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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:

Royal College of Midwives

Year ended:

31 December 2017

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:

Gill Walton

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: 0330 109 3602

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
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

For Unions based in Scotland:

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



(Revised November 2017)

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 (until 1 February 2017)
Barbara Kuypers (until 31 August 2017)
Natalie Linder (Deputy Chair from 1 September 2017)
Helene Marshall
Lynne Pacanowski (until 31 August 2017)
Julie Richards (Chair from 1 September 2017)
Professor Jane Sandall (Deputy Chair)(until 5 September 2017)
Dr Susan Way (RCM Chair)(until 31 August 2017)
Michelle Beacock (from 1 September 2017)
Kate Evans (from 1 September 2017)
Jenny Hall (from 1 September 2017)
Birte Harlev-Lam (from 1 September 2017)
Giuseppe Labriola (from 1 September 2017)
Tracy Miller (from 1 September 2017)
Pauline Twigg (from 1 September 2017)

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 | 143 | 3 | 0 | 2 | 148 |
| FEMALE | 43,087 | 1,608 | 24 | 329 | 45,048 |
| NOT KNOWN | 1,907 | 43 | 0 | 6 | 1,956 |
| TRANSSEXUAL | 15 | 0 | 0 | 0 | 15 |
| TOTAL | 45,152 | 1,654 | 24 | 337 | A 47,167 |

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

47,167

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

627

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 person's 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 |
|-------------------------------|--|---------------------------|--------------------------------|
| Board Member & Chair | Dr Susan Way | Julie Richards | 1 st September 2017 |
| Board Member and Deputy Chair | Professor Jane Sandall | Natalie Linder | 1 st September 2017 |
| Board Member | Sheena Byron until 1 st February 2017 | Michelle Beacock | 1 st September 2017 |
| Board Member | Barbara Kuypers until 31 st August | Kate Evans | 1 st September 2017 |
| Board Member | Lynne Pacanowski until 31 st August | Jenny Hall | 1 st September 2017 |
| Board Member | | Birtie Harley – Lam | 1 st September 2017 |
| Board Member | | Giuseppe Labriola | 1 st September 2017 |
| Board Member | | Tracy Miller | 1 st September 2017 |
| Board Member | | Pauline Twigg | 1 st September 2017 |

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 | | 8,524,485 |
| From Members: Other income from members (specify) | | |
| | - | |
| | - | |
| | - | |
| Total other income from members | | |
| Total of all income from members | | 8,524,485 |
| Investment income (as at page 12) | | 112,811 |
| Other Income | | |
| Income from Federations and other bodies (as at page 4) | | |
| Income from any other sources (as at page 4) | 1,421,225 | |
| Total of other income (as at page 4) | | 1,421,225 |
| | | TOTAL INCOME |
| | | 10,058,521 |
| EXPENDITURE | | |
| Benefits to members (as at page 5) | | 2,844,929 |
| Administrative expenses (as at page 10) | | 6,547,486 |
| Federation and other bodies (specify) | | |
| RCM Branches | 81,375 | |
| Total expenditure Federation and other bodies | | 81,375 |
| Taxation | | - |
| | | TOTAL EXPENDITURE |
| | | 9,473,790 |

| | |
|---|-----------|
| Surplus (deficit) for year | 584,731 |
| Gains on investments | 187,408 |
| Amount of general fund at beginning of year | 6,150,517 |
| Amount of general fund at end of year | 6,922,656 |

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 | 27,421 | |
| Membership services | 2,518 | |
| Magazine/website income | 150,254 | |
| Union Learning Fund England | 44,430 | |
| Union Learning Fund Scotland | 26,235 | |
| Union Learning Fund Wales | 37,408 | |
| Union Learning Fund Norther Ireland | 22,021 | |
| Grant from RCM Trust | 600,000 | |
| Conference and events | 137,877 | |
| Momentum Project - Uganda | 53,483 | |
| Bangladesh Project | 53,456 | |
| FGM project | 62,133 | |
| Other projects | 78,649 | |
| Donation | 1,258 | |
| Miscellaneous income | 124,082 | |
| TOTAL OTHER INCOME | | 1,421,225 |
| TOTAL OF ALL OTHER INCOME | | 1,421,225 |

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

| | £ | | £ |
|--|-----------|--|--------------------------|
| Representation – Employment Related Issues Legal | 504,187 | brought forward Education and Training services Stewards Training courses | 1,072,264 178,461 |
| Representation – Non Employment Related Issues | | Negotiated Discount Services | |
| Communications Magazine & website | 568,077 | Salary Costs Dedicated officers | 1,069,441 |
| Advisory Services | | Other Benefits and Grants (specify) Members professional indemnity insurance | 412,500 |
| Dispute Benefits | | TUC Affiliation | 112,263 |
| Other Cash Payments | | | |
| carried forward | 1,072,264 | Total (should agree with figure in General Fund) | 2,844,929 |

(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 | 4,025,208 |
| Salaries and Wages included in above | £3,640,212 |
| Auditors' fees | 53,444 |
| Legal and Professional fees | 78,493 |
| Occupancy costs | 195,364 |
| Stationery, printing, postage, telephone, etc. | 323,245 |
| Expenses of Executive Committee (Head Office) | - |
| Expenses of conferences | 188,627 |
| Other administrative expenses (specify) | |
| insurance | 51,495 |
| Press and publicity | 36,405 |
| Data processing | 280,362 |
| catering | 29,056 |
| Bank charges | 28,979 |
| Affiliations | 17,633 |
| General expenditure | 228,852 |
| Marketing including renewals | 245,741 |
| Staff training | 63,446 |
| Subs and donations | 75,375 |
| Staff recruitment | 27,909 |
| Other Outgoings | |
| Interest payable: | |
| Bank loans (including overdrafts) | |
| Mortgages | |
| Other loans | |
| Depreciation | 47,390 |
| Taxation | |
| Outgoings on land and buildings (specify) | |
| Other outgoings (specify) | |

| | | |
|------------------------------|-----------------------|------------------|
| Union Learning Fund Projects | | 123,772 |
| RCM Education | | 206,876 |
| Bangladesh project | | 46,907 |
| Momentum – Uganda project | | 46,156 |
| FGM project | | 59,816 |
| Other projects | | 17,795 |
| Maternity Support Workers | | 39,194 |
| Care for you campaign | | 9,946 |
| | Total | 6,547,486 |
| Charged to: | General Fund (Page 3) | - |
| | Fund (Account) | - |
| | Fund (Account) | - |
| | Fund (Account) | - |
| | Fund (Account) | - |
| | Total | 6,547,486 |

BALANCE SHEET as at 31.12.2017

(see notes 47 to 50)

| Previous Year | | £ | £ |
|---------------|---|---|-----------|
| 1,077,399 | Fixed Assets (at page 14) | | 1,160,325 |
| | Investments (as per analysis on page 15) | | |
| 3,637,611 | Quoted (Market value £) | | 4,845,365 |
| 5,000 | Unquoted | | 5,000 |
| | Total Investments | | 6,010,690 |
| | Other Assets | | |
| | Loans to other trade unions | | |
| 359,100 | Sundry debtors | | 399,931 |
| 1,876,229 | Cash at bank and in hand | | 1,359,453 |
| | Income tax to be recovered | | |
| | Stocks of goods | | |
| | Others (specify) | | |
| | Total of other assets | | 1,759,384 |
| | TOTAL ASSETS | | 7,770,074 |
| | 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 | | |
| 804,822 | Sundry creditors | | 847,418 |
| | Accrued expenses | | |
| | Provisions | | |
| | Other liabilities | | |
| | TOTAL LIABILITIES | | 847,630 |
| | TOTAL ASSETS | | 6,922,656 |

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 | 155,000 | 1,465,925 | 339,165 | - | - | 1,960,090 |
| Additions | - | - | 130,315 | - | - | 130,315 |
| Disposals | - | - | (34,045) | - | - | (34,045) |
| Revaluation/Transfer s | - | - | - | - | - | - |
| At end of year | 155,000 | 1,465,925 | 435,435 | - | - | 2,056,360 |
| Accumulated Depreciation | | | | | | |
| At start of year | 46,671 | 506,515 | 329,505 | - | - | 882,691 |
| Charges for year | 1,923 | 25,469 | 19,998 | - | - | 47,390 |
| Disposals | - | - | (34,045) | - | - | (34,045) |
| Revaluation/Transfer s | - | - | - | - | - | - |
| At end of year | 48,594 | 531,984 | 315,457 | - | - | 896,035 |
| Net book value at end of year | 106,406 | 933,941 | 119,978 | - | - | 1,160,325 |
| Net book value at end of previous year | 108,329 | 959,410 | 9,660 | - | - | 1,077,399 |

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

| QUOTED | All Funds Except Political Funds £ | Political Fund £ |
|--|--|-------------------------|
| Equities (e.g. Shares) | | |
| United Kingdom | 1,294,696 | |
| North America | 304,373 | |
| Global | 558,282 | |
| Europe ex Uk | 196,975 | |
| Asia inc Japan | 244,038 | |
| Emerging markets | 193,758 | |
| Bonds | | |
| United Kingdom | 546,542 | |
| North America | 107,624 | |
| Emerging Markets | 90,718 | |
| Other quoted securities (to be specified) | | |
| Hedge funds | 250,929 | |
| Multi asset funds | 379,461 | |
| Private equity | 40,310 | |
| Commodities | 23,246 | |
| Other | 140,034 | |
| Property | 474,379 | |
| TOTAL QUOTED (as Balance Sheet) | 4,845,365 | |
| Market Value of Quoted Investment | | |
| | | |
| UNQUOTED | | |
| Equities | | |
| | | |
| Government Securities (Gilts) | | |
| | | |
| Mortgages | | |

Bank and Building Societies

Other unquoted investments (to be specified)

BR Plus

TOTAL UNQUOTED (as Balance Sheet)

Market Value of Unquoted Investments

5,000

5,000

**ANALYSIS OF INVESTMENT INCOME
(CONTROLLING INTERESTS)**

Does the union, or any constituent part of the union, have a controlling interest in any limited company?

| | |
|------------------------------|--|
| YES <input type="checkbox"/> | NO <input checked="" 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 |
|--------------|-----------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

(see notes 58 and 59)

SUMMARY SHEET

(see notes 60 to 71)

| | All funds except Political Funds £ | Political Funds £ | Total Funds £ |
|--|--|--------------------------|---------------------|
| INCOME | | | |
| From Members | 8,524,485 | - | 8,524,485 |
| From Investments | 112,811 | - | 112,811 |
| Other Income (including increases by revaluation of assets) | 1,608,633 | - | 1,608,633 |
| Total Income | 10,245,929 | - | 10,245,929 |
| EXPENDITURE (including decreases by revaluation of | 9,473,790 | - | 9,473,790 |
| Total Expenditure | 772,139 | - | 772,139 |
| | | | |
| Funds at beginning of year (including reserves) | 6,150,517 | - | 6,150,517 |
| Funds at end of year (including reserves) | 6,922,656 | - | 6,922,656 |
| | | | |
| ASSETS | | | |
| Fixed Assets | | | 1,160,325 |
| Investment Assets | | | 4,850,365 |
| Other Assets | | | 1,759,384 |
| | | Total Assets | 7,770,074 |
| LIABILITIES | | Total Liabilities | 847,418 |
| NET ASSETS (Total Assets less Total Liabilities) | | | 6,922,656 |

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

ACCOUNTING POLICIES

(see notes 74 and 75)

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

| | |
|---|--|
| <p style="text-align: center;"><i>CEO/GENERAL SECRETARY</i></p> <p>Secretary's Signature: <u><i>Gill Walton</i></u> Name: <u>GILL WALTON</u> Date: <u>15.5.18</u></p> | <p style="text-align: center;"><i>DIRECTOR OF BUSINESS SERVICES</i></p> <p>Chairman's Signature: <u><i>Chris Truman</i></u> (or other official whose position should be stated) Name: <u>CHRIS TRUMAN</u> Date: <u>15.5.18</u></p> |
|---|--|

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 type="checkbox"/> | TO FOLLOW | <input checked="" 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"/> |
| IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 (RCM and RCMT) are limited to £1, and there were 47,167 members as at 31 December 2017. 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 adoption date of 1 January 2016.

Having reviewed the financial position, the RCM Board reasonably expects that the company has adequate resources to continue its activities for the foreseeable future. Accordingly, the board continues 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 RCMT, as at 31 December 2017. The RCM (a company limited by guarantee that is not a charity) is a corporate member of the RCMT and appoints all of 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 RCMT) and RCM Trust Trading Company Limited (a subsidiary company of the RCMT in which the RCMT 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 | Five years |
| Computer software | Three years |

d) 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.

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

e) Leasing

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

f) 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 are 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.

g) 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.

h) Expenditure

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

i) 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 are subsequently measured at their settlement value.

j) 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 and 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 2017

3. BRANCH RETURNS

Thirty-two branches of the RCM have not submitted accounts to headquarters for the year ended 31 December 2017. 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. Thirty-eight branches that did not submit accounts bank with Unity Trust Bank – the same bank that RCM headquarters 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 139 (2016: 129) 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 £2,039,784 (2016: £3,067,692) includes the £388,648 (2016: £375,745) held by branches.

4. INCOME

| | 2017 | 2016 |
|---|------------------|------------------|
| | £ | £ |
| Membership subscriptions | 8,524,485 | 8,313,505 |
| Conference income | 164,413 | 244,947 |
| Income raised by branches/country offices | 27,421 | 22,147 |
| Donations and legacies | 79,398 | 6,722 |
| Commercial partnership income | 458,656 | 365,951 |
| Project income | 398,003 | 416,579 |
| Other income | 19,924 | 26,186 |
| Journal/website income | 150,254 | 160,612 |
| Consultancy/accreditation | 52,829 | 36,015 |
| | <u>9,875,383</u> | <u>9,592,664</u> |

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5. STAFF COSTS AND NUMBERS

| | 2017 | 2016 |
|---|-------------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,677,837 | 3,525,599 |
| Social security costs | 352,355 | 323,133 |
| Pension costs | 755,412 | 401,601 |
| | <u>4,785,604</u> | <u>4,250,333</u> |
| Full-time equivalent employed at 31 December 2017 | | No |
| Professional | <u>78</u> | <u>77</u> |

The salary cost for the key management personnel during the year was £719,579 (2016: £589,874). The figure is inclusive of pension benefits; no other employee benefits were paid. There were two redundancy payments in the year £65,835 (2016: one £6,829).

6. INTEREST RECEIVABLE

| | 2017 | 2016 |
|------------------------------------|---------------------|-------------|
| | £ | £ |
| Bank and building society interest | <u>6,770</u> | <u>807</u> |

7. SURPLUS ON ORDINARY ACTIVITIES

| | 2017 | 2016 |
|-------------------------------|----------------------|---------------|
| | £ | £ |
| This is stated after charging | | |
| Auditor's remuneration | | |
| – audit | 29,480 | 29,100 |
| – other services – taxation | 12,330 | 10,854 |
| Operating lease rentals | | |
| – plant and machinery | 29,659 | 29,199 |
| – land and buildings | 55,833 | 55,833 |
| Depreciation | <u>47,390</u> | <u>35,435</u> |

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8. REMUNERATION OF MEMBERS OF THE RCM BOARD

No member of the RCM Board received any remuneration from the RCM 2017: nil (2016: nil) except for reimbursement of their travelling expenses totalling £12,123 (2016: £9,209).

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 £587,395 and the total turnover was £10,087,309.

10. TANGIBLE FIXED ASSETS

| | Freehold land and building | Short- leasehold property | Furniture and office equipment | Total |
|--------------------------------------|-------------------------------|---------------------------------|--------------------------------------|------------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 January 2017 | 155,000 | 1,465,925 | 339,165 | 1,960,090 |
| Additions | - | - | 130,315 | 130,315 |
| Disposal | - | - | (34,045) | (34,045) |
| At 31 December 2017 | 155,000 | 1,465,925 | 435,435 | 2,056,360 |
| Depreciation and amortisation | | | | |
| At 1 January 2017 | 46,671 | 506,515 | 329,505 | 882,691 |
| Charge for the year | 1,923 | 25,469 | 19,998 | 47,390 |
| Disposal | - | - | (34,045) | (34,045) |
| At 31 December 2017 | 48,594 | 531,984 | 315,457 | 896,035 |
| Net book value | | | | |
| At 31 December 2017 | 106,406 | 933,941 | 119,978 | 1,160,325 |
| <i>At 31 December 2016</i> | <i>108,329</i> | <i>959,410</i> | <i>9,660</i> | <i>1,077,399</i> |

At 31 December 2017, there were capital commitments contracted for of £500,000 (2016: £nil).

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11. FIXED-ASSET INVESTMENT

| | Group 2017 £ | Group 2016 £ | RCM 2017 £ | RCM 2016 £ |
|---------------------------------|--------------------|--------------------|------------------|------------------|
| Market value at start of period | 4,841,513 | 3,357,400 | 3,642,611 | 2,680,227 |
| Additions | 2,172,752 | 3,584,620 | 1,872,261 | 3,001,056 |
| Disposals | (1,146,311) | (2,574,837) | (851,915) | (2,381,433) |
| Gains | 241,908 | 474,330 | 187,408 | 342,761 |
| Market value at 31 December | <u>6,109,862</u> | <u>4,841,513</u> | <u>4,850,365</u> | <u>3,642,611</u> |
| Historical cost at 31 December | <u>5,421,379</u> | <u>4,201,430</u> | <u>4,332,027</u> | <u>3,174,504</u> |

Investments are held in a mixture of unit trusts managed by Cazenove Capital. Management: all investments are held within the group.

12. DEBTORS

| | Group 2017 £ | Group 2016 £ | RCM 2017 £ | RCM 2016 £ |
|-----------------------|--------------------|--------------------|------------------|------------------|
| Amounts due from RCMT | - | - | - | 33,040 |
| Other debtors | 414,128 | 283,087 | 236,256 | 223,175 |
| Prepayments | 173,332 | 110,235 | 163,675 | 102,885 |
| | <u>587,460</u> | <u>393,322</u> | <u>399,931</u> | <u>359,100</u> |

13. CREDITORS: Amounts falling due within one year

| | Group 2017 £ | Group 2016 £ | RCM 2017 £ | RCM 2016 £ |
|------------------------------------|--------------------|--------------------|------------------|------------------|
| Subscriptions in advance | 5,280 | 5,921 | 5,280 | 5,921 |
| Trade creditors | 358,954 | 233,066 | 342,146 | 230,880 |
| Other taxation and social security | 106,468 | 108,112 | 106,468 | 92,878 |
| Accruals | 268,698 | 286,282 | 224,272 | 211,388 |
| Deferred income | 333,261 | 388,823 | 169,252 | 263,755 |
| | <u>1,072,661</u> | <u>1,022,204</u> | <u>847,418</u> | <u>804,822</u> |

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14. PENSIONS

The RCM operates a defined benefit scheme in the UK. This is a separate trustee-administered fund that holds the pension scheme assets to meet long-term pension liabilities. A full actuarial valuation was carried out at 31 March 2016 and updated at 31 December 2017 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation showed a deficit of £1,448,000. The RCM has agreed with the trustees that it will aim to eliminate the deficit over a period of three years and three months from 30 June 2017, by the payment of contributions of £213,784 per annum, payable in equal monthly instalments. In addition, and in accordance with the schedule of contributions, the RCM has agreed with the trustees that it will pay 18.6% of pensionable pay in respect of the cost of accruing benefits, death in service benefits and expenses, and in addition it will meet levies to the pension protection fund. Member contributions are payable in addition at the rate of 7% of pensionable pay.

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

| | 31 December 2017 £'000s | <i>31 December 2016 £'000s</i> |
|---|--|--|
| Fair value of plan assets | 35,717 | <i>32,860</i> |
| Present value of defined benefit obligation liabilities | 32,411 | <i>31,055</i> |
| Unrecognised surplus | 3,306 | <i>1,805</i> |
| Surplus in plan | 3,306 | <i>1,805</i> |
| Defined benefit asset (liability) | - | <i>-</i> |

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

| | 31 December 2017 £'000s | <i>31 December 2016 £'000s</i> |
|---|--|--|
| Defined benefit obligation at start of period | 31,055 | <i>25,436</i> |
| Current service cost | 660 | <i>399</i> |
| Expenses | 94 | <i>82</i> |
| Interest expense | 836 | <i>959</i> |
| Contributions by plan participants | 214 | <i>208</i> |
| Actuarial losses | 661 | <i>5,065</i> |
| Benefits paid and expenses | (1,109) | <i>(1,094)</i> |
| Defined benefit obligation at end of period | 32,411 | <i>31,055</i> |

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

14. PENSIONS (CONTINUED)

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

| | 2017 £'000s | 2016 £'000s |
|--|------------------------------|------------------------------|
| Fair value of plan assets at start of period | 32,860 | 25,295 |
| Interest income | 886 | 961 |
| Actuarial gains | 2,072 | 6,642 |
| Contributions by RCM | 794 | 848 |
| Contributions by plan participants | 214 | 208 |
| Benefits paid and expenses | (1,109) | (1,094) |
| Fair value of plan assets at end of period | 35,717 | 32,860 |

The actual return on the plan assets over the period ending 31 December 2017 was £2,958,000 (2016: £7,603,000).

DEFINED BENEFIT COSTS RECOGNISED IN PROFIT AND LOSS ACCOUNT

| | 2017 £'000s | 2016 £'000s |
|---|------------------------------|------------------------------|
| Current service cost | 660 | 399 |
| Expenses | 94 | 82 |
| Net interest cost | - | (2) |
| Defined benefit costs recognised in profit and loss account | 754 | 479 |

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

14. PENSIONS (CONTINUED)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

| | 2017 | <i>2016</i> |
|--|-----------------|------------------|
| | £'000 | <i>£'000</i> |
| Return on plan assets (excluding amounts included in net interest cost) gain | | |
| Amount gain | 2,072 | 6,642 |
| Experience gains and (losses) arising on the plan liabilities: | | |
| Amount gain | (742) | 134 |
| Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities: | | |
| Amount gain/(loss) | 81 | (5,199) |
| Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) (loss) | (1,451) | (228) |
| Total amount recognised in other comprehensive income | (40) | <i>(228)</i> |

ASSETS

| | 2017 | <i>2016</i> |
|--------------------------|-------------------|-------------------|
| | £'000 | <i>£'000</i> |
| UK equities | 7,499 | 7,203 |
| Overseas equities | 7,499 | 7,203 |
| Corporate bonds | 4,108 | 3,755 |
| Diversified growth funds | 4,703 | 3,261 |
| Property | 2,457 | 2,275 |
| Cash | 170 | 225 |
| Insured pensioners | 265 | 239 |
| LDI | 9,016 | 8,699 |
| TOTAL ASSETS | 35,717 | <i>32,860</i> |

None of the fair values of the assets shown above includes 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 2017

14. PENSIONS (CONTINUED)

ASSUMPTIONS

| | % per annum 2017 | % per annum 2016 |
|---|-------------------------------------|---|
| Rate of discount | 2.40 | 2.70 |
| Inflation (RPI) | 3.15 | 3.45 |
| Inflation (CPI) | 2.15 | 2.45 |
| Salary growth | 3.15 | 3.45 |
| 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 | 3.15 | 3.45 |
| Allowance for commutation of pension for cash at retirement | 90% of members commute 25% of their | 90% of members commute 25% of their pension |

The mortality assumptions adopted at 31 December 2017 imply the following life expectancies:

| | |
|-------------------------|------|
| Male retiring in 2017 | 22.2 |
| Female retiring in 2017 | 24.3 |
| Male retiring in 2037 | 24 |
| Female retiring in 2037 | 26.2 |

The best estimate of contributions to be paid by the employer for the period commencing 1 January 2018 is £811,000 (2016: £772,000).

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

15. MOVEMENT ON RESERVES

| | <i>1 January 2017</i> | Movement in the period | Gains realised | Revaluation | 31 December 2017 |
|-----------------------------------|---------------------------|---------------------------|-------------------|----------------|-----------------------------|
| | £ | £ | £ | £ | £ |
| SPECIFIC FUNDS | | | | | |
| Revaluation reserve | 879,627 | - | - | - | 879,627 |
| Headquarters specific fund | 121,778 | 2,459 | 1,070 | 4,318 | 129,625 |
| Headquarters benevolent fund | 567,005 | 71,486 | 4,933 | 19,201 | 662,625 |
| TOTAL SPECIFIC FUNDS | <u>1,568,410</u> | <u>73,845</u> | <u>6,003</u> | <u>23,519</u> | <u>1,671,877</u> |
| GENERAL FUNDS | | | | | |
| General funds – HQ | 6,414,090 | 136,399 | 26,440 | 185,946 | 6,762,875 |
| General funds – branches | 375,222 | 14,796 | - | - | 390,018 |
| | <u>6,789,312</u> | <u>151,195</u> | <u>26,440</u> | <u>185,946</u> | <u>7,152,893</u> |
| TOTAL SPECIFIC AND GENERAL | 8,357,722 | 225,140 | 32,443 | 209,465 | 8,824,770 |
| Pension fund reserve | - | 40,000 | - | (40,000) | - |
| TOTAL FUNDS | <u>8,357,722</u> | <u>265,140</u> | <u>32,443</u> | <u>169,465</u> | <u>8,824,770</u> |

16. FINANCIAL COMMITMENTS

At 31 December 2017, the group and company had the following annual commitments under non-cancellable operating leases expiring as follows:

| | Land and building | | Furniture and equipment | |
|--------------------------|-------------------|---------|-------------------------|--------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| In less than one year | 55,833 | 55,833 | 25,414 | 18,617 |
| Within two to five years | 111,666 | 109,739 | 4,245 | 6,000 |
| In more than five years | - | - | - | - |

THE ROYAL COLLEGE OF MIDWIVES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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

| | 2017 | 2016 |
|--------------------------------|-----------------|----------------|
| | £ | £ |
| Operating surplus | 133,592 | 631,069 |
| Depreciation | 47,390 | 35,435 |
| (Increase)/decrease in debtors | (194,138) | (44,304) |
| Increase in creditors | 50,456 | 171,922 |
| Charitable grants paid | (19,103) | (21,454) |
| Pension current costs | 754,000 | 481,000 |
| Contribution by employer | (794,000) | (848,000) |
| | (21,803) | 405,668 |

18. ANALYSIS OF BANK BALANCES AND CHANGES IN THE YEAR

| | 2016 | Change in year | 2017 |
|--------------------------|------------------|--------------------|------------------|
| | £ | £ | £ |
| Cash at bank and in hand | <u>3,067,692</u> | <u>(1,027,908)</u> | <u>2,039,784</u> |

19. SUBSIDIARY UNDERTAKINGS

The RCM is the ultimate parent entity of the RCM Group. At 31 December 2017, the RCMT and RCM Trust Trading Company Limited formed part of the consolidated financial statements. The RCMT is controlled by the same board as the RCM, and the RCMT 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 RCM.

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)


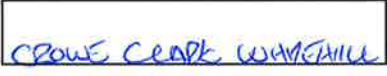
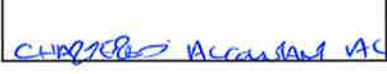
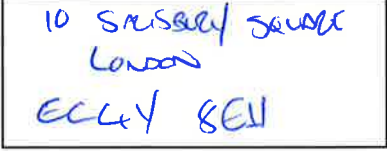

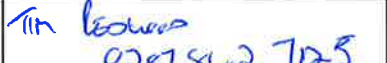
YES/NO

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 2017 which comprise the income and expenditure, balance sheet and related notes included within the AR21 as set out on pages 3 to 22 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 2017 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

30 May 2019

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

1. 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

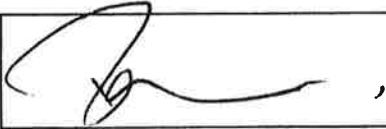
2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES

If the answer to either questions 1 or 2 above 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 | 17 May 2018 |
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