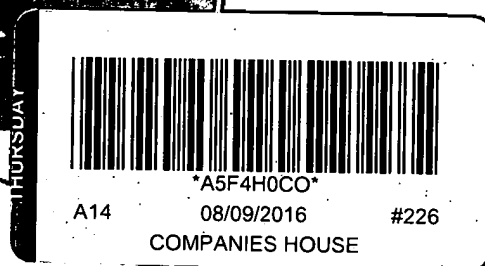


# The Royal College of Midwives

Directors' Report and  
Consolidated Accounts for the  
year ended 31 December 2015



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# The Royal College of Midwives Directors' Report for the year ended 31 December 2015



# The Royal College of Midwives Directors' Report for the year ended 31 December 2015

## DIRECTORS REPORT

As the members of the RCM Board (the directors under Company Law) we are pleased to present our report for the year ended 31 December 2015. The RCM is governed by the RCM Board.

## PRINCIPAL ACTIVITIES

The Royal College of Midwives (RCM) is a membership organisation, the objectives of which are to promote and advance the art and science of midwifery, 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 which provides financial relief to eligible applicants. RCM Trust Trading Company Ltd. conducts business and donates its profits to 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), Professor Cathy Warwick in leading the RCM to the Board's vision. The Board is 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 practising midwives who have been elected to the Board by members of the RCM. They are non-executive and receive no payment.

Members served for the entire year except where indicated otherwise.

- Dr Patricia Gillen (Chair) (Until 31st August 2015)
- Barbara Kuypers
- Helene Marshall
- Marie McDonald (Until 31st August 2015)
- Lynne Pacanowski
- Professor Jane Sandall (Deputy Chair)
- Vanessa Shand
- Anna Shasha (Until 31st August 2015)
- Dr Susan Way (Appointed RCM Chair on 29th September 2015)
- Amanda Burleigh (Appointed on 1st September 2015)
- Sheena Byrom (Appointed on 1st September 2015)
- Natalie Linder (Appointed on 1st September 2015)
- Julie Richards (Appointed on 1st September 2015)

The RCM Board members appointed onto the RCM Board on 1 September 2015, were inducted into their new role.

## APPOINTMENT OF RCM BOARD MEMBERS

The RCM is a membership organisation and 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 offered assessment by an independently chaired panel.

RCM members who are interested in developing the competencies required for Board membership are invited to visit our website, [www.rcm.org.uk/board](http://www.rcm.org.uk/board). On this webpage, you will find more detailed information about the commitment that Board membership entails.

## RCM BOARD MEETINGS

The RCM Board met eight times during the year, two of which were special meetings convened solely to deal with the pay dispute of RCM members employed in the NHS in Northern Ireland. The overall attendance of Board members was 85%.

## RCM BOARD PERFORMANCE

2015 is the fourth anniversary of the RCM Board taking over governance from the former RCM Council. The Board appointed an independent organisation to evaluate the Board's effectiveness and the independent evaluator reported to the RCM Board in July 2015. Geoffrey Shephard and Catherine Wright from the ICSA made a number of recommendations to the RCM Board, which have been subsequently implemented.

## RCM BOARD COMMITTEES

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

### AUDIT AND RISK COMMITTEE OF THE RCM BOARD

This Committee is responsible for overseeing financial reporting; reviewing the effectiveness of risk management, internal controls, compliance systems, and internal auditing; selecting for appointment internal and external auditors; assessing the performance of the external auditor; developing and implementing policy on the engagement of the external auditor to provide non-audit services; and reporting to the Board, including, where appropriate, making recommendations to the Board.

The members during the year were:

- Barbara Kuypers (Chair)
- Helene Marshall
- Dr Susan Way (until 29th September 2015)
- Amanda Burleigh (Appointed on 29th September 2015)

In addition, Gordon Mattocks, having a professional background in finance and audit, serves as an external member.

The Committee held four meetings during the year and the overall attendance of members was 100%.

## BOARD MEMBERSHIP, PERFORMANCE AND 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:

- Dr Patricia Gillen (Chair) (Until 31st August 2015)
- Marie McDonald (Until 31st August 2015)
- Vanessa Shand
- Susan Way (Appointed Chair on 29th September 2015)
- Natalie Linder (Appointed on 29th September 2015)

The Committee held two meetings during the year and the overall attendance of members was 100%.

## CEO PERFORMANCE AND REMUNERATION COMMITTEE OF THE RCM BOARD

This Committee has responsibilities in relation to performance management of the CEO and the Executive Team. This Committee also advises the RCM Board on the remuneration and policy for reimbursement of expenses of the CEO.

The members during the year were:

- Anna Shasha (Chair) (Until 31st August 2015)
- Dr Susan Way
- Sheena Byrom (Appointed Chair on 29th September 2015)
- Lynne Pacanowski (Appointed on 29th September 2015)

The Committee scheduled two meetings during the year which were subsequently cancelled.

## STATEMENT OF THE RCM BOARD'S RESPONSIBILITIES

The RCM Board members are responsible for preparing the 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 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 are required to do the following.

- Select suitable accounting policies and then apply them consistently.
- Make judgments 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 are 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for 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.

## AUDITORS

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor.

By order of the RCM Board

ANE SHUDALL  
DAN SANDALL

25/8/16.

Director

Date:

# The Royal College of Midwives Strategic Report for the year ended 31 December 2015





# The Royal College of Midwives Strategic Report for the year ended 31 December 2015

## REVIEW OF THE BUSINESS FOR 2015

The RCM Board has set six strategic goals and objectives with the aim of focusing the development of the organisation to ensure that it remains fit for purpose and is actively developing services for members.

Strategic Objectives	Goals
1. To promote high quality maternity services, professional standards and to lead the future of Midwifery.	The RCM will continuously scope and redefine the future of Midwifery to ensure it is well placed in contemporary society.
2. To influence on behalf of our members and in the interest of the women and families for whom they care.	The RCM will strengthen and continue to develop in a creative and innovative way, its profile, engagement, working practices, resources and responsiveness, creating meaningful relationships with key stakeholders and policy makers.
3. To ensure products and services meet the particular needs of Members.	The RCM will actively and creatively engage with members and prospective members to understand their needs, develop relevant and appropriate high quality products and services, and measure their impact and effectiveness
4. To support and represent our members individually and collectively in their respective countries.	The RCM will develop its capacity and capability to ensure that appropriate resources are future proofed for the support and representation of all our members.
5. To ensure our future growth and sustainability as an innovative, adaptive and responsive Organisation.	The RCM will have the income to deliver on its strategic plan and ensure the future sustainability of the organisation.
6. To be an exemplary organisation and employer.	The RCM will demonstrate through its performance, reputation and success that it is a leading trade union and professional organisation.

## OBJECTIVE 1. TO PROMOTE HIGH QUALITY MATERNITY SERVICES, PROFESSIONAL STANDARDS AND TO LEAD THE FUTURE OF MIDWIFERY

Goal: The RCM will define what it means by high quality maternity services, which includes the setting of professional standards on the care of women and babies (families).

## **Publications produced**

In 2015, the RCM published the following publications.

- Talking to women about transfer from home, freestanding midwifery units or alongside midwifery units into obstetric units: a guide for midwives.
- The RCM's response to the Report of the Morecambe Bay Investigation.
- The State of Maternity Services 2015.

The RCM were responsible for jointly publishing several reports which include the following.

- Standards and Competency Framework for Specialist Mental Health Midwives (with the Department of Health).
- Getting maternity services right for pregnant teenagers and young fathers (with Public Health England and the Department of Health).

## **Guidelines and Standards**

In 2015, the RCM responded to 21 consultations on Guidelines and Standards. In 2015, the following Quality standards were endorsed.

- Diabetes in pregnancy.
- Intrapartum care.
- Maternal and child nutrition: improving nutritional status.

## **Position statements**

In 2015, the RCM put together the following position statements.

- Raising concerns.
- Safe midwife staffing.
- Female Genital Mutilation.

## **RCM Professional Accreditation 2015**

The RCM professionally accredits events and courses relevant for members ongoing development. Through 2015, 24 organisations applied for accreditation. 20 were accepted and 17 organisations followed through with payment. Three decided not to continue due to cost.

## **Global Midwifery Twinning Project (GMTP)**

The GMTP was successfully completed by the end of March 2015, on budget and with all planned project activities completed by the end of project. GMTP sent 67 volunteer midwives on 75 placements over three years. The volunteers worked with the midwifery associations, but also key stakeholders and practising midwives to address the International Confederation of Midwives' three pillars of midwifery: education, regulation and association.

Volunteers worked alongside:

- midwives to support them to provide quality midwifery care, build individual leadership capacity and transfer skills and knowledge
- education providers to develop curricula, to improve teaching standards and to support student midwives in their learning
- associations and regulatory bodies to build leadership and advocacy capacity, to develop strategic planning capacity, to build networks and connections to stakeholders and to role model the potential of midwives associations to support a strong midwifery profession.

## Key achievements of GMTP

### Uganda

1. Development of the Masters in Midwifery Curriculum at Uganda Christian University.
2. Establishing a multi-party advocacy group and midwifery research interest group; that demonstrates greater commitment to midwives working together across private, public, non-profit, and faith-based sectors.
3. Strengthening private midwives clinical practice sites and pilot mentorship project with Kibuli School of Nursing and Midwifery.

### Cambodia

1. Creation of a five-year strategic plan for the Cambodian Midwives Association.
2. Formation of the Cambodian Midwives Council Competency Based Curriculum Assessment tool for education providers.
3. Increasing membership of Cambodian Midwives Association by 50% to over 4,000 members.

### Nepal

1. Development of a five-year strategic plan for Midwifery Society of *Nepal* (*MIDSON*).
2. Establishing the Mangala Devi Midwife-led Birthing Centre at Tribhuvan University Teaching Hospital in Kathmandu.
3. Founding the first national midwifery conference in Nepal, September 2013, with over 300 participants.

A final evaluation of GMTP conducted by an independent consultant revealed the following.

- The success of the RCM in proposing and delivering GMTP was a first for the association. The project provided an important platform for its future international development work.
- The programme had beneficial effects on midwifery practice, education and regulation in the three partner countries.
- The project strengthened the capacity of the three overseas partner midwifery associations, and increased their commitment to improving maternity and new born care.
- It created strong twinning relationships and enabled networking and sisterhood between midwives in the four countries.
- GMTP raised awareness of midwifery issues in low-income countries and the importance of international engagement among volunteer midwives, their employers, RCM staff and members, policy makers and other stakeholders in the four UK countries.
- Participating in the project gave many volunteers greater confidence in their own skills and knowledge, and renewed their commitment to midwifery in the UK.

The learning of the RCM in the delivery of this project includes the following.

- The RCM's delivery of this ambitious, challenging project after a difficult start, demonstrated its adaptability, flexibility and capacity to change.
- The programme design was too ambitious, lacked precise goals and objectives and was not underpinned by explicit values, ground rules or theories of change and development.
- The GMTP midwife volunteers have undergone life changing experiences and have formed meaningful relationships with midwives in all three countries. Their enthusiasm and renewed passion for midwifery represent a valuable resource for the RCM, advocating for midwives in the UK and abroad.
- South to south learning and networking became a crucial part of the project; future projects will plan for and fund this explicitly.
- Recognising that the UK has much to learn from low-income countries, the meaning and process of true exchange, reciprocity and mutuality should be further explored.

### **With the University of Cardiff, agreed on a work plan as a WHO collaborating centre**

The RCM (as a former WHO Collaborating centre) has been supporting the University of Cardiff in its application to become a midwifery collaborating centre.

Assistance was provided in advance of the Centre's first activity in Kazakhstan. WHO Europe region have indicated that Cardiff will receive full designation shortly.

### **Continued our contribution on the women for health project in Nigeria**

The RCM has continued its involvement with the Women 4 Health project in Northern Nigeria. This year the focus has been on the skills and capacity of midwifery educators (who are supported by UK based 'twins') and in modernising teaching methods.

### **Birth after caesarean**

The RCM have undertaken an audit on the third stage of labour as that is what the consultant midwives identified as their priority.

### **Collaborative work on strategic initiatives**

The RCM has been active in a number of areas to improve the quality of midwifery care.

#### *Prevention of third and fourth degree tears*

The RCM was part of a collaborative project to develop a care bundle to prevent third and fourth degree tears. The care bundle is currently being piloted in nine sites to determine its acceptability to women and clinicians. A bid for funding to implement the care bundle and determine its effectiveness across settings has been submitted and has progressed to the second stage of assessment.

#### *Perinatal mortality*

An RCM representative spoke at the three launches of reports by MBRRACE into perinatal mortality, term ante partum stillbirths and maternal death. A subsequent blog received significant attention from midwives and the wider media. The RCM continued its involvement in the Department of Health / SANDS activities to prevent stillbirth and also in the RCOG campaign.

Each Baby Counts. In addition the RCM have been an active participant in the development of a stillbirth prevention care bundle. The RCM worked with SANDS to update the Bereavement Network website, which was relaunched in Summer 2015.

#### *Vaccinations*

The RCM has been worked with Public Health England in the development of a questionnaire to determine midwives' attitudes to vaccination (for themselves) and to encourage pregnant women to be vaccinated against seasonal influenza and pertussis.

For the first time, the RCM was invited to comment on a section of the Atlas of Variation in respect of women's satisfaction with their care.

*Goal: The RCM will continuously scope and redefine the future of Midwifery to ensure that it is well placed in contemporary society.*

## **Promotion of clinical academic careers amongst midwives**

The RCM was a contributor to work led by Association of UK University Hospitals to develop a toolkit for NHS organisations to assist them to become a research-orientated organisation.

A key component is the recognition of the importance of identifying and supporting individuals amongst their nursing, midwifery and allied health professional staff to embark on preparation for a clinical academic career.

## **Co-applicant for funding for at least two midwifery related research applications**

The RCM has been a co-investigator on the following bids for research funding.

- With the RCOG and London School of Hygiene & Tropical Medicine for scaling up the third and fourth degree tear prevention care bundle (through to stage 2).
- With the University of East Anglia to determine the "language gap in maternity services" (unsuccessful).
- With the Universities of Liverpool, Nottingham and Sheffield to research the effectiveness of an intervention programme for midwives experiencing Post Traumatic Stress Disorder (PTSD) (unsuccessful in first submission but resubmitted to a different funder and was successful).
- With the University of Nottingham to examine the use of telephone support for women in early labour. (unsuccessful).

## **Worked with the two RCM professors of midwifery to promote midwifery research**

In 2015, the two RCM professors were active in the wider research arena and promoted midwifery research. They both promote midwifery research in their countries and with their Chief National Officer both of who are supportive.

## **Developed a virtual RCM research interest group with at least 50 members**

The RCM is now a part of a network of midwife researchers who are on National Institute for Health Research (NIHR) training programmes.

## **Lobbied for a midwifery clinical research champion as part of the NIHR structure**

In 2015, the RCM lobbied the NIHR.

## **The RCM education strategy**

The education strategy drives the RCM education provision in our ambition to do the following.

- Be the first place for all members to go for advice, support and opportunities to develop their careers.
- Recognise and record member's professional and personal development.
- Offer a portfolio of high quality learning opportunities which are not available to members from other education providers.

## **Focus on midwifery leadership**

The importance of developing strong midwifery leadership remains very high on the professional agenda. There is growing recognition of the role that all practitioners play in leadership and the RCM has developed a number of interactive workshops for midwives to hone in on their skills.

The aim of all the workshops is to enable networking and sharing of good practice as well as providing 'tools' to take back to the workplace to increase confidence in communication, effective and collaborative working and becoming more self aware. Each of the workshops has a theme and includes real-life scenarios are relevant to practice.

The following events took place in 2015, and each event accommodates around 50 midwives.

- *Developing and Maintaining Influence as a Leader* - Two events were delivered.
- *Mastering Personal Change* - One event was delivered, organised by RCM Wales in partnership with the Local Supervisory Authority Midwifery Officers in Wales for senior midwives.

In March 2015 the Kirkup Report on the Morecambe Bay inquiry was published. The report was very challenging and contained strong messages around the outcomes where there was poor leadership. Therefore, a new interactive course, *Learning Lessons from Kirkup report*, was put together and ran three times in 2015.

All of the leadership workshops evaluate very highly with net promoter scores consistently around 85.

The RCM was also asked to deliver a bespoke event for a senior leadership midwifery team. The benefit of the bespoke programme was that RCM was in a position to understand and appreciate the team's particular challenges and to work with a small group to offer guidance on managing team dynamics.

### **Return to Midwifery Practice (RTP)**

The Nursing and Midwifery Council (NMC) and London South Bank (LSBU) RTP approval was finalised in August 2014. The first cohort of 13 students commenced 13 October 2015. All students are required to complete within one year (normally). Students are made up of midwives that have lapsed their registration and midwives with registration but unable to find employment because they lack sufficient knowledge of midwifery practice in the UK and have therefore taken on the course to acculturate and improve employment prospects.

### **Non-honorary Fellowship scheme**

The development of the RCM Non-honorary Fellowship scheme is key to enabling members to network and develop their careers. In 2014 the RCM Fellowship scheme for midwives was reviewed, and it was relaunched in autumn of 2015.

The RCM recognises that many of its members provide an outstanding contribution of midwifery practice, education and research. The fellowship scheme provides an opportunity for their work to be acknowledged more widely and that their contribution can further support education, practice, research and influence policy. Successful applicants will be awarded their Fellowships at the Zepherina Veitch lecture in 2016.

### **Research on midwifery education**

During 2015, the RCM has surveyed midwifery educationalists and students regarding the provision of midwifery education. A contribution was also made to review midwifery education undertaken by the NMC. The information gained from these surveys and previous surveys undertaken in the preceding years will form the basis of an overarching report on midwifery education in 2016.

## **OBJECTIVE 2. TO INFLUENCE ON BEHALF OF OUR MEMBERS AND IN THE INTEREST OF THE WOMEN AND FAMILIES FOR WHOM THEY CARE**

*Goal: The RCM will strengthen and continue to develop in a creative and innovative way, its profile, engagement, working practices, resources and responsiveness, creating meaningful relationships with key stakeholders and policy makers.*

## Pay Campaign

In 2015, the RCM organised the first industrial action in the 134 year history of the organisation.

The RCM balloted members in England and later in Northern Ireland which gave an overwhelming mandate for industrial action in order to secure implementation of the Pay Review Body award. A campaign and negotiations then followed, and in England, a successful result was achieved. The campaign still continues in Northern Ireland. In Scotland and Wales, the RCM helped persuade Ministers to pay the Pay Review Body award in full.

## Affiliation with the Trade Union Congress

The Board approved the case to affiliate to the TUC and the RCM joined in July 2015. The RCM has achieved greater influence and practical support from the TUC since affiliation. In its first Congress the RCM successfully gained commitment from the TUC to campaign on maternity discrimination and the value of midwifery.

## 2015 Manifesto campaign

The RCM also worked to achieve commitments to maternity services in the manifestos of all significant political parties at the General Election in May 2015 and used the State of the Maternity Services report as a basis for influence.

## OBJECTIVE 3. TO ENSURE PRODUCTS AND SERVICES MEET THE PARTICULAR NEEDS OF MEMBERS

*Goal: The RCM will actively and creatively engage with members and prospective members to understand their needs, develop relevant and appropriate high quality products and services and measure their impact and effectiveness.*

## Events and conferences

During 2015, the RCM met numerous members and ran both small and large scale events to give midwives and MSWs the opportunity to share, network and learn from each other and other acknowledged experts. In total the RCM organised over 610 events and met over 10,000 members; ranging from our annual conference where just over 1000 midwives from across the UK came together over two days through to drop-in learning events in individual trusts or units attended by 20 midwives over the course of an afternoon. From Inverness to Guernsey, the RCM take pride in delivering high quality professional learning events, leadership development seminars as well as delivering training and development for our activists, organising debates on political and policy agendas and bringing stakeholders together to discuss local challenges and opportunities.

### Annual conference 2015

The Annual Conference was held once again in Telford international Centre on the 10-11 November 2015. The two-day event was well attended and included the Student Midwives Conference and the Workplace Representatives conference.

The theme of the conference was *Better births: Leading the Way for Maternity Care* and included plenaries on reducing stillbirth, maternal mental health, a discussion on safety with Dr Bill Kirkup and a vibrant concurrent session programme presenting evidence-based innovation and leadership learnings. The Student Midwives' Conference provided opportunities for the first time for students to submit papers for presentation competitively. The RCM Learning Zone area encouraged delegates to continue their professional development and learning through the Library, the Learning Project and showcased the latest i-learn modules available.

### *One-day events*

The specialist one day *Legal Birth and Uncertainty and Loss* conferences presented in partnership continued to be highly positively evaluated. The Zepherina Veitch Memorial Lecture event on 10 December 2015 delivered by Professor Mary Renfrew offered members an insightful discussion of the challenges to midwifery in the UK posed by the Lancet Series findings.

Policy seminars in Crewe and Leicester explored contemporary issues in midwifery practice, NHS policy and employment matters. Delegates learned how strategic clinical networks operate and how to work with them to shape maternity services. Interactive sessions discussed implementing the latest NICE guidance on intrapartum care and safe staffing, and presentations from expert speakers explored topics including perinatal mental health.

Leadership events in Bristol, Cardiff and London covered developing and maintaining influence as a leader and also the lessons from the Kirkup Report.

### *Maternity Support Workers conference*

In 2015, the conference for maternity support workers (MSWs) increased in scale and numbers. This one-day event which was held in Sheffield enabled MSWs to take part in interactive workshops on maternal mental health and bereavement care and to be updated on national developments and the opportunities available to them. Professor Cathy Warwick led an interactive session on how MSWs can enhance their contribution in the delivery of exemplary maternity care.

### **E-learning**

i-learn and i-folio continues to be a popular resource for RCM members. Up to 31 December 2015 there were 10,695 i-learn users an increase of over 100% during 2015. In total, over 34,000 individual modules had been started and 17,500 completed.

In total there are 10,695 users signed up and a total of 11,100 i-folio users.

The following modules were launched in 2015.

- Practical guide to neonatal jaundice.
- Palliative care for the neonate.
- Understanding the world we work in; NHS structures.
- Preparing for the student elective: volunteering overseas.
- Understanding the Kirkup report.
- Everything you need to know about revalidation.
- Bereavement care.
- Cytomegalovirus (CMV).
- Understanding asylum seekers and refugees.
- Revision and update of Examination of the New born modules.

The following 10 minute updates were launched in 2015.

- Building resilient practitioners.

The following professional updates were launched in 2015.

- Why children die.



RCM i-folio is a valuable resource to support member's professional and practice development. This is a valuable resource for those undergoing and recording their continued professional development for revalidation.

### Resources to assist members through revalidation

The way midwives demonstrate that they are up to date and able to stay on the Nursing and Midwifery Council (NMC) register has changed. Midwives and nurses are required to write written reflections on their development and on feedback. There is a requirement to discuss the reflections with a professional; this is not significantly different for midwives who have been used to discussions with their supervisor. However, the need to have written reflection and evidence is a strengthening of the process.

The RCM has developed a short video which highlights the key points and changes to revalidation, which was heavily promoted to our members to keep them up to date. The video can be viewed by visiting [www.rcm.org.uk/revalidation](http://www.rcm.org.uk/revalidation).

The RCM also developed a new i-learn module which explores:

- the changes due to revalidation
- what midwives need to do to maintain their effective registration
- where to go for further help or advice
- some of the myths around this new process.

### Research into stakeholders perception

In 2015 a stakeholder research project was carried out to ensure the RCM not only understands what its members want and need but how it is perceived by key influencers, comparable organisations, collaborators and interested parties.

### OBJECTIVE 4. TO SUPPORT AND REPRESENT OUR MEMBERS INDIVIDUALLY AND COLLECTIVELY IN THEIR RESPECTIVE COUNTRIES

*Goal: The RCM will develop its capacity and capability to ensure that appropriate resources are future proofed for the support and representation of all our members.*

Every year the RCM supports and represents members who experience difficulties or problems at work. Many members are supported and have their issues resolved by their local workplace representatives.

Over 800 stewards and health and safety reps receive training and guidance to give them the skills to negotiate locally and to ensure that the member's employment rights are maintained. For more complex issues, a network of 18 regional and national officers throughout the UK provide experience and expertise in times of difficulty. In 2015, the RCM opened around 275 cases where midwives or MSWs required support from a full time officer in trust disciplinary processes, achieving their rights in relation to ill-health, raising concerns about bullying and harassment or where their professional competence or conduct was being scrutinised. Thankfully very few midwives do need this level of support, in 2015 29 RCM members were referred to the NMC; in these cases the RCM provided professional advice and support and the full legal back up of our solicitors Thompsons. A referral to the NMC's Fitness to Practise investigation process is a very serious matter; it is potentially career ending. The role of the RCM is to represent members referred to the NMC, to ensure they experience an open, transparent and fair process and that they have the opportunity to give account of themselves and their actions so that justice is done. In over 60% of referrals where the RCM is representing, the NMC ultimately finds no case to answer.

The RCM also provide assistance to members who have accidents or suffer injuries at work, in 2015 the RCM secured over £784,000 of damages for midwives and MSWs through personal injury claims and opened 75 new cases for members injured at work.

The RCM has grown its learning representatives to 106, who are trained and supported to meet the needs of members through learning events, advice and information sessions and organising everything from choirs to canoeing to reflexology. These activists has fostered workplace opportunities and breathed new life into our branches.

To meet this increase in workload, 2015 saw the overhaul of Branch Governance and the preparation of new advice and information for all activists on how to manage a vibrant lively branch structure giving RCM members the opportunity to fully participate in the life of the organisation. The new handbook will be launched in 2016. Every year the RCM transfers money back to our active branches to support their activities, including fundraising for International day of the Midwife, promoting midwifery within a local community and funding training and development for members. In 2015 this totalled £67,500. Midwifery students are separately represented in the RCM and the elected Student Midwife Forum planned and delivered an annual conference attended by around 400 students as well as feeding into broader RCM policy throughout the year. Activist students have now established Midwifery Societies in most universities and these are increasingly linking to RCM branches to collaborate and promote learning.

## **OBJECTIVE 5. TO ENSURE OUR FUTURE GROWTH AND SUSTAINABILITY AS AN INNOVATIVE, ADAPTIVE AND RESPONSIVE ORGANISATION**

*Goal: The RCM will have the income to deliver on its strategic plan and ensure the future sustainability of the organisation.*

### **Membership**

2015 was another strong year for the RCM as membership grew to its highest ever level of 45,825 members. Growth continued across all membership categories, but in particular amongst full members, students and maternity support workers. The RCM now represents 86% of all practising midwives.

This continued growth enables the RCM to develop and improve the services it offers. It provides the RCM with a strong financial base from which it can innovate, invest in and develop services which meet the needs of its members. The size of its membership also gives the organisation an increased strength of voice so the RCM can campaign, lobby and negotiate in a more effective way.

The RCM has been very proactive in seeking to recruit students as they bring with them an enthusiasm and commitment which helps underpin the future of the organisation. Significant time and effort was put in to ensure the success of 2014 in terms of student recruitment was continued, and in 2015 the RCM saw a record number of student midwives join the RCM. Continued growth of student midwife membership is largely thanks to the vibrancy and enthusiasm brought via the Student Members Forum, a change in the recruitment incentive, support for the ever growing number of University Midwifery Societies and the engagement by Regional Officers and RCM Organisers.

### **Maternity Support Workers**

As stated in the last report and accounts, Maternity Support Workers are seen as a key opportunity for growth in membership. In 2015, the recommendations of the report which was commissioned by an independent consultant looking into MSW membership were implemented. The study explored the barriers and challenges, potential opportunities and the services and resources needed to ensure continued growth in this important group of members.

The roll out and implementation plan was hampered by a number of resource issues but 2015 saw the appointment of an MSW Project Worker and the development of a number of MSW Advocates. The benefits of this work are anticipated to take effect in 2016.

At the end of 2015 the RCM had over 850 MSWs in membership.

<b>Key Membership Performance Indicators</b>	<b>2014</b>	<b>2015</b>
Membership Growth	+ 2.8%	+3.92%

## The RCM Responsiveness Programme initiative

The Responsiveness Programme initiative continued in 2015 with RCM Connect taking on an increasing percentage of membership transactional work. Although the total number of calls to the service has increased, RCM Connect have proved to be efficient at handling the increase in calls and the total handling time has reduced by around 10%. The ongoing trend towards digital communication continues with an (approximately) 60% increase in emails received by RCM Connect, with an average time until first response of 12 hours.

Comparison of call and email statistics

2014	2015
20,000 calls taken in 2014 with a total handling time of 97,500 minutes.	20,644 calls taken in 2015 with a total handling time of 87,385 minutes.
10,081 emails were received in 2014.	16,177 emails were received in 2015.
Average call time in 2014 of 4.87 minutes.	Average call time in 2015 of 4.05 minutes.
Average speed of answer in 2014 was 26 seconds.	Average speed of answer in 2015 was 30 seconds.
Abandoned call rate in 2014 6.75%.	Abandoned call rate in 2015 5.96%.
10% of calls answered outside the hours of 9am to 5pm Monday to Friday.	10% of calls answered outside the hours of 9am to 5pm Monday to Friday.

The RCM continues to look at ways it can improve the service it delivers to its members. Data is seen as a key part of improving the way the RCM does this, as well as responding to member's changing needs. A major project looking at replacing core business systems commenced in 2015. At the heart of this is a focus on data and ensuring the RCM can deliver the right services to the right members.

## OBJECTIVE 5. TO BE AN EXEMPLARY ORGANISATION AND EMPLOYER

*Goal: The RCM will demonstrate through its performance, reputation and success that it is a leading trade union and professional organisation.*

### Training and development

A new learning, training and development plan for all staff was instigated in 2015. The plan was refined during the course of the year and further developed to ensure the staff review process captured the development needs of individuals so each staff member has a personalised development plan.

### Employee assistance

The Employee Assistance Programme continued to be made available to staff, providing practical information and counselling for staff and their close family.

### Equality and diversity strategy

The RCM's Equality and Diversity Strategy has now been fully implemented and has been embedded into the everyday operational activities of the RCM. The RCM continues to be part of the Disability Two Ticks scheme, is a Living Wage employer, has rolled out a major training programme on equality and diversity and ensures all policies (both internal and external) are Equality Impact assessed.

## PRINCIPAL RISKS AND UNCERTAINTIES

The RCM is committed to adopting best practice in the identification, evaluation and cost effective control of risks to ensure that they are reduced to an acceptable level or eliminated. It is acknowledged that some risks will always exist and will never be eliminated but mitigation action can be put in place which minimises the likelihood of that risk occurring or the impact it may have should it occur.

The RCM is committed to establishing and maintaining a systematic approach to the identification and management 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
- inform strategic and operational decisions by identifying risks and their likely impact.

### Principal risks for the RCM

#### Loss of Income (from membership and from other sources)

Membership subscriptions continue to be the main source of income for the RCM and therefore any circumstance which means this income comes under pressure is a significant risk to the organisation.

Whilst a sudden loss of members is deemed unlikely, a more sustained reduction in membership levels would ultimately have a direct impact on the RCM's ability to deliver services to its members. The RCM continues to review what it does and to invest in systems and process to ensure it is as responsive as it can be and is fulfilling the many needs of its members. The RCM campaigns and lobbies to ensure that the role of midwives and the concerns of midwives are highlighted. In an environment where pressures within the NHS on budgets, working conditions and services levels are increasingly having a detrimental affect on our members, the potential for members to seek employment away from this highly respected and valued profession increases.

The risk of loss of income from other sources relates directly to the RCM's Alliance programme. This programme centres on mutually beneficial relationships with a limited number of commercial companies. Challenging economic and market conditions mean companies frequently review their spend and their strategic partnerships. In 2015, two key partners left the programme and whilst replacements have been found, this is a time consuming process and highlights this ongoing risk.

#### Legal support costs

Supporting members with legal representation remains a significant financial issue for the RCM. Demand for these services continues to increase. The RCM has in place a new fixed cost agreement with its legal services provider to minimise the impact of this issue though the past couple of years has seen greater demand for ad-hoc legal work and the RCM is looking at a number of ways to minimise this risk.

#### Changes to maternity services

There are a number of interrelated risks which the RCM is aware of and measures continue to be put in place to mitigate them. These risks relate to loss of influence, changes to the way maternity services are delivered, political changes and the subsequent impact these have on the RCM's membership. The RCM continues to ensure it is adequately informed of new models and emerging threats to the midwifery workforce in what continues to be an ever changing environment, and that it is working for members in ensuring the RCM's voice is heard and influential.

## RESULTS

The RCM Board has approved the audited consolidated accounts for the year ended 31 December 2015. The result for the year is a net surplus of £774,907, which comprises the following amounts:

	£
Surplus for the year	<b>£326,907</b>
Re-measurement of defined benefit liability	<b>£448,000</b>
Total gains relating to the year	<b>£774,907</b>

The surplus for the year of £326,907 undertaken by the RCM as part of its business included the Pension Scheme performance during the year and the movements on investments as required by Financial Reporting Standards (FRS) 102. The relevant movements are disclosed in Notes 11 and 14 to the accounts. The Pension Scheme gain of £448,000 arose from the difference between expected and actual returns on the scheme's assets, and the estimated effects of changes in demographic and financial assumptions underlying the present value of the scheme's liabilities calculated by the Scheme Actuary. There is no immediate impact on available cash flow as a result of the deficit on the pension scheme as this is indicative of a need for additional future funding rather than an immediate liability which must be satisfied. The RCM cash contribution towards the pension scheme is set up by actuarial valuation and the cost is included in the RCM annual budget.

In the previous year, a surplus of £157,727 was recorded on ordinary activities, which after adding) an actuarial gain on the Pension Fund of £2,360,0000, produced a total surplus of £2,517,727 for that year.

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

By order of the RCM Board

JANE SANDALL

J N Sandall 25/8/16

Director

Date:

# Independent Auditor's Report to the Members of The Royal College of Midwives



## Independent 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 2015 which comprise the Consolidated Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cashflow Statement and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion based on the work undertaken in the course of our audit the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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.



Mike Hicks  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory auditor  
**London**

Date: 26.8.16



# The Royal College of Midwives and Subsidiary Company Consolidated Income and Expenditure Account for the year ended 31 December 2015



# The Royal College of Midwives and Subsidiary Company Consolidated Income and Expenditure Account for the year ended 31 December 2015

	Notes	Total 2015	Total 2014
<b>Income</b>	4	£ 9,202,082	£ 9,073,653
<b>Expenditure</b>			
Staff costs	5	(4,756,931)	(4,275,709)
Depreciation		(45,592)	(43,987)
Other costs		(4,071,764)	(4,596,698)
<b>Operating Surplus</b>		327,795	157,259
(Losses)/gains on investments		(75,482)	64,159
Investment income		114,187	106,927
Pension scheme finance charge		(20,000)	(138,000)
Charitable grants paid		(19,593)	(32,618)
<b>Surplus for the year</b>		326,907	157,727

All activities are continuing.

The notes on pages 37 to 47 form part of these accounts.

# The Royal College of Midwives and Subsidiary Company Statement of Total Recognised Gains and Losses for the year ended 31 December 2015



# The Royal College of Midwives and Subsidiary Company

## Statement of Total Recognised Gains and Losses for the year ended 31 December 2015

	Notes	Total 2015	Total 2014
<b>SURPLUS FOR THE YEAR</b>		<b>£ 326,907</b>	<b>£ 157,727</b>
Re-measurement of defined benefit liability	14	<b>448,000</b>	2,360,000
Total recognised gain relating to the year		<b>774,907</b>	2,517,727

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2015
	£
At 1 January 2014	4,091,393
Surplus for the period	157,727
Re-measurement of net defined benefit pension liability	2,360,000
At 31 December 2014	6,609,120
Surplus for the period	326,907
Re-measurement of net defined benefit pension	448,000
<b>At 31 December 2015</b>	<b>7,384,027</b>

The notes on pages 37 to 47 form part of these accounts.

# The Royal College of Midwives Consolidated Balance Sheet as at 31 December 2015



# The Royal College of Midwives Consolidated Balance Sheet as at 31 December 2015

	Notes	2015	2014
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	1,112,834	1,149,119
Investments	11	3,357,400	3,686,807
		<b>4,470,234</b>	<b>4,835,926</b>
<b>CURRENT ASSETS</b>			
Stock		-	2,656
Debtors	12	349,018	415,831
Cash at bank and in hand		3,556,112	2,874,377
Total current assets		<b>3,905,130</b>	<b>3,292,864</b>
<b>CREDITORS: Amounts falling due within one year</b>	13	<b>(850,282)</b>	<b>(931,615)</b>
<b>NET CURRENT ASSETS</b>		<b>3,054,848</b>	<b>2,361,249</b>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>7,525,082</b>	<b>7,197,175</b>
Pension Liability		<b>(141,055)</b>	<b>(588,055)</b>
<b>NET ASSETS</b>		<b>7,384,027</b>	<b>6,609,120</b>
<b>REPRESENTED BY:</b>			
<b>SPECIFIC FUNDS</b>	15		
Revaluation reserve		879,627	879,627
Headquarters Fund		106,974	105,245
Benevolent Fund		517,745	541,534
		<b>1,504,346</b>	<b>1,526,406</b>
<b>GENERAL FUNDS</b>	15		
Headquarters		5,659,767	5,323,363
Branches		360,969	347,406
		<b>6,020,736</b>	<b>5,670,769</b>
Pension reserve		<b>(141,055)</b>	<b>(588,055)</b>
<b>TOTAL FUNDS</b>		<b>7,384,027</b>	<b>6,609,120</b>

Approved and authorised for issue by the RCM Board on

Date:

JANE SANDALL  
*Jane Sandall*

The notes on pages 37 to 47 form part of these accounts.

25/8/16

# The Royal College of Midwives Company Balance Sheet at 31 December 2015



# The Royal College of Midwives Company Balance Sheet at 31 December 2015

	Notes	2015	2014
		£	£
<b>CURRENT ASSETS</b>			
Tangible fixed assets	10	1,112,834	1,149,119
Investments		2,680,227	-
<b>TOTAL FIXED ASSETS</b>		<b>3,793,061</b>	<b>1,149,119</b>
<b>CURRENT ASSETS</b>			
Stock		-	2,656
Debtors	12	368,023	2,708,634
Cash at bank and in hand		1,456,453	766,050
<b>TOTAL CURRENT ASSETS</b>		<b>1,824,476</b>	<b>3,477,340</b>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(697,890)	(606,168)
<b>NET CURRENT ASSETS</b>		<b>1,126,586</b>	<b>2,871,172</b>
<b>TOTALS ASSETS LESS CURRENT LIABILITIES</b>			
Provisions: Pension liability		(141,055)	(588,055)
<b>NET ASSETS / (LIABILITIES)</b>		<b>4,778,592</b>	<b>3,432,236</b>
<b>GENERAL FUNDS</b>			
Pension reserve		(141,055)	(588,055)
<b>TOTAL FUNDS AND RESERVES</b>		<b>4,778,592</b>	<b>3,432,236</b>

The balance sheet was approved and authorised for issue by the RCM Board on

Director

JANE SANDALL

Jane Sandall 25/8/16

Date:

The notes on pages 37 to 47 form part of these accounts.



# The Royal College of Midwives Consolidated Cashflow Statement for the year ended 31 December 2015



## The Royal College of Midwives Consolidated Cashflow Statement for the year ended 31 December 2015

	Notes	2015	2014
		£	£
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>	17	<b>322,930</b>	<b>(176,937)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		10,868	10,879
Dividends received		103,319	96,048
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>114,187</b>	<b>106,927</b>
<b>TAXATION</b>			
		-	-
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(9,307)	(14,930)
Purchase of investments		(3,632,055)	(490,000)
Sale of investments		3,885,980	379,280
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>244,618</b>	<b>(125,650)</b>
<b>INCREASE IN CASH</b>	18	<b>681,735</b>	<b>(195,660)</b>

The notes on pages 37 to 47 form part of these accounts.

# The Royal College of Midwives Notes to the Accounts for the year ended 31 December 2015



# The Royal College of Midwives Notes to the Accounts for the year ended 31 December 2015

## 1. STATUS OF THE COMPANY

The RCM is a company limited by guarantee and does not have share capital. The members' liabilities in the case of both organisations are limited to £1, and there were 45,825 members as at the 31 December 2015. The RCM is registered as a trade union.

## 2. ACCOUNTING POLICIES

### a) Accounting convention

The accounts are prepared under the Companies Act 2006, the historical cost accounting rules, modified by the revaluation of listed investments, and in accordance with the amended FRS 102 which has been applied for the first time in the preparation of these financial statements and prior to its compulsory adopting date of 1 January 2016.

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

### b) Basis of consolidation

The consolidated accounts incorporate the accounts of the RCM and its subsidiary. The Royal College of Midwives, at 31 December 2015. The Royal College of Midwives (a company limited by guarantee which is not charity) is a corporate member of the Trust and appoints all the trustees. The accounts of the subsidiary also include 'The Benevolent Fund of the Royal College of Midwives', which is a subsidiary charity of the Trust, and the RCM Trust Trading Company Limited, a subsidiary company of the Trust in which the Trust holds the sole share.

### c) Tangible fixed assets

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is charged in equal annual instalments commencing with the year of acquisition, at rates estimated to write off their cost or valuation less any residual value over their expected useful lives, which are as follows:

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

### d) Stocks

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

### e) Investments

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

### f) Leasing

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

**g) Pension contributions**

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

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

**h) Income**

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

**i) Expenditure**

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

**j) Financial instruments**

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

**k) Critical accounting judgements and key sources of estimation uncertainty**

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

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

## 3. BRANCH RETURNS

51 branches of the RCM have not submitted accounts to Headquarters for the year ended 31 December 2015. 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. 40 branches which have not submitted accounts bank with Unity Trust Bank, the same bank RCM HQ uses, therefore it was possible to verify their cash balances.

The income and expenditure account includes:

- a) the income and expenditure of Headquarters
- b) the income and expenditure of 117 (2014: 112) Branches
- c) amounts received at Headquarters from the branches that have not submitted accounts.

The total cash at bank and in hand shown in the Group balance sheet of £3,556,112 (2014: £2,874,377) includes £361,901 (2014: £356,975) held by branches.

#### 4. INCOME

	2015	2014
	£	£
Membership subscriptions	8,147,430	7,886,092
Conference income	63,507	47,885
Income raised by branches/country offices	16,504	19,944
Donations and legacies	29,855	7,352
Commercial partnership income	289,143	366,658
Project income	453,363	572,832
Other income	26,289	-
Journal/website income	158,225	162,202
Consultancy/accreditation	17,766	10,688
	<b>9,202,082</b>	<b>9,073,653</b>

#### 5. STAFF COSTS AND NUMBERS

	2015	2014
	£	£
Wages and salaries	3,660,503	3,572,824
Social security costs	329,012	317,676
Pension costs	767,416	385,209
	<b>4,756,931</b>	<b>4,275,709</b>

#### Full time equivalent employed at 31.12.2016

	No.	No.
Professional	75	74

The salary cost for the key management personnel during the year was £546,622 (2014: £547,245). The figure is inclusive of pension benefits, no other employee benefits were paid. There were two redundancy payments in the year (2014: two).

#### 6. INTEREST RECEIVABLE

	2015	2014
	£	£
Bank and building society interest	10,868	10,879

## 7. SURPLUS ON ORDINARY ACTIVITIES

	2015	2014
This is stated after charging	£	£
Auditors' remuneration		
– audit	26,000	26,000
– other services – taxation	12,987	33,538
Operating lease rentals		
– plant and machinery	30,610	39,629
– land and buildings	32,705	24,000
Depreciation	45,592	43,987

## 8. REMUNERATION OF MEMBERS OF THE RCM BOARD

No member of the RCM Board received any remuneration from the RCM (2014: £Nil) except for reimbursement of their traveling expenses total £12,997 (2014: £20,923).

## 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 £1,346,356 and total turnover was £8,789,744.

## 10. TANGIBLE FIXED ASSETS

Group and company	Freehold land and buildings	Short leasehold property	Furniture and office equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2015	155,000	1,465,925	346,138	1,967,063
Addition	-	-	9,307	9,307
Disposal	-	-	(12,672)	(12,672)
<b>At 31 December 2015</b>	<b>155,000</b>	<b>1,465,925</b>	<b>342,773</b>	<b>1,963,698</b>
<b>Depreciation and amortisation</b>				
At 1 January 2015	42,825	455,577	319,542	817,944
Charge for the year	1,923	25,469	18,200	45,592
Disposal	-	-	(12,672)	(12,672)
<b>At 31 December 2015</b>	<b>44,748</b>	<b>481,046</b>	<b>325,070</b>	<b>850,864</b>
<b>Net book value</b>				
<b>At 31 December 2015</b>	<b>110,252</b>	<b>984,879</b>	<b>17,703</b>	<b>1,112,834</b>
<i>At 31 December 2014</i>	<i>112,175</i>	<i>1,010,348</i>	<i>26,596</i>	<i>1,149,119</i>

At 31 December 2015 there were capital commitments contracted for of £nil (2014: £nil).

## 11. FIXED ASSET INVESTMENTS

	Group 2015	Group 2014	RCM 2015	RCM 2014
	£	£	£	£
Market value at start of period	3,686,807	3,511,928	-	-
Additions	3,632,055	490,000	2,706,223	-
Disposals	(3,885,980)	(379,280)	-	-
Gains/(Losses)	(75,482)	64,159	(25,996)	-
Market value at 31 December	3,357,400	3,686,807	2,680,227	-
Historical cost at 31 December	3,334,533	2,775,257	2,712,556	-

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

All investments are held within the Group.



## 12. DEBTORS

	2015	Group	2014	RCM
Amounts due from RCM Trust	£	£	£	£
Other debtors	198,946	291,840	198,946	249,841
Prepayments	150,072	123,991	150,072	123,991
	<b>349,018</b>	<b>415,831</b>	<b>368,023</b>	<b>2,708,634</b>

13. CREDITORS: (a mounts falling due within one year)

	2015	Group	2014	RCM
Amounts due to RCM Trust	£	£	£	£
Subscriptions in advance	10,268	3,516	10,268	3,516
Trade creditors	225,733	279,164	188,817	252,533
Other taxation and social security	93,909	93,020	93,909	93,020
Accruals	246,168	248,464	225,350	219,893
Deferred income	274,204	307,451	98,035	37,206
	<b>850,282</b>	<b>931,615</b>	<b>697,890</b>	<b>606,168</b>

## 14. PENSIONS

The RCM operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 March 2013 and updated to 31 December 2015 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 £4,880,000. The RCM has agreed with the trustees that it will aim to eliminate the deficit over a period of 6 years 10 months from 1 September 2014 by the payment of contribution of £166,000 per annum, payable in equal monthly instalments, plus 4.1% of pensionable remuneration each year is to be paid in respect of the deficit. In addition and in accordance with the schedule of contributions, the RCM has agreed with the trustees that it will pay 16.1% of pensionable remuneration in respect of the cost of accruing benefits, death in service benefits and expenses and in addition will meet levies to the Pension Protection Fund. Member contribution are payable in addition at the rate of 7% of pensionable remuneration.

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

	31 December 2015 £'000s	31 August 2014 £'000s
Fair value of plan assets	25,295	24,697
Present value of defined benefit obligation liabilities	(25,436)	(25,285)
Surplus (deficit) in plan	(141)	(588)
Defined benefit liability	(141)	(588)

## RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 December 2015 £'000s	31 December 2014 £'000s
Defined benefit obligation at start of period	25,282	23,385
Current service cost	389	320
Expenses	107	58
Interest expense	885	1,072
Contributions by plan participants	209	187
Actuarial losses (gains)	(769)	993
Benefits paid and expenses	(941)	(730)
Losses (gains) due to benefit changes	271	-
Defined benefit obligation at end of period	25,436	25,285

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

	31 December 2015 £'000s	31 December 2014 £'000s
Fair value of plan assets at start of period	24,697	20,245
Interest income	865	934
Actuarial gains (losses)	(321)	3,353
Contributions by RCM	786	708
Contributions by plan participants	209	187
Benefits paid and expenses	(941)	(730)
Fair value of plan assets at end of period	25,295	24,697

The actual return on the plan assets over the period ending 31 December 2015 was £ 544,000 (2014: £4,287,000).

# DEFINED BENEFIT COSTS RECOGNISED IN PROFIT AND LOSS ACCOUNT

	31 December 2015 £'000s	31 December 2014 £'000s
Current service cost	389	320
Expenses	107	58
Net Interest cost	20	138
Losses (gains) due to benefit change	271	-
Defined benefit costs recognised in profit and loss account	787	516

# DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 December 2015 £'000s	31 December 2014 £'000s
Return on plan assets (excluding amounts included in net interest cost- gain (loss))		
Amount: gain	(321)	3,353
Experience gains and (losses) arising on the plan liabilities:		
Amount: gain	(165)	97
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities:		
Amount: gain (loss)	934	(1,090)
<b>Total amount recognised in other comprehensive income – gain (loss)</b>	<b>448</b>	<b>2,360</b>

# ASSETS

	31 December 2015 £'000s	31 December 2014 £'000s
UK Equities	6,887	5,965
Overseas Equities	6,887	5,964
Corporate Bonds	3,017	2,888
Property	2,217	1,972
Cash	39	23
LDI	6,249	7,885
<b>Total assets</b>	<b>25,295</b>	<b>24,697</b>

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

## ASSUMPTIONS

	<b>31 December 2015</b> % per annum	<i>31 December 2014</i> % per annum
Rate of discount	<b>3.80</b>	3.50
Inflation (RPI)	<b>3.15</b>	3.10
Inflation (CPI)	<b>2.15</b>	2.10
Salary Growth	<b>3.15</b>	3.10
	<b>3.00</b>	3.00
Allowance for pension in payment increases of RPI or 5% p.a. if less	<b>3.15</b>	3.10
Allowance for commutation of pension for cash at retirement	90% of members commute 25% of their pension	90% of members commute 25% of their pension

The mortality assumptions adopted at 31 December 2015 imply the following life expectancies:

Male retiring in 2015	22.3
Female retiring in 2015	24.6
Male retiring in 2035	24.1
Female retiring in 2035	26.

The best estimate of contributions to be paid by the employer for the period commencing 1 January 2016 is £ 788,000 (2015: £708,000).

## 15. MOVEMENT ON RESERVES

	1 January 2015	Movement in the period	Gains realised	Revaluation	At 31 December 2015
	£	£	£	£	£
<b>Specific Funds</b>					
Revaluation reserve	879,627	-	-	-	879,627
Headquarters Specific Fund	105,245	1,825	(268)	172	106,974
Headquarters Benevolent Fund	541,534	(16,337)	(4,558)	(2,894)	517,745
<b>Total specific funds</b>	<b>1,526,406</b>	<b>(14,5120)</b>	<b>(4,826)</b>	<b>(2,722)</b>	<b>1,504,346</b>
<b>General Funds</b>					
General Funds – HQ	5,323,363	404,338	25,312	(93,246)	5,659,767
General Funds – Branches	347,406	13,563	-	-	360,969
	5,670,769	417,901	25,312	(93,246)	6,020,736
<b>Total specific and general</b>	<b>7,197,175</b>	<b>403,389</b>	<b>20,486</b>	<b>(95,968)</b>	<b>7,525,082</b>
Pension fund reserve	(588,055)	(1,000)	-	448,000	(141,055)
<b>Total funds</b>	<b>6,609,120</b>	<b>402,389</b>	<b>20,486</b>	<b>352,032</b>	<b>7,384,027</b>

## 16. FINANCIAL COMMITMENTS

At 31 December 2015 the group and company had the following annual commitments under non-cancellable operating leases expiring as follows:

	Land and building		Furniture and equipment	
	2015	2014	2015	2014
	£	£	£	£
In less than two years	-	-	26,876	22,185
Within two to five years	32,705	24,000	3,734	17,444
In more than five years	-	-	-	-
	<b>32,705</b>	<b>24,000</b>	<b>30,610</b>	<b>39,629</b>

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

	2015	2014
	£	£
Operating surplus	327,795	157,259
Depreciation	45,592	43,987
Decrease in stocks	2,656	407
(Increase) / decrease in debtors	66,813	(34,962)
Increase in creditors	(81,333)	18,990
Charitable grants paid	(19,593)	(32,618)
Pension current costs	496,000	378,000
Contribution by employer	(786,000)	(708,000)
Pension loss due to the benefit change	271,000	-
Net cash (outflow) / inflow from operating activities	322,930	(176,937)

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

	2014	Change in year	2015
	£	£	£
Cash at bank and in hand	2,874,377	681,735	3,556,112

## 19. SUBSIDIARY UNDERTAKINGS

The Royal College of Midwives is the ultimate parent entity of the RCM Group. At 31 December 2015 The Royal College of Midwives Trust and the RCM Trust Trading Company Limited formed part of the consolidated financial statements. The Royal College of Midwives Trust is controlled by the same Board as the RCM and The Royal College of Midwives Trust holds 100% of the share capital of RCM Trust Trading Company Limited. Both subsidiaries are registered in the UK and have the same registered office as the Royal College of Midwives.

# The Royal College of Midwives and Subsidiary Company Statement to Members



## The Royal College of Midwives and Subsidiary Company Statement to Members

### SECTION 32A(6)(A) OF THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 AS AMENDED BY THE EMPLOYMENT RELATIONS ACT 1999

a) Total Income and Expenditure of the trade union for the period ended 31 December 2015.

Income	£ 8,789,744
Expenditure	£ 7,874,961

b) The total income for the union for the period ended 31 December 2015 includes £8,147,430 of payments in respect of membership.

c) The union has no political fund.

d) The CEO (whose role includes that of General Secretary) received a gross salary of £ 158,953 for the twelve month period which includes benefits consisting of pension contributions.

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

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

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

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

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



# The Royal College of Midwives and Subsidiary Company General Information – 31 December 2015



## The Royal College of Midwives and Subsidiary Company General Information – 31 December 2015

<b>AUDITORS</b>	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
<b>BANKERS</b>	Unity Trust Bank plc 9 Brindley Place Birmingham B1 2HB
<b>INVESTMENT MANAGERS</b>	Schroder & Co. Limited 31 Gresham Street London EC2V 7QA
<b>REGISTERED OFFICE</b>	15 Mansfield Street London W1G 9NH
<b>SOLICITORS</b>	Thompsons Solicitors Congress House Great Russell St London WC1H 3LW



**THE ROYAL  
COLLEGE OF  
MIDWIVES**

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#### **The Royal College of Midwives**

The Royal College of Midwives 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 which support them. The vast majority of the midwifery profession are our members.

The RCM promotes midwifery, 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.

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**Promoting • Supporting • Influencing**