

- DO NOT STAPLE
- 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 2014

List no:

503T

Head or Main Office:

15 Mansfield Street
London
W1G 9NH

Website address (if available)

www.rcm.org.uk

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

Yes

No

(Click the appropriate box)

General Secretary:

Professor 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

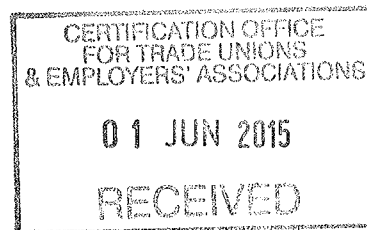
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
22nd 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)

RCM BOARD MEMBERS

All members of the RCM Board are practising midwives who have been elected to the Board by members of the RCM. They are non-executive and receive no payment.

Members served for the entire year except where indicated otherwise.

- Dr Patricia Gillen (Chair)
- Barbara Kuypers
- Helene Marshall
- Marie McDonald
- Christina McKenzie (until 5 October)
- Lynne Pacanowski
- Professor Jane Sandall (Deputy Chair)
- Vanessa Shand
- Anna Shasha
- Brona Shaw (until 15 September)
- Dr Susan Way

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	128	4	0	2	134	
FEMALE	42,101	1,606	28	241	43,976	
TOTAL	42,229 4,229	1,610	28	243	A	44,110

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

0
44,110

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

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
RCM Board Member	Christina McKenzie		5.10.2014
RCM Board Member	Brona Shaw		15.09.2014

State whether the union is:

a. A branch of another trade union?

Yes No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		7,886,092
From Members: Other income from members (specify)		
	-	
	-	
	-	
Total other income from members		-
Total of all income from members		7,886,092
Investment income (as at page 12)		-
Other Income		
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	882,888	
Total of other income (as at page 4)		882,888
		882,888
	TOTAL INCOME	8,768,980
EXPENDITURE		
Benefits to members (as at page 5)		1,870,757
Administrative expenses (as at page 10)		4,333,435
Federation and other bodies (specify)		
RCM Branches/county offices expenditure	217,662	
	-	
	-	
Total expenditure Federation and other bodies		217,662
Taxation		-
		6,421,854
	TOTAL EXPENDITURE	6,421,854
Surplus (deficit) for year		2,347,126
Amount of general fund at beginning of year		531,906
Prior period adjustment		1,141,259
Amount of general fund at beginning of year as restated		1,673,165
Amount of general fund at end of year		4,020,291

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Income from the RCM branches and country offices	19,944	
Interest Received	76	
Membership services	2,987	
Miscellaneous income	89,612	
Magazine/website income	162,202	
Union Learning Fund England	216,864	
Union Learning Fund Scotland	17,980	
Union Learning Fund Wales	32,227	
RCM Twinning Project	158,270	
Other projects	33,178	
VAT Rebate	149,548	
TOTAL OTHER INCOME		882,888
TOTAL OF ALL OTHER INCOME		882,888

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Legal	283,633	brought forward Education and Training services	724,719
Representation – Non Employment Related Issues Magazine including website	441,086	Negotiated Discount Services	
Communications			
Advisory Services		Salary Costs Dedicated officers	697,038
Dispute Benefits		Other Benefits and Grants (specify) Members professional indemnity insurance	449,000
Other Cash Payments			
carried forward	724,719	Total (should agree with figure in General Fund)	1,870,757

(See notes 24 and 25)

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

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

(See notes 24 and 25)

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

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

(See notes 24 and 25)

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

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

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund		
		£	£	
Income	Members contributions and levies			
	Investment income (as at page 12)			
	Other income (specify)			
		Total other income as specified		
		Total income		
Expenditure	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	

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union		
		£	£	
Income	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		
Expenditure	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)

	£
Administrative Expenses	
Remuneration and expenses of staff	2,527,945
Salaries and Wages included in above	£2,366,142
Auditors' fees	37,770
Legal and Professional fees	75,086
Occupancy costs	157,136
Stationery, printing, postage, telephone, etc.	222,407
Expenses of Executive Committee (Head Office)	-
Expenses of conferences	82,913
Other administrative expenses (specify)	
Insurance	42,878
Press and Publicity	45,526
Data Processing	151,262
Catering	8,283
Bank Charges	11,158
Affiliations	15,104
General Maintenance	143,356
General Expenditure	88,977
Marketing including renewals	153,920
Training Courses	45,202
Subs and donations	2,402
Staff Recruitment	43,052
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	
Mortgages	
Other loans	
Depreciation	
Taxation	
Outgoings on land and buildings (specify)	

Other outgoings (specify)		
Projects (Union Learning)		58,883
Training members , staff, officials		113,701
RCM Education		11,210
Other projects		170,365
RCM Pay Campaign		124,899
	Total	4,333,435
Charged to:	General Fund (Page 3)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Total	4,333,435

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions £	Other Benefits		
				Description	Value £	
Professor Cathy Warwick	117,687	14,015	23,773	-	-	155,475
RCM Board Members and president did not receive salary or benefits, only refund of expenditure incurred	-	-	-	-	-	-

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 31.12.2014

(see notes 47 to 50)

Previous Year		£	£
1,178,175	Fixed Assets (at page 14)		1,149,119
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
1,178,175	Total Investments		1,149,119
	Other Assets		
	Loans to other trade unions		
360,246	Sundry debtors		2,704,634
845,649	Cash at bank and in hand		766,050
	Income tax to be recovered		
3,063	Stocks of goods		2,656
	Others (specify)		
	Total of other assets		3,477,340
2,387,133	TOTAL ASSETS		4,626,459
2,387,133	Fund (Account)		4,626,459
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
713,968	Sundry creditors		606,168
	Accrued expenses		
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		606,168
1,673,165	TOTAL ASSETS		4,020,291

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
Cost or Valuation						
At start of year	1,620,925		331,851	-	-	1,952,776
Additions	-		14,931	-	-	14,931
Disposals	--		644	-	-	644
Revaluation/Transfers						
At end of year	1,620,925		346,138	-	-	1,967,063
Accumulated Depreciation						
At start of year	471,010		303,591	-	-	774,601
Charges for year	27,392		16,595	-	-	43,987
Disposals	-		644	-	-	644
Revaluation/Transfers						
At end of year	498,402		319,542	-	-	817,944
Net book value at end of year	1,122,523		26,596	-	-	1,149,119
Net book value at end of previous year	1,149,915		28,260	-	-	1,178,175

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		
UNQUOTED	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)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		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)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		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 £
INCOME			
From Members	7,886,092	-	7,886,092
From Investments	-	-	-
Other Income (including increases by revaluation of assets)	882,888	-	882,888
Total Income	8,768,980	-	8,768,980
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	6,421,854	-	6,421,854
Funds at beginning of year (including reserves)	1,673,165	-	1,673,165
Funds at end of year (including reserves)	4,020,291	-	4,020,291
ASSETS			
Fixed Assets			1,149,119
Investment Assets			-
Other Assets			3,477,340
		Total Assets	4,626,459
LIABILITIES		Total Liabilities	606,168
NET ASSETS (Total Assets less Total Liabilities)			4,020,291

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 (1)

①

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. ACCOUNTING POLICIES (CONTINUED)

f) Leasing

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

g) 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.

h) 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.

i) Expenditure

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

3. BRANCH RETURNS

60 branches of the RCM have not submitted accounts to Headquarters for the year ended 31 December 2014. 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. 46 branches which have not submitted accounts bank with Unity Trust Bank, the same bank RCM HQ uses, therefore it was possible to verify their cash balances. The income and expenditure account includes:

- a) the income and expenditure of Headquarters;
- b) the income and expenditure of 112 (2013: 101) Branches including RCM Wales and RCM Northern Ireland offices 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 £2,874,377 (2013: £3,070,037) includes £547,476 (2013: £531,906) held by branches and RCM Wales and Northern Ireland's country offices.

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. PENSIONS (CONTINUED)

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

	31 December 2014 £'000s	31 December 2013 £'000s
Fair value of scheme assets	24,697	20,245
Present value of scheme liabilities	(25,285)	(23,385)
Scheme deficit	(588)	(3,140)

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

	31 December 2014 £'000s	31 December 2013 £'000s
Scheme liabilities at start of period	23,385	22,337
Current service cost	320	234
Expenses	58	59
Interest cost	1,072	970
Contributions by scheme participants	187	169
Actuarial losses	993	653
Benefits paid and expenses	(730)	(1,037)
Scheme liabilities at end of period	25,285	23,385

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. PENSIONS (CONTINUED)

Statement of total recognised gains and losses

	31 December 2014 £'000s	31 December 2013 £'000s
Difference between expected and actual return on scheme assets:		
Amount: gain	3,230	1,551
Experience gains and losses arising on the scheme liabilities:		
Amount: gain	106	239
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities:		
Amount: (loss)	(1,099)	(892)
Total actuarial gains and losses		
Amount: gain	2,237	898
Total amount recognised in statement of total recognised gains and losses:		
Amount: gain	2,237	898

Assets

	31 December 2014 £'000s	31 December 2013 £'000s
Equities	11,929	10,599
Bonds	2,888	2,173
Cash	23	28
Property	1,972	1,679
LDI	7,885	5,766
Total assets	24,697	20,245

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

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. PENSIONS (CONTINUED)

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

	Period Commencing 1 January 2014 % per annum	Period Commencing 1 January 2013 % per annum
Equities	6.10	5.2
Bonds	4.40	4.1
Cash	0.50	0.5
Property	6.10	5.2
LDI	3.60	2.7
Overall for scheme	5.20	4.3

Amounts for the current and previous five periods:

	31 December 2014 £'000s	31 December 2013 £'000s	31 December 2012 £'000s	31 August 2011 £'000s	31 August 2010 £'000s
Fair value of assets	24,697	20,245	18,136	17,185	16,210
Present value of scheme liabilities	25,285	23,385	22,337	20,419	18,697
Deficit in scheme	(588)	(3,140)	(4,201)	(3,234)	(2,487)
Experience adjustment on scheme liabilities	106	239	(385)	(34)	(256)
Experience adjustment on scheme assets	3,230	1,551	61	(79)	725

The best estimate of contributions to be paid by the employer for the period commencing 1 January 2015 is £708,000.

7. INTEREST RECEIVABLE

	2014 £	2013 £
Bank and building society interest	<u>10,879</u>	<u>8,663</u>

8. SURPLUS ON ORDINARY ACTIVITIES

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
Market value at start of period	3,511,928	2,983,896
Additions	490,000	531,331
Disposals	(379,280)	(557,666)
Gains	64,159	554,368
Market value at 31 December	<u>3,686,807</u>	<u>3,511,929</u>
Historical cost at 31 December	<u>2,775,257</u>	<u>2,466,000</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.

	Group 2014 £	Group 2013 £	Company 2014 £	As restated Company 2013 £
13. DEBTORS				
Amounts due from RCM Trust	-	-	2,334,802	-
Other debtors	249,841	254,271	249,841	233,647
Prepayments	123,991	126,598	123,991	126,598
	<u>373,832</u>	<u>380,869</u>	<u>2,708,634</u>	<u>360,245</u>
14. CREDITORS: amounts falling due within one year				
Subscriptions in advance	3,516	44,201	3,516	44,201
Trade creditors	279,164	397,387	252,533	349,924
Other taxation and social security	93,020	87,185	93,020	87,185
Accruals	248,464	232,658	219,893	232,658
Deferred income	307,451	151,194	37,206	-
	<u>931,615</u>	<u>912,625</u>	<u>606,168</u>	<u>713,968</u>

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

	2014 £	2013 £
Operating surplus	7,711	486,375
Depreciation	43,987	72,061
Decrease in stocks	407	177
(Increase) / decrease in debtors	(34,962)	1,723
Increase in creditors	18,990	93,241
Charitable grants paid	(32,618)	(88,381)
Pension current costs	378,000	293,000
Contribution by employer	(708,000)	(653,000)
Net cash (outflow) / inflow from operating activities	<u>(326,485)</u>	<u>205,196</u>

18. ANALYSIS OF BANK BALANCES AND CHANGES IN THE YEAR

	2013 £	Change in year £	2014 £
Cash at bank and in hand	<u>3,070,037</u>	<u>(195,660)</u>	<u>2,874,377</u>

19. PRIOR PERIOD ADJUSTMENT

During the year the Board carried out a review of the balance sheet and the allocation of assets and liabilities between the company and its subsidiary, the Royal College of Midwives Trust. The legal ownership of assets was determined and the substance of the relationship between customers and suppliers was reviewed to determine whether the company or Royal College of Midwives Trust bore the risks and rewards associated with each. This resulted in a restatement of the balance sheet of the unconsolidated company balance sheet as at 31 December 2013 as set out below.

	Total
Group funds at the start of the year as previously stated	(2,608,149)
Adjust for tangible fixed assets owned by Royal College of Midwives	1,178,175
Adjust for stock, debtors and cash balances where legal form or substance of relationship is with Royal College of Midwives	623,377
Adjust for creditors where legal form or substance of relationship is with Royal College of Midwives	<u>(660,293)</u>
Total prior period adjustment	1,141,259
Group funds at the end of the year as restated	<u>(1,466,890)</u>

There was no impact on the surplus reported for 31 December 2013 however the activities performed by the company and intercompany allocations and charges have been reviewed by the directors and greatly simplified from 1 January 2014 onwards.



THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 44,110 members as at the 31 December 2014. 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.

Having reviewed the financial position the RCM Board has a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 2014. The Royal College of Midwives (a company limited by guarantee which is not charity) is a corporate member of the Trust and appoints all the trustees. 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 in which the Trust holds the sole share.

c) 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.

d) Stocks

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

e) 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.

ACCOUNTING POLICIES

(see notes 74 and 75)

SEE (2)

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>Cathy Warwick</u> Date: <u>18/5/2015</u>	Chairman's Signature: <u>Patricia Gillen</u> (or other official whose position should be stated) Name: <u>PATRICIA GILLEN</u> Date: <u>20/5/2015</u>
--	--

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

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)

526 (3)

Signature(s) of auditor or auditors:	<i>Rob Clr Williams</i>	
Name(s):	<i>Clare Clare Williams W</i>	
Profession(s) or Calling(s):	<i>CHARTERED ACCOUNTANTS, REGISTERED AUDITORS</i>	
Address(es):	<i>10 Sansbury Sq London EC4Y 8EM</i>	
Date:	<i>26.5.15</i>	
Contact name and telephone number:	<i>Hicks 02078427100</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.

AUDITOR'S 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 2014 which comprise the income and expenditure, balance sheet and related notes included within the AR(NI)21 as set out on pages 5 to 30 of the AR (NI)21. 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 Industrial Relations (Northern Ireland) Order 1992 requires 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 article 11(3) of The Industrial Relations (Northern Ireland) Order 1992 and report in accordance with provisions of that Order. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Royal College of Midwives affairs as at 31 December 2014 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 Industrial Relations (Northern Ireland) Order 1992.

Matters on which we report by exception

We have nothing to report in respect of the following matters where The Industrial Relations (Northern Ireland) Order 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

Crowe Clark Whitehill LLP
Chartered Accountants and Registered Auditors
London

26.5.15