Company No: 00030157

THE ROYAL COLLEGE OF MIDWIVES

DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

	Page
DIRECTORS' REPORT	4
STRATEGIC REPORT	7
INDEPENDENT AUDITOR'S REPORT	17
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT	21
CONSOLIDATED BALANCE SHEET	22
PARENT BALANCE SHEET	23
CONSOLIDATED CASHFLOW STATEMENT	24
NOTES TO THE ACCOUNTS	26
COMPANY STATEMENT TO MEMBERS	45

AUDITOR	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
BANKER	Unity Trust Bank plc PO Box 7193 Planetary Road Willenhall WV1 9DG
INVESTMENT MANAGER	Schroder & Co. Limited 31 Gresham Street London EC2V 7QA
REGISTERED OFFICE	10-18 Union Street London SE1 1SZ
SOLICITOR	Thompsons Solicitors Congress House Great Russell Street London WC1H 3LW

The RCM
The RCM is the voice of midwifery. We are the UK's only professional organisation and trade union led by midwives for midwives and the maternity teams that support them. The vast majority of people in the midwifery profession are members.

The RCM promotes midwifery, high-quality maternity services and professional standards. We support and represent our members individually and collectively in all four UK countries. We influence on behalf of our members and for the interests of the women and families for which they care.

0300 303 0444

info@rcm.org.uk

RCM London
10-18 Union Street
London SE1 1SZ

RCM Scotland
37 Frederick Street
Edinburgh EH2 1EP

RCM Northern Ireland
4 College House
Citylink Business Park
Belfast BT12 4HQ

RCM Wales
Unit 13b Drake Walk
Brigantine Place
Atlantic Wharf
Cardiff CF10 4AN

DIRECTORS' REPORT

As the members of the Royal College of Midwives (RCM) Board (the directors under company law), we are pleased to present our report for the year ended 31 December 2023. The RCM is governed by the RCM Board.

PRINCIPAL ACTIVITIES

The RCM is a membership organisation, the objectives of which are to promote and advance the art and science of midwifery, and to promote the effectiveness and protect the interests of its members. The Royal College of Midwives Trust (RCMT) is a subsidiary of the RCM and is registered as a charity to promote and advance the art and science of midwifery and the effectiveness of midwives. The Benevolent Fund of the RCMT is a charity that provides financial relief to eligible applicants. RCM Trust Trading Company Limited conducts business and donates its profits to the RCMT. RCM Information Services Limited conducts business and donates its profits to the RCMT.

THE ROLE OF THE RCM BOARD

The RCM Board is responsible for the overall direction and control of the RCM. This includes ensuring that the RCM is efficient, effective, properly managed, supervised and accountable. The board provides long-term vision, ensures clarity of purpose, and protects the reputation and values of the RCM. It directs and controls its chief executive officer (CEO), Gill Walton, in leading the RCM to the board's vision. The board is the guardian of the RCM's assets and is responsible for ensuring that legal and regulatory requirements are met.

RCM BOARD MEMBERS

All members of the RCM Board are practicing midwives or maternity support workers who have been elected by members of the RCM. They are non-executive and receive no payment.

Members served for the entire year except where indicated otherwise.

Giuseppe Labriola - Chair (until 31/08/2023)
Barbara Kuypers – Chair (from 01/09/2023)
Pauline Twigg - Vice Chair (until 31/08/2023)
Sarah Jones
Benedicta Agbagwara-Osuji
Janet Ballintine (until 31/08/2023)
Keelie Barrett – Vice Chair (from 01/09/2023)
Michelle Beacock (until 31/08/2023)
Dee Davies
Melissa Davis (from 01/09/2023)
Cherylene Dougan (from 01/09/2023)
Nerys Kirtley
Angharad Oyler (from 01/09/2023)
Yana Richens (from 01/09/2023)
Neil Tomlin (until 31/08/2023)
Shani Woodbridge (from 01/09/2023)
Declan Symington (from 01/09/2023)

APPOINTMENT OF RCM BOARD MEMBERS

The RCM is a membership organisation whose board members are elected to office by members of the RCM. The board identifies the competencies required, and RCM members offering themselves for election are assessed by an independently chaired panel.

RCM members who are interested in developing the competencies required for board membership can visit our website, www.rcm.org.uk/rcm-board. Here, they will find detailed information about the commitment that board membership entails.

RCM BOARD MEETINGS

The RCM Board met six times during the year, one of which was an induction meeting to introduce incoming members to each other and discuss their roles with the outgoing members. The overall attendance of board members was 92%.

RCM BOARD PERFORMANCE

RCM BOARD COMMITTEES

Board members serve on committees of the RCM Board. Members served for the entire year except where indicated.

AUDIT AND RISK COMMITTEE OF THE RCM BOARD

This committee oversees financial reporting; reviews the effectiveness of risk management, internal controls, compliance systems, and internal auditing; selects for appointment internal and external auditors; assesses the performance of the external auditor; develops and implements policy on the engagement of the external auditor to provide non-audit services; and reports to the board, including, where appropriate, making recommendations. The members during the year were:

Pauline Twigg – Chair (until 31/08/2023)
Dee Davies (until 31/08/2023)
Neil Tomlin (from 31/08/2023)
Yana Richens - Chair (from 01/09/2023)
Shani Woodbridge – Vice Chair (from 01/09/2023)
Keelie Barrett (from 01/09/2023)

Tony Scott, having a professional background in finance and audit, served as an external member. The committee held four meetings during the year and the overall attendance of members was 84%.

BOARD MEMBERSHIP, PERFORMANCE AND THE DEVELOPMENT COMMITTEE OF THE RCM BOARD

This committee deals with matters relating to membership of the RCM Board (including succession planning and arrangements for the assessment and election of candidates) and arrangements for evaluating the performance of the RCM Board, its members and its committees. The members during the year were:

Giuseppe Labriola – Chair (until 31/08/2023)
Keelie Barrett (until 31/08/2023)
Sarah Jones (until 31/08/2023)
Benedicta Agbagwara-Osuji
Barbara Kuypers – Chair (from 01/09/2023)
Declan Symington (from 01/09/2023)
Cherylene Dougan (from 01/09/2023)

The committee held four meetings during the year and the overall attendance of members was 85%.

CEO PERFORMANCE AND THE REMUNERATION COMMITTEE OF THE RCM BOARD

This committee has responsibilities in relation to the performance management of the CEO and the executive team. It also advises the RCM Board on the remuneration and policy for reimbursing the CEO's expenses. The members during the year were:

Dee Davies - Chair
Giuseppe Labriola (until 31/08/2023)
Barbara Kuypers (from 01/09/2023)
Shani Woodbridge (from 01/09/2023)

The committee scheduled three meetings during the year and the overall attendance of members was 79%.

INVESTMENT COMMITTEE

This committee, on behalf of the board, manages the RCM's investments in accordance with the approved investment policy.
It held three meetings in 2023 and the overall attendance of members was 89%. The members during the year were:

Chris Truman (COO)
Michelle Beacock – until 31/08/2023
Janet Ballintine – until 31/08/2023
Sarah Jones
Keelie Barrett - Chair
Benedicta Agbagwara-Osuji – from 01/09/2023
Angharad Oyler – from 01/09/2023

The committee is supported by David Baker, chief investments officer, Mazars, and Jeremy Barker, client director, Cazenove Schroders.

STATEMENT OF THE RCM BOARD'S RESPONSIBILITIES

The RCM Board members are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the RCM Board to prepare financial statements for each financial year in accordance with the Generally Accepted Accounting Practice (UK Accounting Standards) and applicable law.

Under company law the RCM Board must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of its net profit/loss for that period.

In preparing these financial statements, the RCM Board is required to do the following:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the company will continue to operate

The RCM Board is responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company, and that are sufficient to enable the board to ensure that the financial statements comply with the Companies Act 2006. The board is also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps to enable the prevention and detection of fraud and other irregularities.

Insofar as each member of the RCM Board at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each RCM Board member has taken all of the steps that they should have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

By order of the RCM Board

Barbara Kuypers

Date:

26 September 2024

The RCM is the largest representative of midwives in the UK, and has a role as both a professional association, and a trade union, affiliated to the TUC. For more than a decade, maternity support workers (MSWs) have been welcomed into the RCM's membership, alongside midwives and student midwives. Throughout the year, the College has sought to harness the success of working differently during the global pandemic while returning to more usual practice and greater face-to-face interaction with members and other stakeholders.

Strategic goals	Strategic objectives
1. To listen and learn from our members so that we can lead and influence effectively.	i. Proactively engaging and listening to members at local, regional, national and global events ii. Actively lobbying/negotiating on the issues raised of importance to members using their feedback iii. Further developing and embedding the RCM's professional offer iv. Actively working to promote the benefit and need for strong midwifery leadership nationally, regionally and locally in each Trust/Board. v. Actively lobbying to influence workforce planning and recruitment and retention of midwives and MSWs
2. To deliver RCM products and services that offer value for money and meet the individual and collective needs of our members	i. Delivering new products and services while refreshing our existing offer to increase interaction with our members. ii. Ensuring high quality and effective support to individual members through the representation we provide. iii. Evidencing a growth in membership numbers where realistic and that members are not leaving because of RCM actions iv. Gaining clarity on the reasons members leave across all categories and analysing what control we have over member retention. v. Actively encouraging a range of member feedback methods including introducing and evaluating new methods.
3. To be a caring, well-led and well-managed organisation.	i. Ensuring the 2023 staff survey demonstrates a positive direction of travel. ii. Continuing to demonstrate a positive direction of travel in internal and external audit reports. iii. Implementing the R CM's People

	Plan. iv. Contributing to the long-term financial security of the RCM. v. Delivering the programmes and projects committed to in the business plan and evaluating those already delivered to demonstrate value.
4. To actively grow and build networks, alliances and partnerships.	i. Selectively encouraging collaborations that strategically enhance the profile and impact of the RCM and ending collaborations that do not meet these aims. ii. Increasing the profile and impact of the RCM locally

The RCM's strategic objectives for 2023 were:

1.i Proactively engaging and listening to members at local, regional, national and global events

- In 2023, the RCM's place in international midwifery took centre-stage, with the first post-pandemic conference of the International Confederation of Midwives (ICM). The RCM delegation met with midwifery colleagues from across the world, presenting papers and taking part in panels. As well as sharing with global colleagues the work the RCM has been doing around 'decolonising the midwifery curriculum' and broadening access to midwifery education through apprenticeships, it was also an opportunity to learn from other associations, with a view to applying that learning to the UK context.
- The RCM also held a highly successful Education & Research Conference, in a new format with shared plenaries and subject-specific streams. The conference saw new exhibitors with whom the RCM continues to forge a relationship, and received highly positive feedback from delegates.
- A standalone conference for student members took place in November, with a programme developed in partnership with the RCM's Student Midwife Forum. The conference also helped reinforce – and in some cases forge new – relationships with midwifery educators.

1.ii Actively lobbying/negotiating on the issues raised of importance to members using their feedback

- It is well-known that the NHS is experiencing workforce challenges, with high vacancy rates. Maternity services are not immune and the specialist nature of provision makes this more acute. The RCM has sought input from members on the impact these shortages are having in practical terms. In March, an RCM snap poll on additional hours worked found that midwives and MSWs were working in excess of 100,000 hours a week without pay. The RCM has used this figure – and the regional breakdowns – throughout the year in conversations with commissioners and national governments to help them understand the scale of the issue.
- Maternity safety – in some cases actively impacted by workforce shortages – continues to be a significant concern. The RCM acknowledges that its members sometimes find it difficult to raise concerns locally and is actively supporting them to do so in a constructive way. Its 'Standing Up for High Standards' programme, launched in 2022

and embedded in 2023, underpins this work, supported by local representatives and RCM staff, to ensure not only that issues are resolved quickly and effectively but also that, both locally and nationally, the RCM is seen as part of the solution.

1.iii Further developing and embedding the RCM's professional offer

- The conferences referred to in 1.i above are a clear reflection of the RCM's work to embed the professional offer at all levels. The programmes of each of these conferences – as well as other events through the year – are developed using the skills and expertise of the RCM professional team.
- Working with other colleagues across the organisation, and with members through networks and other fora, they produce guidance and support for practical application, to empower members to be the best midwives and MSWs they can be.

1.iv Actively working to promote the benefit and need for strong midwifery leadership nationally, regionally and locally in each Trust/Board

- The RCM has continued to call for stronger midwifery leadership at all levels, and particularly in Trusts and Boards to ensure decisions about staffing and funding are made appropriately. The need for greater leadership and transparency has been echoed in independent maternity safety reports.
- The RCM was particularly pleased to see the appointment of the first Chief Midwifery Officer for Wales, a role it has been championing for many years to ensure parity across the home nations.

1.v Actively lobbying to influence workforce planning and recruitment and retention of midwives and MSWs

- As set out in 1.ii above, the RCM has been proactive in raising awareness around workforce shortages in the NHS, particularly in England.
- In 2023, the RCM supported an independent review of midwifery degree apprenticeships. The review found that the programme, which is currently available in England through a small number of universities, compared exceptionally favourably to the traditional undergraduate route in terms of attrition, which sat at almost zero across every site. Because apprentices were already MSWs based within the 'host' Trusts, post-registration retention issues were also significantly reduced. The RCM continues to champion this route as a solution to some of the challenges faced in recruitment and retention.

2.i Delivering new products and services while refreshing our existing offer to increase interaction with our members.

- During 2023, the RCM embedded its use of ThruText to develop engagement around key dates and campaigns. It was used to support the recruitment and retention campaign for newly qualified midwives, enabling RCM staff to engage directly with members and build relationships with them.
- Recognising that midwives in the first three years post registration need additional support, the RCM developed a programme of work to address this. Focussing on resilience as well as practical and professional advice, the campaign sought to minimise the attrition rates among this cohort and to restate the value of RCM membership.

2.ii Ensuring high quality and effective support to individual members through the representation we provide.

- There is no doubt that maternity services are under greater pressure – and greater scrutiny – than ever. The RCM has worked hard to ensure its members have received the most appropriate and timely support to respond to this.

2.iii Evidencing a growth in membership numbers across business-critical categories.

- Ongoing economic pressures have had an impact on RCM membership. Membership of the RCM is discretionary and, as the cost of living crisis has continued into 2023, the RCM understood that it may impact membership numbers and receipts. At the same time, the number of midwives working within the NHS also fell, and this is mirrored in the RCM's membership figures.
- The work with early career midwives as set out in 2.i seeks to address some of the attrition both in membership and in the workforce more broadly, as RCM figures show that those in their first five years of practice are the group most likely to leave the profession.

2.iv Gaining clarity on the reasons members leave across all categories and analysing what control we have over member retention.

- This continues to be a challenging area for the RCM as, while its churn rate is relatively low, this data is important to understand why members leave and therefore what we can do to address this.
- Work has continued to improve this data during 2023 though it remains true that the vast majority of members who leave the RCM do so by cancelling their direct debit and not through making contact with the RCM and notifying us of their intention to leave.

2.v Actively encouraging a range of member feedback methods including introducing and evaluating new methods.

- The RCM conducted a number of focus groups, targeted at those members with whom the College has little interaction, to understand how they see the relationship. The comments and insight will support the development of greater personalisation and tonal change.
- The RCM also established a new Stewards Forum, to hear collectively from those in workplace representative roles about how the College can better support them.

3.i Ensuring the 2023 staff survey demonstrates a positive direction of travel from the trends set by the 2016-22 staff surveys.

- Staff satisfaction and engagement continues to be high across the organisation.
- The RCM continues to work on ways in which to bring staff together, both across the organisation and within teams, and to share information.

3.ii Continuing to demonstrate a positive direction of travel in internal and external audit reports.

- In 2023, nearly all audit reports (internal and external) continued to give significant

assurance. Where a report did not, a clear action plan and timelines was implemented to address any shortfalls.

3.iii Implementing the RCM's People Plan.

- Delivering against the people plan continued in 2023. There was a focus on doing significant background work on a number of areas that will come to fruition in 2024 including work on behaviours, RCM benefits, the menopause, caring responsibilities and the organisational approach to flexible working.

4.iv Contributing to the long-term financial security of the RCM.

- The RCM continued the plan to invest some of the previous years underspends on both people and systems to ensure the organisation is fit for purpose and able to better serve its members and internal customers.
- It has also sought to ensure it has strong reserves and investment performance matches the investment strategy and continues to provide returns over the long term.
- Budgets have been set that should ensure the organisation reaches a balanced budget in the next 2 years.

5.v Delivering the programmes and projects committed to in the business plan and evaluating those already delivered to demonstrate value.

- Each year the RCM has a series of programmes and related projects which it seeks to deliver in order to either improve the way the organisation works or improve or create new services and routes of support for RCM members.
- Following its introduction in 2022, there was a focus on the new finance system which was rolled out to the whole organisation in 2023. This move has made budget-setting and management smoother and more transparent.

4.i Selectively encouraging collaborations that strategically enhance the profile and impact of the RCM and ending collaborations that do not meet these aims.

- The RCM works collaboratively across both its trade union and professional association functions, developing relationships and campaigns that benefit its members.
- The College continues to work as part of a collective of trade unions representing NHS staff to highlight issues that are important to them. #WithNHSStaff uses social media to reflect the impact of national workforce policies, including pay and conditions.
- The RCM continues to co-chair with the Royal College of Obstetricians and Gynaecologists the One Voice partnership. This brings together organisations with an interest in maternity care, including healthcare professionals and service users. Together, the group speaks with ‘one voice’ on the aspirations for maternity care across the UK.
- Following the publication of reports into maternity services at both Shrewsbury & Telford Hospitals Foundation Trust and East Kent Hospitals Foundation Trust, the RCM was commissioned by the Department for Health & Social Care to chair an Independent Working Group (the IWG). The purpose of the IWG in 2023 was to advise and guide those who have responsibility for implementing recommendations and actions from the recent independent reviews into maternity services, drawing in the experiences of frontline staff. This work will continue into 2024, when the focus will shift

to identifying solutions to workplace challenges.

4.ii Increasing the profile and impact of the RCM locally

- Pay continues to be an energising subject in local engagement. In 2023, the RCM held consultations on pay offers in each of the four nations, with over two-thirds of members in each jurisdiction taking part.
- In Northern Ireland, political stalemate meant that pay negotiations were not possible. Nearly 90% of RCM members who took part in a ballot indicated their willingness to take industrial action, which they then did toward the end of the year, in order to voice their frustration.
- Celebration days – International Day of the Midwife, MSW Day and Student Celebration Day – provide a focal point for local branches and workplaces to come together. These are well-resourced and supported by the RCM, including through national webinars on topics important to each group.

INVESTMENT POWERS, POLICY AND PERFORMANCE

The RCM has wide investment powers and delegates the management of the investment portfolio of the RCM Board to its fund managers.

The Investment Committee of the RCM Board prepared the investment policy, which was approved by the RCM Board. The policy sets out the investment philosophy and objective, and how this will be achieved. The objective is to maintain and grow the real capital value of the investments over the long term, while providing a suitable level of income to support activities. The long-term objective for the portfolio is to achieve a return by way of income and the capital growth of CPI plus 4% per annum after fees (updated in October 2022). The Board adopted a balanced, medium-risk investment strategy. The portfolio is primarily invested in equities with diversification through exposure to fixed income, property, commodities and absolute return funds. The RCM does not directly invest in companies involved in arms manufacture, tobacco, alcohol, breast milk substitutes or fossil fuels.

The Board reviews the investment portfolio regularly with the fund managers, comparing performance against the benchmark and periodically reviewing the appropriateness of the benchmark. Overall, the investment performance has approximately mirrored the market and the benchmark during the year.

The benchmark comprises the following:

- 20% UK equities, measured by the FTSE All Share Index
- 45% Overseas developed market equities, measured by the MSCI World ex UK Index
- 5% Overseas emerging market equities, measured by the MSCI Emerging Markets Index
- 5% Guilts, measured by the FTSE Gov't All Stocks
- 5% Corporate bonds, measured by BofA non Gilts
- 10% property, measured by the IPD UK Pooled
- 2% commodities, measured by the Rogers Intl Commodity Index
- 6% absolute return, measured by SONIA+2%

2% cash, measured by SONIA

The movement of the RCM's investments during the year is shown in note 11 to the accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The RCM is committed to adopting best practice in identifying, evaluating and cost-effectively controlling risks to ensure they are eliminated or reduced to an acceptable level. Certain risks will always exist and cannot be eliminated, but action can be put in place to minimise the likelihood of that risk occurring and its potential impact.

The RCM is committed to establishing and maintaining a systematic approach to the identifying and managing of risk. Its objectives in doing this are to:

- Ensure that risk management is clearly and consistently integrated and evidenced in the culture of the organisation;
- Manage risk in accordance with best practice;
- Anticipate and respond to changing social, economic, environmental and legislative requirements;
- Consider compliance with health and safety, insurance and legal requirements as a minimum standard
- Prevent death, injury, damage and losses, and reduce the cost of risk; and
- Inform strategic and operational decisions by identifying risks and their likely impact.

Principal risks for the RCM are:

Impact of ongoing concerns around maternity safety
The safety of maternity services, both for women and families and the staff that work with them, is an ongoing concern. As one of the leading organisations in maternity care, and the largest professional organisation for midwives and maternity support workers, the RCM has been heavily and actively involved in this area. This has included the preparation and submission of evidence to Select Committee and other inquiries, the reports of which have also included recommendations for RCM action. This undoubtedly has an impact, and creates risk, for the organisation.

Loss of income from membership and other sources
Membership subscriptions continue to be the main source of income for the RCM by some way and so any circumstances that put this income under pressure are a significant risk to the organisation. While the RCM firmly believes a sudden loss of members remains unlikely, a sustained fall in membership levels would have a direct impact on the RCM's ability to deliver services to its members.

There is a recognised maternity workforce shortage in the UK, predominantly in England, with many midwives speaking of their intention to leave the service. Against this backdrop, 2022 saw the first decline in RCM membership numbers in a decade, a trend which has continued in 2023 though at a decreasing rate. We continue to review what we do and to invest in systems, people and processes to ensure we are as responsive as we can be and are fulfilling the many needs of our members. The RCM is very clear about the need to operate within its means and to focus on working more effectively, more efficiently and in smarter ways.

Impact of economic climate on RCM membership
The economic climate is obviously a broad risk but does directly impact on the RCM. RCM membership is a discretionary spend, so any adverse shift in economic conditions may see members terminating their membership because of the financial hardships they are facing. While the RCM continues to engage with its members to ensure it is delivering the products and services

they need, we are conscious that the impact of the cost of living crisis may have. The RCM will continue to mitigate for these issues.

RESULTS

The RCM Board has approved the audited consolidated accounts for the year ended 31 December 2023. The result for the year is total comprehensive deficit of (£235,033) (2022: deficit of £1,292,933).

The result for the year of (£235,033) included the movements on investments and the pension scheme performance, as required by Financial Reporting Standards (FRS) 102. The relevant movements are disclosed in notes 10 and 15 to the accounts respectively.

When comparing two years, overall income revenue increased from £10,762,926 (2022) to £10,789,717 (2023).

Expenditure increased from £11,257,826 (2022) to £11,281,351 (2023).

In addition, gains on investments of £577,601 in 2023, compared to a loss on investments of £586,033 experienced in 2022, were in line with general market conditions across the two years.

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.

By order of the RCM Board



Barbara Kuypers
Director

Date:

24 September 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF MIDWIVES

Opinion

We have audited the financial statements of The Royal College of Midwives (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2023 and of the Group's loss 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Board of Directors about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Chartered Accountants
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW
Date: 26.09.2024

THE ROYAL COLLEGE OF MIDWIVES
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	*2022 £*
Income	4	10,672,414	*10,623,187*
Total income		10,672,414	*10,623,187*
Expenditure		(**11,281,351**)	*(11,257,826)*
Pension provision		**-**	*(4,500,000)*
Operating deficit		(**608,937**)	*(846,639)*
Interest receivable and similar income	5	117,303	*139,739*
Gains / (losses) on investments		**577,601**	*(586,033)*
Remeasurement of defined benefit pension scheme		**(321,000)**	4,288,000
Deficit before taxation		(**235,033**)	*(1,292,933)*
Deficit for the financial year		(**235,033**)	*(1,292,933)*
(Deficit) for the year attributable to:			
Owners of the parent Company		(**235,033**)	*(1,292,933)*
		(**235,033**)	*(1,292,933)*

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 26 to 44 form part of these financial statements.

-

THE ROYAL COLLEGE OF MIDWIVES
(A Company Limited by Guarantee)
REGISTERED NUMBER:00030157

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		*2022* *£*
Fixed assets					
Intangible assets	8		53,829		*119,127*
Tangible assets	9		900,157		*954,274*
Investments	10		6,993,877		*6,478,562*
			7,947,863		*7,551,963*
Current assets					
Debtors: amounts falling due within one year	11	433,662		*866,385*	
Cash at bank and in hand	12	4,249,120		*4,935,393*	
		4,682,782		*5,801,778*	
Creditors: amounts falling due within one year	13	(1,281,932)		*(1,769,995)*	
Net current assets			3,400,850		*4,061,455*
Total assets less current liabilities			11,348,713		*11,613,418*
Net assets excluding pension asset			11,348,713		*11,583,746*
Net assets			11,348,713		*11,583,746*
Reserves					
Branches	14		446,862		*459,113*
Headquarters	14		10,9**01**,**851**		*11,124,633*
Total reserves			11,3**48**,**713**		*11,583,746*
			11,3**48**,**713**		*11,583,746*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Barbara Christine Kuypers
Director Date: 24 September 2024

The notes on pages 26 to 44 form part of these financial statements.

THE ROYAL COLLEGE OF MIDWIVES
(A Company Limited by Guarantee)
REGISTERED NUMBER:00030157

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		*2022* *£*
Fixed assets					
Intangible assets	8		53,829		*119,127*
Tangible assets	9		900,157		*954,274*
Investments	10		6,592,501		*6,104,053*
			7,546,487		*7,177,454*
Current assets					
Debtors: amounts falling due within one year	11	516,328		*713,242*	
Cash at bank and in hand	12	3,428,095		*4,192,046*	
		3,944,423		*4,905,288*	
Creditors: amounts falling due within one year	13	(1,065,909)		*(1,305,579)*	
Net current assets			2,878,514		*3,599,709*
Total assets less current liabilities			10,425,001		*10,777,163*
Net assets excluding pension asset			10,425,001		*10,777,163*
Net assets			10,425,001		*10,777,163*
Reserves					
Branches	14		446,862		*459,113*
Headquarters	14		**9,978,139**		*10,318,050*
			10,4**25**,**001**		*10,777,163*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Barbara Kuypers

.....
Barbara Christine Kuypers

Director Date: 24 September 2024

The notes on pages 26 to 44 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	*2022* *£*
Cash flows from operating activities		
Loss for the financial year	**(235,033)**	*(1,292,933)*
Adjustments for:		
Amortisation of intangible assets	65,298	*98,524*
Depreciation of tangible assets	62,957	*73,128*
Interest received	(11**7**,**303**)	*(139,739)*
Decrease/(increase) in debtors	**432,723**	*(191,028)*
(Decrease)/increase in creditors	(**488,063**)	*522,576*
Transfer to benevolent fund	**-**	*2,657*
Movement in investment valuation	(**577,601**)	586,033
Net cash generated from operating activities	**(857,022)**	*(340,782)*
Cash flows from investing activities		
Purchase of tangible fixed assets	(8,840)	*(121,864)*
Purchase of unlisted and other investments	(**943,812)**	*(3,124,171)*
Sale of unlisted and other investments	**1,006,098**	*3,027,483*
Interest received	11**7**,**303**	*139,739*
Transfer to benevolent fund	**-**	*(2,657)*
Net cash from investing activities	1**70**,**749**	*(81,470)*
	(**686,273**)	*(422,252)*
Net (decrease) in cash and cash equivalents	4,935,393	*5,357,645*
Cash and cash equivalents at beginning of year	4,**249,120**	*4,935,393*
Cash and cash equivalents at the end of year		
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,249,120	*4,935,393*
	4,249,120	*4,935,393*

The notes on pages 26 to 44 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	4,935,393	(686,273)	4,249,120
	4,935,393	(686,273)	4,249,120

The notes on pages 26 to 44 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Royal College of Midwives ("RCM") is a company limited by guarantee, registered in England & Wales under company number 30157, with no share capital. The RCM is registered as a trade union at 15 Mansfield Street, London, W1G 9NH and its registered office address is 10-18 Union Street, London, SE1 1SZ.

The liability of members under the guarantee is limited to £1, and at the balance sheet date there were 48,568 (2022: 49,338) members.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements have been prepared in Sterling, the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the RCM and its subsidiary, the Royal College of Midwives Trust ("RCMT").

The RCM is a corporate member of the RCMT and appoints all of the Trustees of RCMT. The financial statements of RCMT also include RCM Trust Trading Company Limited (a subsidiary company of the RCMT in which the RCMT holds the sole share), and RCM Information Services Limited (a subsidiary company of the RCMT in which the RCMT holds the sole share).

RCM have taken advantage of the exemption under Section 408 of the Companies Act 2006 in not presenting its own statement of financial activities in these statements.

2.3 Branches

The Consolidated Statement of Comprehensive Income includes:

- Income and expenditure of headquarters;
- Income and expenditure incurred by 114 (2022: 121) branches; and
- Amounts received at headquarters from branches that have not submitted accounts.

At the balance sheet date, the total amount of cash at bank and in hand as shown on the Group Balance Sheet of £4,249,120 (2022: £4,935,393) includes £453,149 (2022: £461,042) held by branches.

2. Accounting policies (continued)

2.4 Going concern

Having reviewed the financial position and future plans, 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. Further information is provided in the Strategic Report.

2.5 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.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

All expenditure is inclusive of any irrecoverable VAT.

2.7 Operating leases

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

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software and CRM	-	3	years

2.9 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:

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

The estimated useful lives range as follows:

Freehold building	-	50	years
leasehold property	-		Over period of lease
Furniture and office equipment	-	5	years
Computer equipment	-	3	years
Intangible assets: CRM	-	3	years

2.10 Valuation of 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.

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loan receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Pensions

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.

2.15 Financial instruments

The Group has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the

2. Accounting policies (continued)

2.15 Financial instruments (continued)

estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors have identified the following significant judgements, estimates, or assumptions:

Defined Benefit Pension Scheme
The RCM recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 14.

4. Income

	2023	*2022*
	£	*£*
Membership subscriptions	9,845,510	*9,424,318*
Conference income	-	*82,592*
Branches	-	*8,868*
Donations and legacies	5,189	*2,865*
Commercial partnership income	119,981	*137,475*
Project income	164,389	*455,435*
Other income	97,305	*31,781*
MIDIRS	341,309	*386,752*
Journal/website income	98,731	*90,184*
Consultancy/accreditation	-	*2,917*
	10,672,414	*10,623,187*

5. Interest receivable

	2023	*2022*
	£	*£*
Other interest receivable	117,303	*139,739*
	117,303	*139,739*

6. Operating loss

The operating loss is stated after charging:

	2023	*2022*
	£	*£*
Fees payable to the company's auditors	61,320	*55,080*
Other operating lease rentals	180,894	*180,894*
Depreciation and amortisation	128,255	*171,652*

Fees payable to the company's auditors comprise £47,820 (2022: £44,220) for audit services and £13,500 (2022: £10,860) for non-audit (taxation) services.

7. Employees

Staff costs were as follows:

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Wages and salaries	5,206,453	*5,163,041*	4,977,753	*4,919,620*
Social security costs	533,937	*513,973*	533,937	*513,973*
Cost of defined contribution scheme	1,241,703	*969,386*	1,241,703	*969,386*
	6,982,093	*6,646,400*	6,753,393	*6,402,979*

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	*Group 2022 No.*	Company 2023 No.	*Company 2022 No.*
Professional	92	*95*	*95*	*95*

The total cost incurred in respect of key management personnel for the year was £758,568 (2022: £675,016), inclusive of pension benefits. No other employee benefits were paid.

In the prior year, an additional pension liability of £4,500,000 was accrued against an unrecognised pension asset and was, therefore, not recorded on the balance sheet. There has been no movement in this accrual in the current year.

There were no redundancy payments during the current year (2022: one payment of £30,000).

No member of the Board received any remuneration from the RCM in either the current or prior years, although Board members did receive re-imbursement of expenses totalling £26,512 (2022: £23,072).

8. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 January 2023	878,631
At 31 December 2023	878,631
Amortisation	
At 1 January 2023	759,504
Charge for the year on owned assets	65,298
At 31 December 2023	824,802
Net book value	
At 31 December 2023	53,829
At 31 December 2022	*119,127*

At the balance sheet date, RCM had committed to spend of £90,720 (2022: £nil) in respect of redesign and rebuild of the website.

9. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold improvements and equipment £	Total £
Cost or valuation			
At 1 January 2023	155,000	1,164,647	1,319,647
Additions	-	8,840	8,840
At 31 December 2023	155,000	1,173,487	1,328,487
Depreciation			
At 1 January 2023	58,209	307,164	365,373
Charge for the year on owned assets	1,921	61,036	62,957
At 31 December 2023	60,130	368,200	428,330
Net book value			
At 31 December 2023	94,870	805,287	900,157
At 31 December 2022	*96,791*	*857,483*	*954,274*

At the balance sheet date, there were no capital commitments contracted for in respect of tangible fixed assets in either the current or prior years.

10. Fixed asset investments

Group

	Other fixed asset investments	
	2023	*2022*
	£	*£*
Cost or valuation		
At 1 January	**6,478,562**	*6,968,265*
Additions	**948,812**	*3,124,172*
Disposal	**(1,011,098)**	*(3,027,843)*
Revaluation	**577,601**	*(586,032)*
At 31 December	**6,993,877**	*6,478,562*
Historical cost	**6,165,562**	*6,245,510*

Company

	Other fixed asset investments	
	2023	*2022*
	£	*£*
Cost or valuation		
At 1 January	**6,104,053**	*6,569,120*
Additions	**940,181**	*2,952,346*
Disposal	**(1,011,098)**	*(2,861,007)*
Revaluation	**559,365**	*(556,406)*
At 31 December	**6,592,501**	*6,104,053*
Historical cost	**6,041,247**	*5,900,312*

Investments are held in a mixture of unit trusts by Cazenove Capital. Investments brought forward include cash held by the investment managers that was included within cash at bank and in hand in the prior year but has been reclassified this year to reflect the nature of the balance.

11. Debtors

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Trade debtors	156,879	*487,268*	13,883	*104,594*
Amounts owed by group undertakings	-	*-*	241,797	*245,209*
Other debtors	48,882	*229,521*	47,440	*229,521*
Prepayments and accrued income	227,901	*149,596*	213,208	*133,918*
	433,662	*866,385*	516,328	*713,242*

Certain balances for the prior year have been reclassified between debtors and creditors, and between individual lines within these notes, to remove any offsetting and to reflect the nature of the balances.

12. Cash and cash equivalents

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Cash at bank and in hand	4,249,120	*4,935,393*	3,428,095	*4,192,046*
	4,249,120	*4,935,393*	3,428,095	*4,192,046*

In 2022, bank and cash balances included cash held by the investment managers but has been reclassified this year to be included within investments as per note 10.

13. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Trade creditors	393,604	*450,677*	358,205	*304,637*
Other taxation and social security	145,427	*171,695*	143,905	*171,695*
Other creditors	517,201	*381,563*	517,201	*381,561*
Accruals and deferred income	225,700	*736,388*	46,598	*447,686*
	1,281,932	*1,740,323*	1,065,909	*1,305,579*

Certain balances for the prior year have been reclassified between debtors and creditors, and between individual lines within these notes, to remove any offsetting and to reflect the nature of the balances.

14. Reserves

Other reserves

	Balance b/fwd at 1 January 2023 £	Movement in the period £	Revaluation £	Balance c/fwd at 31 December 2023 £
Specific Funds				
Headquarters' specific fund	111,471	(774)	24,427	**135,124**
Headquarters benevolent fund	494	5,189	-	**5,683**
Total Specific Funds	**111,965**	**4,415**	**24,427**	**140,807**
General Funds				
Headquarters	6,512,967	(805,097)	553,174	**6,261,044**
Branches	458,814	(11,952)	-	**446,862**
Total General Funds	**6,971,781**	**(817,049)**	**553,174**	**6,707,906**
Pension Fund Reserve	**4,500,000**	**-**	**-**	**4,500,000**
TOTAL FUNDS	**11,583,746**	**(812,634)**	**577,601**	**11,348,713**

RCM worked with Cavell Nurses Trust ("CNT") since 2018 to improve the efficiency and performance of the Benevolent Fund. CNT administered the fund on behalf of the RCM under a management fee arrangement. In this time, a number of improvements were made to the speed of our service, the amount of support we were able (jointly) to give to midwives and MSWs facing financial hardship and the customer service we were able to deliver. Throughout this process, RCM and CNT worked to a common objective: to increase the number of midwives and MSWs we were able to support.

In 2021 the Executive proposed that RCM Trust should consider transferring the entire Benevolent Fund to CNT to secure its long-term future and its sustainability. The Executive team have used the Charity Commissioner's checklist to work through the strengths, weaknesses, opportunities and threats associated with this proposal. The Executive also explored the legal requirements, reputational risks, and benefits to the RCM and its members. The RCM Trust formally agreed to asset transfer and most of the Benevolent Fund assets were transferred to Cavell Nurses Trust on 23 November 2022. The funds transferred have been ring-fenced for the benefit of midwives, students midwives, and MSWs only. The RCM did not close the Benevolent Fund as a charity and has kept Unity bank accounts with a holding of £1. This is to allow RCM to receive any future donations/ legacies made to the RCM BF.

15. 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 is being carried out at 31 March 2022 and the preliminary results have been updated to 31 December 2023 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. Note the surplus for 2023 is not considered a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS 102. There is a difference between accounting and actuarial valuation.

This most recent actuarial valuation showed a surplus of £751,000. The RCM has agreed with the trustees that it will pay 26.1% of pensionable pay in respect of the cost of accruing benefits, death in service benefits and expenses. In addition, the RCM will pay any levies to the Pension Protection Fund. Member contributions are payable in addition at the rate of 7% of pensionable pay.

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited v Lloyds Bank pie and others was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation.

The trustees of the scheme will need to obtain legal advice covering the impact of the ruling on this scheme, before deciding with the employer on the method to adopt. An allowance for the additional liabilities as a result of this ruling is included within the defined benefit obligation.

The defined benefit cost for the fiscal year ending on the 31 December 2023 does not include any past service cost arising following a High Court case on 20 November 2022 which ruled that transfers out of the Plan, between 17 May 1990 and 28 October 2018, need to be revisited and equalised for GMP (if applicable), given that the impact of this ruling is assumed to be immaterial to the scheme.

		Plan Name		The Pension Scheme for the Royal College of Midwives	
		Country		**UK**	
				000s	**000s**
		Financial year ending on		**31/12/2023**	**31/12/2022**
	Currency information				
		Reporting currency		GBP	GBP
A.	**Change in defined benefit obligation**				
	1.	Defined benefit obligation at end of prior year		29,672	38,863
	2.	Cost (excluding interest)			
		a. Change arising from employee service in reporting period		383	909
		b. (Gain) / loss on curtailments / changes / introductions		-	-
		c. (Gain) / loss on settlements		-	-
	3.	Interest expense		1,242	699
	4.	Cash flows			
		a. Benefit payments from plan assets		(1,315)	(1,276)
		b. Benefit payments from employer		-	-
		c. Settlement payments from plan assets		-	-
		d. Settlement payments from employer		-	-
		e. Participant contributions		304	343
		f. Administrative expenses included in the DBO		-	-
		g. Taxes included in the DBO		-	-
		h. Insurance premiums for risk benefits		-	-
	5.	Other significant events			
		a. additional pension liability		-	4,500
		b. Increase (decrease) due to plan combinations		-	-
	6.	Remeasurements			
		a. Effect of changes in assumptions		(90)	(17,493)
		b. Effect of experience adjustments		(24)	3,127
	7.	Effect of changes in foreign exchange rates		-	-
	8.	**Defined benefit obligation at end of year**		**30,172**	**29,672**
B.	**Change in fair value of plan assets**				
	1.	Fair value of plan assets at end of prior year		33,644	46,009
	2.	Interest income		1,674	830
	3.	Cash flows			
		a. Total employer contributions			
		(i) Employer contributions		1,135	1,276

		(ii) Employer direct benefit payments		-	-
		(iii) Employer direct settlement payments		-	-
		b. Participant contributions		304	343
		c. Benefit payments from plan assets		(1,315)	(1,276)
		d. Benefit payments from employer		-	-
		e. Settlement payments from plan assets		-	-
		f. Settlement payments from employer		-	-
		g. Administrative expenses paid from plan assets		(439)	(157)
		h. Taxes paid from plan assets		-	-
		i. Insurance premiums for risk benefits		-	-
	4.	Other significant events			
		a. Increase (decrease) due to effect of any business combinations / divestitures / transfers		-	-
		b. Increase (decrease) due to plan combinations		-	-
	5.	Remeasurements			
		a. Return on plan assets (excluding interest income)		55	(13,381)
	6.	Effect of changes in foreign exchange rates		-	-
	7.	**Fair value of plan assets at end of year**		**35,058**	**33,644**
C.	**Change in asset ceiling**				
	1.	Asset ceiling at end of prior year		3,972	7,146
	2.	Interest income		424	129
	3.	Remeasurements			
		a. Changes in asset ceiling (excluding interest income)		490	(3,303)
	4.	Effect of changes in foreign exchange rates		-	-
	5.	**Asset ceiling at end of year**		**4,886**	**3,972**
D.	**Amounts recognized in the statement of financial position**				
	1.	Defined benefit obligation		(30,172)	(29,672)
	2.	Fair value of plan assets		35,058	33,644
	3.	**Funded status**		**(4,886)**	(3,972)
	4.	Effect of asset ceiling		4,886	3,972
	5.	**Net defined benefit liability (asset)**		-	-
E.	**Cost relating to defined benefit plans**				
	1.	Cost (excluding interest)			
		a. Change arising from employee service in reporting period		383	909
		b. Change arising from employee service in reporting period to reimbursement rights		-	-
		c. (Gain) / loss on curtailments / changes / introductions		-	4,500
		d. (Gain) / loss on settlements		-	-

		e. Total cost		**383**	5,409
	2.	Net interest cost			
		a. Interest expense on DBO		1,242	699
		b. Interest (income) on plan assets		(1,674)	(830)
		c. Interest (income) on reimbursement rights		-	-
		d. Interest expense on effect of (asset ceiling)		424	129
		e. Total net interest cost		**(8)**	(2)
	3.	Remeasurements of Other Long Term Benefits		-	-
	4.	Administrative expenses and/or taxes (not reserved within DBO)		439	157
	5.	**Cost relating to defined benefit plans included in P&L**		**814**	**5,564**
E.6	6.	Remeasurements (recognized in other comprehensive income)		-	-
		a. Effect of changes in assumptions		(90)	(17,493)
		b. Effect of experience adjustments		(24)	3,127
		c. (Return) on plan assets (excluding interest income)		(55)	13,381
		d. (Return) on reimbursement rights (excluding interest income)		-	-
		e. Changes in asset ceiling (excluding interest income)		490	(3,303)
		f. Total remeasurements included in OCI		**(321)**	**(4,288)**
	7.	**Total cost related to defined benefit plans recognized in P&L and OCI**		**1,135**	**1,276**
F.	**Net defined benefit liability (asset) reconciliation**				
	1.	Net defined benefit liability (asset)		-	-
	2.	Cost relating to defined benefit plans included in P&L		814	(5,564)
	3.	Total remeasurements included in OCI		(321)	(4,288)
	4.	Other significant events			
		a. Net transfer in/(out) (including the effect of any business combinations/divestitures)		-	-
		b. Amounts recognized due to plan combinations		-	-
	5.	Cash flows			
		a. Employer contributions		(1,135)	(1,276)
		b. Employer direct benefit payments		-	-
		c. Employer direct settlement payments		-	-
	6.	Credit to reimbursements		-	-
	6.	Effect of changes in foreign exchange rates		-	-
	7.	**Net defined benefit liability (asset) as of end of year**		-	-

G.	**Defined benefit obligation**				
	1.	Defined benefit obligation by participant status			5,409
		a. Actives		6,337	5,328
		b. Vested deferreds		6,537	6,246
		c. Retirees		17,298	18,098
		d. Total		**30,172**	**29,672**
H.	**Plan assets**				
	1.	Fair value of plan assets			
		a. Cash and cash equivalents		84	74
		b. Equity instruments		13,180	12,342
		c. Debt instruments		2,992	2,821
		d. Real estate		2,792	2,809
		e. Other		16,010	15,598
		f. Total		**35,058**	**33,644**
	2.	Amount invested in entity's own financial instruments			
		a. Equity instruments		-	-
		b. Debt instruments		-	-
		c. Real estate		-	-
		d. Other		-	-
		e. Total		-	-
	3.	Actual return on plan assets		1,729	(12,551)
I.	**Significant actuarial assumptions**				
	Weighted-average assumptions to determine defined benefit obligation				
		Discount rate		4.80%	5.00%
		Salary increase rate		3.15%	3.25%
		Price inflation rate (RPI)		3.15%	3.25%
		Price inflation rate (CPI)		2.75%	2.75%
		Post-retirement mortality assumption		91% (males) and 94%(females) of the standard tables S3PxA,H Year of Birth, no age rating projected using CMI_2022 converging to 1.25% p.a.	94% (males and 97%(females) of the standard tables S3PxA,H Year of Birth, no age rating projected using CMI_2021 converging to 1.25% p.a.
		Assumed life expectancy on retirement at age 65			
		Retiring today (member age 65)		20.0 (M) / 23.1 (F)	20.5 (M) / 23.4 (F)
		Retiring in 20 years (member age 45 today)		21.3 (M) / 24.6 (F)	21.9 (M) / 25.0 (F)
		Duration (in years)		15	13

	Weighted-average assumptions to determine cost relating to defined benefit plans				
		Discount rate		5.00%	1.80%
		Salary increase rate		3.25%	3.45%
		Price inflation rate (RPI)		3,25%	3,45%
		Price inflation rate (CPI)		2.75%	2.95%
		Post-retirement mortality assumption		94% (males) and 97% (females) of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2021 converging to 1.25% p.a.	102% of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2020 converging to 1.25% p.a.
		Assumed life expectancy on retirement at age 65			
		Retiring today		20.5 (M) / 23.4 (F)	21.9 (M) / 24.2 (F)
		Retiring in 20 years		21.9 (M) / 25.0 (F)	23.3 (M) / 25.7 (F)
J.	**Sensitivity analysis**				
	Present value of defined benefit obligation				
		Discount rate - 25 basis points		31,036	25,981
		Discount rate + 25 basis points		27,355	24,406
		Price inflation rate - 25 basis points		28,489	24,648
		Price inflation rate + 25 basis points		29,873	25,834
		Post-retirement mortality assumption - 1 year age rating		30,050	25,960

16. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Not later than 1 year	180,610	*180,610*	180,610	*180,610*
Later than 1 year and not later than 5 years	866,278	*866,278*	866,278	*866,278*
Later than 5 years	1,686,080	*1,866,690*	1,686,080	*1,866,690*
	2,732,968	*2,913,578*	2,732,968	*2,913,578*

17. Subsidiary undertakings and related party transactions

The RCM is the ultimate parent entity of the RCM Group, which includes the wholly-owned subsidiaries The Royal College of Midwives Trust, RCM Trust Trading Company Limited, and RCM Information Services Limited. The individual financial statements of all entities are consolidated within these group financial statements as disclosed in note 2.2. All subsidiaries are incorporated and registered in England & Wales, and consolidated financial statements are available from RCM's registered office address.

RCM has taken advantage of the exemptions available under FRS102 paragraph 33.1A not to disclosure transactions and balances with wholly-owned group members.