7,765
Bonds	2,187	7,902
Cash	47	13
Property	1,546	1,505
LDI	5,553	-
<b>Total assets</b>	<b>18,136</b>	<b>17,185</b>

None of the fair values of the assets shown above include any of the RCM's own financial instruments or any property occupied by, or other assets used by, the RCM.



**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**6. PENSIONS (CONTINUED)**

Assumptions

	<b>31 December 2012 % per annum</b>	<b>31 December 2011 % per annum</b>
Rate of discount	4.40	4.70
Inflation (RPI)	3.10	3.10
Inflation (CPI)	2.30	2.30
Salary increases	n/a	n/a
Allowance for revaluation of deferred pensions of RPI or 5% pa if less but with a minimum of 3%	n/a	n/a
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less but with a minimum of 3%	3.00%	3.00%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.10
Allowance for commutation of pension for cash at retirement	90% of members commute 25% of their benefits for cash	90% of members commute 25% of their benefits for cash

The mortality assumptions adopted at 31 December 2012 imply the following future life expectancies:

Male retiring at age 65 in 2012	23.3
Female retiring at age 65 in 2012	25.8
Male retiring at age 65 in 2032	25.3
Female retiring at age 65 in 2032	27.7

**Expected long term rates of return**

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet date. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**6. PENSIONS (CONTINUED)**

The expected long term rates of return applicable to each period are as follows:

	31 December 2012 % per annum	31 December 2011 % per annum
Equities	5.3	6.7
Bonds	4.7	4.2
Cash	0.5	0.5
Property	5.3	6.7
LDI	n/a	n/a
Overall for scheme	5.0	5.7

Amounts for the current and previous five periods:

	31 December 2012 £'000s	31 December 2011 £'000s	31 December 2010 £'000s	31 August 2009 £'000s	31 August 2008 £'000s
Fair value of assets	18,136	17,185	16,210	13,437	14,068
Present value of scheme liabilities	22,337	20,419	18,697	16,515	14,664
Deficit in scheme	(4,201)	(3,234)	(2,487)	(3,078)	(596)
Experience adjustment on scheme liabilities	(385)	(34)	(256)	16	34
Experience adjustment on scheme assets	61	(79)	725	(1,573)	(398)

The best estimate of contributions to be paid by the employer for the period commencing 1 January 2013 is £654,000. Any contribution in respect of benefit augmentations and discretionary pension increases paid are in addition to this amount.

**7. INTEREST RECEIVABLE**

	2012 £	2011 £
Bank and building society interest	<u>13,008</u>	<u>20,607</u>

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**8. SURPLUS ON ORDINARY ACTIVITIES**

	<b>2012</b>	<i>2011</i>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration → audit	<b>23,500</b>	<i>24,900</i>
- other services - taxation	<b>14,292</b>	<i>5,790</i>
Operating lease rentals - plant and machinery	<b>44,645</b>	<i>44,645</i>
- land and buildings	<b>33,000</b>	<i>33,404</i>
Depreciation	<b>63,452</b>	<i>70,527</i>

**9. REMUNERATION OF MEMBERS OF THE RCM BOARD**

No member of the RCM Board received any remuneration from the RCM (2011: £Nil).

**10. RESULTS FOR THE FINANCIAL PERIOD**

In accordance with the exemptions allowed by Section 408 of the Companies Act 2006, the RCM has not presented its own profit and loss account. The RCM's unconsolidated surplus for the year was £1,530 and total turnover was £7,718,379.

**11. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Long leasehold property £	Furniture and office equipment £	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2012	155,000	1,465,925	325,253	1,946,178
Addition	-	-	1,727	1,727
Disposal	-	-	(22,679)	(22,679)
<b>At 31 December 2012</b>	<b>155,000</b>	<b>1,465,925</b>	<b>304,301</b>	<b>1,925,226</b>
<b>Depreciation and amortisation</b>				
At 1 January 2012	37,056	379,170	255,230	671,456
Charge for the year	1,923	25,469	36,060	63,452
Disposal	-	-	(22,679)	(22,679)
<b>At 31 December 2012</b>	<b>38,979</b>	<b>404,639</b>	<b>268,611</b>	<b>712,229</b>
<b>Net book value</b>				
<b>At 31 December 2012</b>	<b>116,021</b>	<b>1,061,286</b>	<b>35,690</b>	<b>1,212,997</b>
<i>At 31 December 2011</i>	<i>117,944</i>	<i>1,086,755</i>	<i>70,024</i>	<i>1,274,722</i>

All tangible fixed assets relate to those within the Group. No fixed assets are held by the Company only.

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**12. FIXED ASSET INVESTMENTS**

	2012 £	2011 £
Market value at start of period	2,569,937	2,765,570
Additions	335,508	256,783
Disposals	(225,991)	(253,303)
Gains / (losses)	<u>304,442</u>	<u>(199,113)</u>
<b>Market value at 31 December</b>	<b><u>2,983,896</u></b>	<b><u>2,569,937</u></b>
Historical cost at 31 December	<u>2,333,660</u>	<u>2,178,454</u>

Investments are held in a mixture of unit trusts managed by Schroders.

All investments are held within the Group. None are held within the Company only.

**13. DEBTORS**

	2012 £	2011 £
Other debtors	201,680	306,557
Prepayments and accrued income	<u>180,913</u>	<u>547,700</u>
	<b><u>382,593</u></b>	<b><u>854,257</u></b>

The analysis provided above relates to the Group only. An analysis of debtors for the Company only is shown on the Company balance sheet.

**14. CREDITORS: amounts falling due within one year**

	2012 £	2011 £
Subscriptions and other income in advance	41,222	21,349
Deferred income	592,302	1,150,897
Accruals	<u>185,860</u>	<u>268,583</u>
	<b><u>819,384</u></b>	<b><u>1,440,829</u></b>

The analysis provided above relates to the Group only. An analysis of creditors for the Company only is shown on the Company balance sheet.

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**15. MOVEMENT ON RESERVES**

	<i>1 January 2012</i> £	Movement in the period £	Gains £	Transfers £	<b>31 December 2012</b> £
<b>Specific Funds</b>					
Revaluation reserve	879,627	-	-	-	<b>879,627</b>
Headquarters Specific Fund	70,831	1,848	10,416	-	<b>83,095</b>
Headquarters Benevolent Fund	587,160	(89,223)	58,215	-	<b>556,152</b>
Safe Motherhood fund	68,418	-	-	(68,418)	<b>0</b>
Sheelagh Bramley reserve	6,877	(6,877)	-	-	<b>0</b>
<b>Total specific funds</b>	<u>1,612,913</u>	<u>(94,252)</u>	<u>68,631</u>	<u>(68,418)</u>	<u><b>1,518,874</b></u>
<b>General Funds</b>					
General Funds – HQ	3,770,385	337,064	235,811	68,418	<b>4,411,678</b>
General Funds - Branches	496,464	1,530	-	-	<b>497,994</b>
	<u>4,266,849</u>	<u>338,594</u>	<u>235,811</u>	<u>68,418</u>	<u><b>4,909,672</b></u>
<b>Total specific and general</b>	<u>5,879,762</u>	<u>244,342</u>	<u>304,442</u>	<u>-</u>	<u><b>6,428,546</b></u>
Pension fund reserve	(3,234,055)	302,000	(1,269,000)	-	<b>(4,201,055)</b>
<b>Total funds</b>	<u>2,645,707</u>	<u>546,342</u>	<u>(964,558)</u>	<u>-</u>	<u><b>2,227,491</b></u>

**16. FINANCIAL COMMITMENTS**

At 31 December 2012 the group had the following annual commitments under non-cancellable operating leases expiring as follows:

	<b>Land and buildings</b>		<b>Furniture and equipment</b>	
	<b>2012</b> £	<b>2011</b> £	<b>2012</b> £	<b>2011</b> £
In less than two years	-	-	<b>35,621</b>	18,718
Within two to five years	-	-	<b>9,024</b>	25,927
In more than five years	<b>33,000</b>	33,000	-	-
	<u><b>33,000</b></u>	<u>33,000</u>	<u><b>44,645</b></u>	<u>44,645</u>

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

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**17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating surplus	450,497	729,757
Depreciation and amortisation charges	63,452	70,527
Decrease in stocks	151	183
(Increase) / decrease in debtors	471,664	(61,602)
Decrease in creditors	(621,445)	(254,275)
Charitable grants paid	(106,116)	(90,320)
Pension current costs	340,000	139,000
Contribution by employer	(733,000)	(703,000)
	<b>(134,797)</b>	<b>(169,730)</b>

**18. ANALYSIS OF BANK BALANCES AND CHANGES IN THE YEAR**

	2011	Change in year	2012
	£	£	£
Cash at bank and in hand	<u>2,618,283</u>	<u>46,920</u>	<u>2,665,203</u>

# THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY

## STATEMENT TO MEMBERS

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### Section 32A(6)(a) of the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999

- a) Total Income and Expenditure of the trade union for the period ended 31 December 2012.

Income       £ 7,718,379  
Expenditure £ 7,716,849

- b) The total income for the union for the period ended 31 December 2012 includes £7,360,481 of payments in respect of membership.
- c) The union has no political fund.
- d) The CEO (whose role includes that of General Secretary) received a gross salary of £138,027 for the twelve month period which includes benefits consisting of pension contributions.

It should be noted that the CEO's salary is associated with all the activities of the RCM and not just the trade union.

No salary or other benefits were received by the President or any members of the RCM Board.

A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.

# ACCOUNTING POLICIES

(see notes 74 and 75)

SEE DOCUMENT ①

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Cathy Warwick</u> Name: <u>CATHERINE L WARWICK</u> Date: <u>7/5/2013</u>	Chairman's Signature: <u>[Signature]</u> (or other official whose position should be stated) Name: <u>BARBARA WYKERS</u> Date: <u>10th May 2013</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSE D	<input type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>



**THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

---

**1. STATUS OF THE COMPANY**

The RCM is a company limited by guarantee and does not have share capital. The members' liabilities in the case of both organisations are limited to £1, and there were 41,376 members as at the 31 December 2012. The RCM is registered as a trade union.

**2. ACCOUNTING POLICIES**

**a) Accounting convention**

The accounts are prepared under the Companies Act 2006, the historical cost accounting rules, modified by the revaluation of listed investments, and in accordance with applicable accounting standards.

**b) Basis of consolidation**

The consolidated accounts incorporate the accounts of the RCM and its subsidiary, The Royal College of Midwives Trust, at 31 December 2012. The accounts of the subsidiary also include "The Benevolent Fund of the Royal College of Midwives", which is a subsidiary charity of the Trust, and the RCM Trust Trading Company Limited, a subsidiary company of the Trust.

**c) Members' subscriptions and donations to RCM Trust**

In accordance with a resolution of the former Council, the RCM retains the proportion of subscription income, which equates with its total expenditure. The balance of subscriptions income is donated to The Royal College of Midwives Trust.

**d) Depreciation**

Depreciation of fixed assets is charged in equal annual instalments commencing with the year of acquisition, at rates estimated to write off their cost or valuation less any residual value over their expected useful lives, which are as follows:

Freehold building	50 years
Leasehold property	Over period of lease
Furniture and office equipment	5 years
Computer software	3 years

Freehold land and buildings were historically held at valuation. When FRS15 was first implemented, these values were frozen under the transitional provisions of the standard and a policy of depreciation has been applied. Freehold land and buildings are therefore accounted for on a historical cost basis for the purposes of FRS15.

**e) Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

**THE ROYAL COLLEGE OF MIDWIVES  
AND SUBSIDIARY COMPANY NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31 DECEMBER 2012**

**2. ACCOUNTING POLICIES (CONTINUED)**

**f) Investments**

Investments are stated at mid-market value at the balance sheet date. Gains are calculated based on the difference between the closing market value or sales proceeds and the purchase price or opening market value.

**g) Leasing**

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

**h) Pension contributions**

The RCM runs a defined benefit scheme for its members. The RCM's contributions are based on actuarial advice and the costs of the scheme are accounted for under the provisions of Financial Reporting Standard No 17 Retirement Benefits.

**i) Income**

Donated income is credited to the Income and Expenditure Account in the period in which it is received. Investment income, interest and other incoming resources are credited to the Income and Expenditure Account as they are earned. Income received for services is recognised during the year in which the service is provided. Grant and contract income is recognised in the Income and Expenditure Account to the extent that entitlement to the income has been earned at the end of the year. Subscriptions income is only recognised during the year to which the subscription relates; subscription income received in advance of the period to which it relates is deferred. Other income is accounted for on the accruals basis.

**j) Expenditure**

Expenditure is accounted for on the accrual basis and includes any unrecoverable elements of VAT.

**3. BRANCH RETURNS**

47 branches of the RCM have not submitted accounts to Headquarters for the year ended 31 December 2012. The omission of these branches does not materially affect these accounts; accordingly the balance sheet includes only the latest known cash balances in respect of these branches. The income and expenditure account includes:

- a) the income and expenditure of Headquarters;
- b) the income and expenditure of 124 (2011: 142) Boards and Branches which have submitted accounts; and
- c) amounts received at Headquarters from the branches that have not submitted accounts.

The total cash at bank and in hand shown in the Group balance sheet of £2,665,203 (2011: £2,618,283) includes £ 508,647 (2011: £512,795) held by branches.

# AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES/ NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?  
(See section 36(3) of the 1992 Act, set out in note 83)

YES/ NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.  
(See section 36(4) of the 1992 Act set out in rule 83)

YES/ NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 85)

# AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>Crowe Clark Whitehill LLP</i>	
Name(s):	<i>CROWE CLARK WHITEHILL LLP</i>	
Profession(s) or Calling(s):	<i>CHARTERED ACCOUNTANTS</i>	
Address(es):	<i>ST BRIDE'S HOUSE 10 SAUSBURY SQ LONDON EC4A 3EH</i>	
Date:	<i>24-May 2013</i>	
Contact name and telephone number:	<i>Mrs T Allison</i>	<i>0207842 7100</i>

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.



## **AUDITORS REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF MIDWIVES**

We have audited the financial statements of the Royal College of Midwives for the year ended 31 December 2012 which comprise the income and expenditure, balance sheet and related notes included within the AR21 as set out on pages 3 to 20 of the AR21. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the College's members, as a body. Our audit work has been undertaken so that we might state to the College'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 College and the College's members as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of Officers and Auditors for the Financial Statements**

The Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require the officers of the College to keep proper accounting records which give a true and fair view of the state of affairs of the College and explain its transactions; establish and maintain a satisfactory system of control of the accounting records, cash holdings and all the receipts and remittances; prepare an annual return for the Certification Officer giving a true and fair view of the revenue account and balance sheet and provide members of the College with a statement of income and expenditure for the year. We have been appointed as auditor under section 33 of the Trade Union and Labour Relations (Consolidation) Act 1992 and report in accordance with Section 36 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the officers; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Royal College of Midwives affairs as at 31 December 2012 and of its transactions for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations Act 1992.

**Matters on which we report by exception**

We have nothing to report in respect of the following matters where the Trade Unions and Labour Relations Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- a satisfactory systems of control over its accounting records, cash holdings and receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records or returns.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP  
Chartered Accountants and Registered Auditors  
London

24 May 2013