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FORM AR21

To be used for reporting years starting on or after 6 April 2015

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:

31st December 2016

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



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.

- Amanda Burleigh
 - Sheena Byrom
 - Barbara Kuypers
 - Natalie Linder
 - Helene Marshall
 - Lynne Pacanowski
 - Julie Richards
 - Professor Jane Sandall (Deputy Chair)
 - Vanessa Shand (until 29 February 2016)
 - Dr Susan Way (RCM Chair)
-

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	142	3	-	1	146
FEMALE	42,665	1,596	13	347	44,621
NOT KNOWN	2,038	44	-	6	2,088
TRANSGENDER	4	-	-	-	4
TOTAL	44,849	1,643	13	354	A 46,859

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

733

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

46,859

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
Director	Vanessa Shand	n/a	29.2.2016

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		8,313,505
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		8,313,505
Investment income (as at page 12)		78,427
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	1,454,242	
Total of other income (as at page 4)		1,454,242
	TOTAL INCOME	9,846,174
EXPENDITURE		
Benefits to members (as at page 5)		2,200,093
Administrative expenses (as at page 10)		6,679,545
Federation and other bodies (specify)		
RCM Branches	78,427	
Total expenditure Federation and other bodies		78,427
Taxation		-
	TOTAL EXPENDITURE	8,958,065
Surplus (deficit) for year		888,109

Gains of investments	342,761
Amount of general fund at beginning of year	4,919,647
Amount of general fund at end of year	6,150,517

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	22,147	
Interest received	190	
Membership services	2,990	
Miscellaneous income	95,867	
Magazine/Website income	160,612	
Union Learning Fund England	152,376	
Union Learning Fund Scotland	22,000	
Union Learning Fund Wales	31,783	
Union Learning Fund Northern Ireland	8,582	
Grant from RCM Trust	597,861	
Momentum project – Uganda	64,766	
Other projects	54,394	
Conferences and events	238,941	
Donations	1,733	
TOTAL OTHER INCOME		1,454,242
TOTAL OF ALL OTHER INCOME		1,454,242

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Legal	372,966	brought forward Education and Training services	963,895
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications Magazine and website	590,929	Salary Costs Dedicated officers	825,573
Advisory Services		Other Benefits and Grants (specify) Members professional indemnity insurance	410,625
Dispute Benefits			
Other Cash Payments			
carried forward	963,895	Total (should agree with figure in General Fund)	2,200,093

(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	4,134,130
Salaries and Wages included in above	£3,784,027
Auditors' fees	48,264
Legal and Professional fees	53,093
Occupancy costs	203,720
Stationery, printing, postage, telephone, etc.	317,326
Expenses of Executive Committee (Head Office)	-
Expenses of conferences	280,221
Other administrative expenses (specify)	
Insurance	62,109
Press and publicity	41,729
Data processing	301,472
Catering	18,249
Bank charges	25,888
Affiliations	14,905
TUC Affiliation	96,751
General Expenditure	113,242
Marketing including renewals	210,383
Staff training	68,686
Subs and donations	71,002
Staff recruitment	34,043
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	-
Mortgages	-
Other loans	-
Depreciation	35,435
Taxation	
Outgoings on land and buildings (specify)	-

Other outgoings (specify)		
Projects (Union Learning)		39,374
Training courses		110,499
RCM Education		254,911
Maternity support workers		19,198
Uganda Momentum project		53,066
Other projects		39,968
Care for you campaign		31,881
	Total	6,679,545
Charged to:	General Fund (Page 3)	-
	Fund (Account)	-
	Fund (Account)	-
	Fund (Account)	-
	Fund (Account)	-
	Total	6,679,545

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	122,566	14,492	24,573	-	-	161,631
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)			78,427
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
		Total investment income	78,427
Credited to:			
		General Fund (Page 3)	78,427
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	78,427

BALANCE SHEET as at 31.12.2016

(see notes 47 to 50)

Previous Year		£	£
1,112,834	Fixed Assets (at page 14)		1,077,399
	Investments (as per analysis on page 15)		
2,675,227	Quoted (Market value £)		3,637,611
5,000	Unquoted		5,000
	Total Investments		3,642,611
	Other Assets		
	Loans to other trade unions		
368,023	Sundry debtors		359,100
1,456,453	Cash at bank and in hand		1,876,229
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
	Total of other assets		2,235,329
	TOTAL ASSETS		6,955,339
	Fund (Account)		
	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		
697,890	Sundry creditors		804,822
	Accrued expenses		
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		804,822
	TOTAL ASSETS		6,150,517

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		342,773	-	-	1,963,698
Additions	-		-	-	-	-
Disposals	-		(3,608)	-	-	(3,608)
Revaluation/Transfer s	-		-	-	-	-
At end of year	1,620,925		339,165	-	-	1,960,090
Accumulated Depreciation						
At start of year	525,794		325,070	-	-	850,864
Charges for year	27,392		8,043	-	-	35,435
Disposals	-		(3,608)	-	-	(3,608)
Revaluation/Transfer s	-		-	-	-	-
At end of year	553,186		329,505	-	-	882,691
Net book value at end of year	1,067,739		9,660	-	-	1,077,399
Net book value at end of previous year	1,095,131		17,703	-	-	1,112,834

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
United Kingdom	1,110,101	
North America	67,173	
Global	981,638	
Bonds		
United Kingdom	322,740	
North America	68,705	
Emerging markets	88,494	
Global	87,907	
Other quoted securities (to be specified)		
Hedge funds	125,275	
Property	391,556	
Private equity	48,151	
Commodities	24,312	
Other	130,229	
TOTAL QUOTED (as Balance Sheet)	3,637,611	
Market Value of Quoted Investment	3,637,611	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		

Bank and Building Societies		
Other unquoted investments (to be specified)		
BR Plus	5,000	
TOTAL UNQUOTED (as Balance Sheet)	5,000	
Market Value of Unquoted Investments	5,000	

**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 checked="" type="checkbox"/>	NO <input checked="" 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	8,313,505	-	8,313,505
From Investments	78,427	-	78,427
Other Income (including increases by revaluation of assets)	1,797,003	-	1,797,003
Total Income	10,188,935	-	10,188,935
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	8,958,065	-	8,958,065
Funds at beginning of year (including reserves)	4,919,647	-	4,919,647
Funds at end of year (including reserves)	6,150,517	-	6,150,517
ASSETS			
Fixed Assets			1,077,399
Investment Assets			3,642,611
Other Assets			2,235,328
		Total Assets	6,955,339
LIABILITIES			Total Liabilities
			804,822
NET ASSETS (Total Assets less Total Liabilities)			6,150,517

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 ATTACHED.

THE ROYAL COLLEGE OF MIDWIFES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUS OF THE COMPANY

The RCM is a company limited by guarantee, registration number 30157 and does not have share capital. The members' liabilities in the case of both organisations are limited to £1, and there were 46,859 members as at the 31 December 2016. The RCM is registered as a trade union at 15 Mansfield Street, London, W1G 9NH.

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 the amended FRS 102 which has been applied for the first time in the preparation of these financial statements and prior to its compulsory adopting date of 1 January 2016.

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 2016. 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) Tangible fixed assets

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses. 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

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.

f) Leasing

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

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (Continued)

g) Pension contributions

The RCM runs a defined benefit scheme for its members. The amounts charged to the Income and Expenditure Account are the current service costs and are included as part of staff costs. Past service costs and other finance costs have been recognised in the Income and Expenditure Account. Actuarial gains and losses are recognised in the Statement of Other Comprehensive Income.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond. The actuarial valuation is obtained at least triennially and is updated at each balance sheet date. The actuarial assumptions used represent an area of significant estimation uncertainty. The resulting defined pension scheme asset or liability is shown separately on the face of the balance sheet.

h) Income

Membership subscriptions, commercial partnership income and other contracts for services are recognised during the year in which the service is provided taking into account the stage of completion at the end of the year. Investment, interest and similar income are credited to the Income and Expenditure Account as they are earned. Donations are recognised in the year they are received. Legacies are recognised during the year in which executors approve a distribution.

i) Expenditure

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

j) Financial instruments

The RCM only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

k) Critical accounting judgements and key sources of estimation uncertainty

In the application of the RCM's accounting policies, which are described in note 2, Directors are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The RCM recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 14. In the view of the directors, no other assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

3 BRANCH RETURNS

44 branches of the RCM have not submitted accounts to Headquarters for the year ended 31 December 2016. 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. 38 branches which did not submit 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 129 (2015: 117) Branches
- 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 £ 3,067,692 (2015: £3,556,112) includes £375,745 (2015: £361,901) held by branches.

4. INCOME

	2016 £	2015 £
Membership subscriptions	8,313,505	8,147,430
Conference income	244,947	63,507
Income raised by branches/country offices	22,147	16,504
Donations and legacies	6,722	29,855
Commercial partnership income	365,951	289,143
Project income	416,579	453,363
Other income	26,186	26,289
Journal/website income	160,612	158,225
Consultancy/accreditation	36,015	17,766
	<u>9,592,664</u>	<u>9,202,082</u>

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. STAFF COSTS AND NUMBERS

	2016 £	2015 £
Wages and salaries	3,525,599	3,660,503
Social security costs	323,133	329,012
Pension costs	401,601	767,416
	4,250,333	4,756,931
Full time equivalent employed at 31 December 2016	No	No
Professional	77	75

The salary cost for the key management personnel during the year was £ 537,335 (2015: £546,622). The figure is inclusive of pension benefits, no other employee benefits were paid. There was one redundancy payments in the year (2015: two).

6. INTEREST RECEIVABLE

	2016 £	2015 £
Bank and building society interest	807	10,868

7. SURPLUS ON ORDINARY ACTIVITIES

	2016 £	2015 £
This is stated after charging		
Auditors' remuneration		
– audit	29,100	26,000
– other services – taxation	10,854	12,987
Operating lease rentals		
– plant and machinery	29,199	28,741
– land and buildings	55,833	55,833
Depreciation	35,435	45,592

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. REMUNERATION OF MEMBERS OF THE RCM BOARD

No member of the RCM Board received any remuneration from the RCM (2015: £Nil) except for reimbursement of their traveling expenses total £ 9,209 (2015: £12,997).

9. 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 £ 3,176,870 and total turnover was £ 9,846,174 .

10. TANGIBLE FIXED ASSETS

	Freehold land and building £	Short leasehold property £	Furniture and office equipment £	Total £
Cost or valuation				
At 12 January 2016	155,00	1,465,925	342,773	1,963,698
Additions	-	-	-	-
Disposal	-	-	(3,608)	(3,608)
At 31 December 2016	155,000	1,465,925	339,165	1,960,090
Depreciation and amortisation				
At 1 January 2016	44,748	481,046	325,070	850,864
Charge for the year	1,923	25,469	8,043	35,435
Disposal	-	-	(3,608)	(3,608)
At 31 December 2016	46,671	506,515	329,505	882,691
Net book value				
At 31 December 2016	108,329	959,410	9,660	1,077,399
<i>At 31 December 2015</i>	<i>110,252</i>	<i>984,879</i>	<i>17,703</i>	<i>1,112,834</i>

At 31 December 2016 there were capital commitments contracted for of £nil (2015: £nil).

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. FIXED ASSET INVESTMENT

	Group 2016 £	<i>Group 2015 £</i>	RCM 2016 £	<i>RCM 2015 £</i>
Market value at start or period	3,357,400	3,686,807	2,680,227	-
Additions	3,584,620	3,632,055	3,001,056	2,706,223
Disposals	(2,574,837)	(3,885,980)	(2,381,433)	-
Gains/(losses)	474,330	(75,482)	342,761	(25,996)
Market value at 31 December	<u>4,841,513</u>	<u>3,357,400</u>	<u>3,642,611</u>	<u>2,680,227</u>
Historical cost at 31 December	<u>4,201,430</u>	<u>3,334,533</u>	<u>3,174,504</u>	<u>2,712,556</u>

Investment are held in a mixture of unit trusts managed by Cazenove Capital.

Management: All investments are held within the group.

12. DEBTORS

	Group 2016 £	<i>Group 2015 £</i>	RCM 2016 £	<i>RCM 2015 £</i>
Amounts due from RCM Trust		-	33,040	19,005
Other debtors	283,087	198,946	223,175	198,946
Prepayments	110,235	150,072	102,885	150,072
	<u>393,322</u>	<u>349,018</u>	<u>359,100</u>	<u>368,023</u>

13. CREDITORS: amounts falling due within one year

	Group 2016 £	<i>Group 2015 £</i>	RCM 2016 £	<i>RCM 2015 £</i>
Amounts due to RCM Trust	-	-	-	81,511
Subscriptions in advance	5,921	10,268	5,921	10,268
Trade creditors	233,066	225,733	230,880	188,817
Other taxation and social security	108,112	93,909	92,878	93,909
Accruals	286,282	246,168	211,388	225,350
Deferred income	388,823	274,204	263,755	98,035
	<u>1,022,204</u>	<u>850,282</u>	<u>804,822</u>	<u>697,890</u>

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

14 PENSIONS

The RCM operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 March 2013 and updated to 31 December 2016 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The 2013 actuarial valuation showed a deficit of £4,880,000. The RCM has agreed with the trustees that it will aim to eliminate the deficit over a period of 6 years 10 months from 1 September 2014 by the payment of contribution of £166,000 per annum, payable in equal monthly instalments, plus 4.1% of pensionable remuneration each year. In addition and in accordance with the schedule of contributions, the RCM has agreed with the trustees that it will pay 16.1% of pensionable remuneration in respect of the cost of accruing benefits, death in service benefits and expenses and in addition will meet levies to the Pension Protection Fund. Member contribution are payable in addition at the rate of 7% of pensionable remuneration.

The actuarial valuation due as at 31 March 2016 is currently in progress, with discussion ongoing between the RCM and the trustees.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET/(LIABILITY)

	31 December 2016 £'000s	31 December 2015 £'000s
Fair value of plan assets	32,860	25,295
Present value of defined benefit obligation liabilities	31,055	(25,436)
Unrecognised surplus	1,805	-
Surplus (deficit) in plan	1,805	(141)
Defined benefit asset (liability)	-	(141)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 December 2016 £'000s	31 December 2015 £'000s
Defined benefit obligation at start of period	25,436	25,282
Current service cost	399	389
Expenses	82	107
Interest expense	959	885
Contributions by plan participants	208	209
Actuarial losses (gains)	5,065	(769)
Benefits paid and expenses	(1,094)	(941)
Losses (gains) due to benefit changes	-	271

Defined benefit obligation at end of period

31,055

25,436

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

14 PENSIONS (CONTINUED)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2016	<i>2015</i>
	£'000s	<i>£'000s</i>
Fair value of plan assets at start of period	25,295	24,697
Interest income	961	865
Actuarial gains (losses)	6,642	(321)
Contributions by RCM	848	786
Contributions by plan participants	208	209
Benefits paid and expenses	(1,094)	(941)
	<hr/>	<hr/>
Fair value of plan assets at end of period	32,860	25,295

The actual return on the plan assets over the period ending 31 December 2016 was £ 7,603,000. (2015: £544,000).

DEFINED BENEFIT COSTS RECOGNISED IN PROFIT AND LOSS ACCOUNT

	2016	<i>2015</i>
	£'000s	<i>£'000s</i>
Current service cost	399	389
Expenses	82	107
Net interest cost	(2)	20
Losses/(gains) due to benefit change	<hr/>	<hr/>
	<hr/>	<hr/>
Defined benefit costs recognised in profit and loss account	479	787

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

14 PENSIONS (CONTINUED)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2016	<i>2015</i>
	£'000	<i>£'000</i>
Return on plan assets (excluding amounts included in net interest cost –gain/(loss))		
Amount gain	6,642	<i>(321)</i>
Experience gains and (losses) arising on the plan liabilities:		
Amount gain	134	<i>(165)</i>
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities :		
Amount gain/(loss)	(5,199)	<i>934</i>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) gain (loss)	(228)	<i>448</i>
Total amount recognised in other comprehensive income - gain/(loss)	(228)	<i>448</i>

ASSETS

	2016	<i>2015</i>
	£'000	<i>£'000</i>
UK Equities	7,203	<i>6,887</i>
Overseas Equities	7,203	<i>6,887</i>
Corporate Bonds	3,755	<i>3,017</i>
Diversified Growth Funds	3,261	<i>-</i>
Property	2,275	<i>2,217</i>
Cash	225	<i>39</i>
Insured pensioners	239	<i>-</i>
LDI	8,699	<i>6,249</i>
Total asset	32,860	<i>25,295</i>

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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

14 PENSIONS (CONTINUED)

ASSUMPTIONS

	% per annum 2016	<i>% per annum 2015</i>
Rate of discount	2.70	3.80
Inflation (RPI)	3.45	3.15
Inflation (CPI)	2.45	2.15
Salary Growth	3.45	3.15
Allowance for revaluation of differed pensions of CPI or 5% p.a. if less, minimum 3% p.a.	3.00	3.00
Allowance for pension in payment increases of RPI 5% p.a. if less	3.45	3.15
Allowance for commutation of pension for cash at retirement	90% of members commute 25% of their pension	90% of members commute 25% of their pension

The mortality assumptions adopted at 31 December 2016 imply the following life expectancies:

Male retiring in 2016	22.1
Female retiring in 2016	24.4
Male retiring in 2036	23.8
Female retiring in 2036	26.3

The best estimate of contributions to be paid by the employer for the period commencing 1 January 2017 is £772,000 (2016: £788,000).

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. MOVEMENT ON RESERVES

	<i>1 January</i> 2016 £	Movement in the period £	Gains realised £	Revaluation £	31 December 2016 £
Specific Fund					
Revaluation reserve	879,627	-	-	-	879,627
Headquarters Specific Fund	106,974	2,188	15	12,601	121,778
Headquarters Benevolent Fund	517,745	(8,546)	(759)	58,565	567,005
Total specific funds	<u>1,504,346</u>	<u>(6,358)</u>	<u>(744)</u>	<u>71,166</u>	<u>1,568,410</u>
General Funds					
General Funds – HQ	5,659,767	350,415	(53,333)	457,241	6,414,090
General Funds – Branches	360,969	14,253	-	-	375,222
	<u>6,020,736</u>	<u>364,668</u>	<u>(53,333)</u>	<u>457,241</u>	<u>6,789,312</u>
Total specific and general	7,525,082	358,310	(54,077)	528,407	8,357,722
Pension fund reserve	<u>(141,055)</u>	<u>369,000</u>	<u>-</u>	<u>(227,945)</u>	<u>-</u>
Total funds	<u>7,384,027</u>	<u>727,310</u>	<u>(54,077)</u>	<u>300,462</u>	<u>8,357,722</u>

16. FINANCIAL COMMITMENTS

At 31 December 2016 the group and company had the following annual commitments under non-cancellable operating leases expiring as follows:

	Land and building		Furniture and equipment	
	2016 £	2015 £	2016 £	2015 £
In less than one years	55,833	55,833	18,617	28,741
Within two to five years	109,739	165,572	6,000	23,473
In more than five years	-	-	-	-

**THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016	2015
	£	£
Operating surplus	631,069	327,795
Depreciation	35,435	45,592
Decrease in stocks	-	2,656
(Increase) / decrease in debtors	(44,304)	66,813
Increase in creditors	171,922	(81,333)
Charitable grants paid	(21,454)	(19,593)
Pension current costs	481,000	496,000
Contribution by	(848,000)	(786,000)
Pension loss due to the benefit change	-	271,000
	<u>405,668</u>	<u>322,930</u>

18. ANALYSIS OF BANK BALANCES AND CHANGES IN THE YEAR

	2015	Change in year	2016
	£	£	£
Cash at bank and in hand	<u>3,556,112</u>	<u>(488,420)</u>	<u>3,067,692</u>

19. SUBSIDIARY UNDERTAKINGS

The Royal College of Midwives is the ultimate parent entity of the RCM Group. At 31 December 2016 The Royal College of Midwives Trust and the RCM Trust Trading Company Limited formed part of the consolidated financial statements. The Royal College of Midwives Trust is controlled by the same Board as the RCM and The Royal College of Midwives Trust holds 100% of the share capital of RCM Trust Trading Company Limited. Both subsidiaries are registered in the UK and have the same registered office as the Royal College of Midwives

ACCOUNTING POLICIES

(see notes 74 and 75)

SEE DOCUMENTS ATTACHED AT PAGE 22.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

GENERAL SECRETARY

DIRECTOR OF BUSINESS SERVICES

Secretary's Signature: <u>Cathy Warwick</u> Name: <u>CATHY WARWICK</u> Date: <u>17-5-2017</u>	Chairman's Signature: <u>Chris Truman</u> (or other official whose position should be stated) Name: <u>CHRIS TRUMAN</u> Date: <u>17.05.17</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 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)	ENCLOSED	<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"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	YES	<input 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)

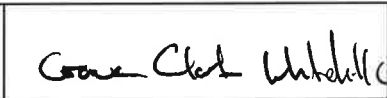
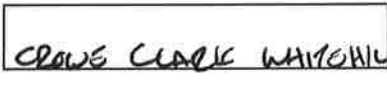

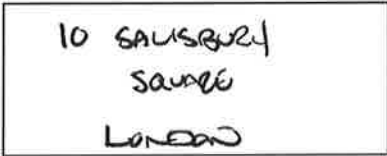
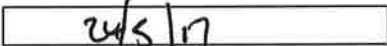
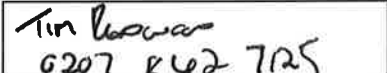
YES NO

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 (section one)

SEE ATTACHED.

Signature(s) of auditor or auditors:		
Name(s):		
Profession(s) or Calling(s):		
Address(es):		
Date:		
Contact name and telephone number:		

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 2016 which comprise the income and expenditure, balance sheet and related notes included within the AR21 as set out on pages 4 to 21 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 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 the Royal College of Midwives affairs as at 31 December 2016 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
London

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

YES

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

*For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to
appoint an independent assurer*

5. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES

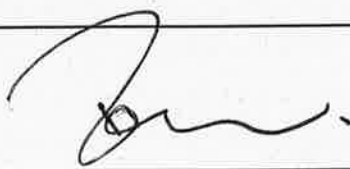
6. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES

If the answer to **either** questions 5 or 6 is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	Ian Robinson
Address	Electoral Reform Services Ltd The Election Centre 33 Clarendon Road London N8 0NW
Date	26.05.17
Contact name and telephone number	Ian Robinson, Director and Head of Quality Control 020 8365 8909