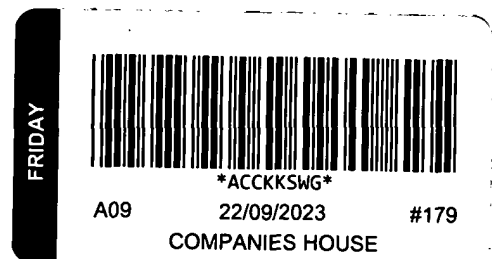


Company No: 00030157

**THE ROYAL COLLEGE OF MIDWIVES**  
**DIRECTORS' REPORT AND**  
**CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**THE ROYAL COLLEGE OF MIDWIVES**  
**DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THE ROYAL COLLEGE OF MIDWIVES**  
**DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**THE ROYAL COLLEGE OF MIDWIVES**  
**DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

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CF10 4AN

# **THE ROYAL COLLEGE OF MIDWIVES**

## **DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **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 2022. 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  
Pauline Twigg - Vice Chair  
Janet Ballintine  
Nerys Kirtley  
Benedicta Agbagwara-Osuji  
Keelie Lorraine Barrett  
Michelle Beacock  
Sarah Jones  
Neil Tomlin  
Dee Davies

# **THE ROYAL COLLEGE OF MIDWIVES**

## **DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **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](http://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 nine 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 95.7%. There were two additional extraordinary meetings also, in July and November 2022.

#### **RCM BOARD PERFORMANCE**

2022 was the tenth anniversary of the RCM Board taking over governance from the former RCM Council.

#### **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:

Neil Tomlin - Chair  
Pauline Twigg – Deputy Chair  
Dee Davies

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 85%.

# **THE ROYAL COLLEGE OF MIDWIVES**

## **DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **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)  
Keelie Barrett  
Sarah Jones  
Benedicta Agbagwara-Osuji

The committee held four meetings during the year and the overall attendance of members was 84%.

#### **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  
Nerys Kirtley  
Giuseppe Labriola

The committee scheduled three meetings during the year and the overall attendance of members was 100%.

#### **INVESTMENT COMMITTEE**

This committee, on behalf of the board, manages the RCM's investments in accordance with the approved investment policy.

It held two meetings in 2022 and the overall attendance of members was 86.7%. The members during the year were:

Chris Truman, (COO)  
Michelle Beacock  
Janet Ballintine  
Sarah Jones  
Keelie Barrett - Chair

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

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 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 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

*Giuseppe Labriola*

**Giuseppe Labriola**

Director

Date 20 July 2023



# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

The RCM is the largest representative of midwives in the UK, and has a role as both a trade union, affiliated to the TUC, and a professional association. 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.	<ul style="list-style-type: none"><li>i. Proactively engaging and listening to members at local, regional, national and global events</li><li>ii. Actively lobbying/negotiating on the issues raised of importance to members using their feedback</li><li>iii. Implementation of the RCM's Professional offer and new professional structure</li><li>iv. Actively working to promote the benefit and need for strong midwifery leadership nationally, regionally and locally in each Trust/Board.</li></ul>
2. To deliver RCM products and services that offer value for money and meet the individual and collective needs of our members	<ul style="list-style-type: none"><li>i. Delivering new products and services while refreshing our existing offer to increase interaction with our members.</li><li>ii. Ensuring high quality and effective support to individual members through the representation we provide.</li><li>iii. Evidencing a growth in membership numbers across business-critical categories.</li><li>iv. Gaining clarity on the reasons members leave across all categories and analysing what control we have over member retention.</li><li>v. Actively encouraging a range of member feedback methods including introducing and evaluating new methods.</li></ul>

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

<p>3. To be a caring, well-led and well-managed organisation.</p>	<p>i. Ensuring the 2022 staff survey demonstrates a positive direction of travel.</p> <p>ii. Continuing to demonstrate a positive direction of travel in internal and external audit reports.</p> <p>iii. Implementing the RCM's People Plan.</p> <p>iv. Contributing to the long-term financial security of the RCM.</p> <p>v. Delivering the programmes and projects committed to in the business plan and evaluating those already delivered to demonstrate value.</p>
<p>4. To actively grow and build networks, alliances and partnerships.</p>	<p>i. Selectively encouraging collaborations that strategically enhance the profile and impact of the RCM and ending collaborations that do not meet these aims.</p> <p>ii. Increasing the profile and impact of the RCM locally</p>

The RCM's strategic objectives for 2022 were:

- 1.i Proactively engaging and listening to members at local, regional, national and global events
  - The past year has signaled a return to pre-pandemic activity, particularly in terms of RCM staff being able to visit members in their workplaces. This has become the norm, rather than the exception, although online for a have still been used to bring members together.
  - Engagement activity with members has largely been around two key issues: pay and safety. Two major reports on maternity safety were published in England in 2022, with RCM activity across events and publications supporting those members directly affected, and sharing insight and support for others.
  - Consultations and ballots on pay and potential industrial action have taken place in all four nations, and some of the Crown Dependencies. On this issue alone, the RCM undertook 103 events, taking place both in person and online.
  - This year also marked the return to in-person conferences for the RCM, with the Education & Research Conference taking place in March and the Annual Conference in October. Both gave members the opportunity to share ideas and experiences, to collaborate and to learn more about what the RCM is doing to support them at work and in their practice.

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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- 1.ii Actively lobbying/negotiating on the issues raised of importance to members using their feedback
- As stated above, the safety of maternity services has been a key focus of the College's work during 2022. The College's response to the publication of the Ockenden Report into care at Shrewsbury & Telford Hospitals NHS Trust in March 2022 and the Kirkup Report into care at East Kent Hospitals University NHS Foundation Trust in October 2022 reflected many months of highlighting to politicians and policy-makers the challenges faced by maternity services and those working with them. Staff from across the College worked with staff in affected Trusts to reflect their experiences to the report authors and, following publication, to other stakeholders.
  - With health being a devolved matter, the College has to ensure it is representing the interests of its members across a divergent landscape. The RCM has intensified its engagement with elected members of the Scottish Parliament, Welsh Senedd and Northern Ireland Assembly, sharing the experiences of RCM members. This engagement has been focussed, unsurprisingly, on issues around pay and conditions, but has also reflected members' concerns around maternity safety and workforce shortages.
- 1.iii Implementation of the RCM's professional offer and new professional structure
- The RCM's professional team was formally established in July 2021, with a new leadership structure in place during 2022. The team focuses on education, research and professional guidance, as well as the College's international work.
  - The team produced 14 professional guidance publications on non-COVID topics, supporting members in developing their practice. In addition, the professional team contributed to responses to reports, consultations and enquiries, helping to raise the RCM's profile among policy-makers.
- 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.
- 2.i Delivering new products and services while refreshing our existing offer to increase interaction with our members.
- Reports into maternity safety consistently reflected the challenges faced by staff in raising concerns about care, culture and behaviours. The RCM published new guidance – Standing up for high standards – to support its members to raise concerns safely and appropriately. Staff have worked proactively with members, through the RCM branch network, to embed the principles within the guidance and to provide practical support as appropriate.
  - During 2022, the RCM trialled a digital edition of its magazine to students, with additional content specific to their needs.
  - The RCM has continued to review and overhaul its self-guided training programme, i-Learn. In 2022, members completed nearly 6,000 i-Learn courses.
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# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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- Working in partnership with Turning the Tide, the RCM established a new mentoring platform for midwives and MSWs from Black, Asian and minority ethnic backgrounds. The platform matches mentees with mentors from a range of specialisms to support career and personal development. Over 2022, 85 mentoring matches were made.
- 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.
  - In 2022, more than 1,000 members were represented by the RCM at local and NMC level.
- 2.iii Evidencing a growth in membership numbers across business-critical categories.
- While in previous years the RCM was able to grow its membership, external pressures have impacted on this trend in 2022. Membership of the RCM is discretionary and, as the cost of living crisis began to hit, 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.
  - This is a trend that is expected to continue in 2023 and the RCM has budgeted accordingly.
- 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 2022 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.
- With pay disputes in each of the nations, the College has made even greater use of WhatsApp as a way of sharing information quickly and effectively.
  - To support this work, the College has also introduced the use of ThruText, enabling activist members to communication with each other, and for the College to share information quickly and effectively.

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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- 3.i Ensuring the 2022 staff survey demonstrates a positive direction of travel from the trends set by the 2016-21 staff surveys.
- Staff satisfaction and engagement continues to be high.
  - Adding to the work carried out during the pandemic, Microsoft Teams has been further utilised to provide Team RCM updates on areas of concern from the staff survey (taking breaks, digital health, civility and respect in the workplace). It has also been used to improve internal communication through a weekly huddle, all-staff briefings and when responses to key events need to be rolled out across the organisation.
- 3.ii Continuing to demonstrate a positive direction of travel in internal and external audit reports.
- In 2022, nearly all audit reports (internal and external) continued to give significant assurance, with positive feedback from auditors.
  - There was one exception and this has been responded to with a comprehensive action plan with clearly defined timelines and deliverables to ensure this area gets back on track (review of Health & Safety processes).
- 3.iii Implementing the RCM's People Plan.
- Delivering against the people plan continued in 2022. There was a focus on ensuring all Leaders role model the RCM vision and behaviours which is one of the Well Led focus areas of the People Plan.
- 3.iv Contributing to the long-term financial security of the RCM.
- The RCM took the decision 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 sought to ensure it has strong reserves and investment performance matches the investment strategy.
  - It has budgeted to ensure that the organisation reaches balanced budget within 2 years.
- 3.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.
  - These programmes include system improvements such as the project implementing a new finance system, a focus on inclusion and the reduction of inequalities through projects covering the introduction of modules on its online education portal, i-Learn, specifically covering issues and conditions affecting Black, Asian and minority ethnic women and a focus on the pay and pensions of members including projects implementing pay campaigns across all four UK nations.

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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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 has continued to progress two major collaborative programmes during 2022, both involving the Royal College of Obstetricians and Gynaecologists (RCOG).
- The Tommy's National Centre for Maternity Improvement sees the two Colleges working with the pregnancy charity Tommy's to develop a medical device designed to

support midwives in identifying risks during pregnancy. The project has been showcased at a number of conferences and is being trialled at early adopter sites across England.

- In the second collaborative programme, the two Colleges have worked with THIS Institute at the University of Cambridge. The programme seeks to avoid brain injury caused in childbirth, supporting midwives and obstetricians in identifying risks and adopting techniques to ensure positive outcomes. The programme completed its second phase in 2022.
- Working with partners across the maternity landscape, from clinicians to those using services, the College also sought to reset the language used around pregnancy and birth. The aim of the Re:Birth project was to find language around labour and birth that could be shared and understood both by those delivering maternity care and those receiving it. The project used qualitative and quantitative methods to provide suggestions that might better meet the needs of both these groups, while ensuring that such language could be personalised and was not prescriptive.

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

- 
- The RCM's pay campaign has galvanised activity across NHS workplaces, in each of the nations. Regional and national teams have worked closely with workplace representatives to drive engagement with the campaign, from attending local and regional events, to taking part in consultations and ballots.
- A major survey across Scotland in early 2022 has invigorated the RCM membership. The survey's findings have provided a catalyst for the development of a new five-year plan, working with partners within the NHS and the Scottish Government.

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 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 or breast milk substitutes.

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% Gilts, 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.

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 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 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

Maternity safety has been in the spotlight for a number of years now, none more so than in 2022 with the release of two major reports. As one of the leading organisations in maternity, the RCM has been heavily involved in the preparation of these reports and is tasked with delivering on some of its recommendations. 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 and so any circumstances that put this income under pressure are a significant risk to the organisation. While 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.

2022 saw the first decline in membership numbers in 10 years. This fall has a direct correlation to the fall in the number of midwives working in the NHS and is the result of significant stresses in services, public sector pay restraint, the fallout from the pandemic and the cost of living crisis. 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. As stated above, RCM membership is a discretionary spend, so any adverse shift in economic conditions may see members terminating their membership. 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.



# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### RESULTS

The RCM Board has approved the audited consolidated accounts for the year ended 31 December 2022. The result for the year is total comprehensive deficit of (£1,292,933) (2021: £499,903).

The result for the year of (£1,292,933) 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 11 and 14 to the accounts.

A reconciliation between the overall results for the year to 31 December 2022 compared to 2021 is shown below:

	£
<b>Total comprehensive income for 2021</b>	<b>499,903</b>
<i>Change in result between 2021 and 2022 as a result of:</i>	
Accounting for pension scheme under FRS 102	4,198,000
Investment return in 2022	(465,655)
increase in income, staff and other operational costs	(5,525,181)
<b>Total loss relating to the year</b>	<b>(1,292,933)</b>

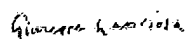
When comparing two years overall income revenue increased from £10,643,863 (2021) to £10,762,926 (2022).

Expenditure increased from £10,159,096 (2021) to £11,255,169 (2022) – an increase of 11% mainly under other operating charges and staffing cost.

In addition, loss on investments experienced in 2022 were in line general market conditions.

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



**Giuseppe Labriola**

Director

Date: 20 July 2023

# THE ROYAL COLLEGE OF MIDWIVES

## DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Opinion

We have audited the financial statements of the Royal College of Midwives for the year ended 31 December 2022 which comprise the consolidated income and expenditure account, statement of other comprehensive income, consolidated balance sheet, company balance sheet, consolidated cash flow statement and the notes to the financial statements, including 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 2022 and of the group's income and expenditure, 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 Auditor's 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 UK, including the FRC'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 company's or the group'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

**THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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In connection with our audit of the financial statements, 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 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.

**Opinions on other matters 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 for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we have not identified material misstatements in the 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 8, 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 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 company or to cease operations, or have no realistic alternative but to do so.

**THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Auditor's 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 auditor's 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 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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.

**THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

**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 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.



Vincent Marke  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

21 September 2023

**THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>INCOME</b>	<b>4</b>	<b>10,623,187</b>	<b>10,535,623</b>
<b>EXPENDITURE</b>			
Staff costs	<b>5</b>	<b>(11,146,400)</b>	<b>(6,010,825)</b>
Depreciation		<b>(171,652)</b>	<b>(312,315)</b>
Other costs		<b>(4,435,747)</b>	<b>(3,817,914)</b>
<b>OPERATING SURPLUS (DEFICIT)</b>		<b>(5,130,612)</b>	<b>394,569</b>
Gains (losses) on investments		<b>(586,033)</b>	<b>756,692</b>
Transfer of Benevolent fund to Cavell Nurses Trust	<b>15</b>	<b>(2,657)</b>	<b>(831,556)</b>
Investment income		<b>139,739</b>	<b>108,240</b>
Charitable grants paid		<b>(1,370)</b>	<b>(18,042)</b>
<b>SURPLUS FOR THE YEAR</b>		<b>(5,580,933)</b>	<b>409,903</b>

All activities are continuing.

**THE ROYAL COLLEGE OF MIDWIVES AND SUBSIDIARY COMPANY**

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022	2021
		£	£
<b>SURPLUS FOR THE YEAR</b>		<b>(5,580,933)</b>	<b>409,903</b>
Re-measurement of defined benefit liability	14	4,288,000	90,000
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(1,292,933)</b>	<b>499,903</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

		2022	2021
		£	£
At 1 January 2022		12,876,679	12,376,776
Surplus (deficit) for the period		(5,580,933)	409,903
Re-measurement of net defined benefit pension		4,288,000	90,000
<b>AT 31 DECEMBER 2022</b>		<b>11,583,746</b>	<b>12,876,679</b>

**THE ROYAL COLLEGE OF MIDWIVES**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	954,274	965,757
Intangible fixed assets	10	119,127	157,433
Investments	11	6,478,562	6,968,266
		<b>7,551,963</b>	<b>8,091,456</b>
<b>CURRENT ASSETS</b>			
Debtors	12	602,715	674,997
Cash at bank and in hand		4,911,407	5,357,645
		<b>5,514,122</b>	<b>6,032,642</b>
<b>CREDITORS:</b> Amounts falling due within one year	13	(1,482,339)	(1,247,419)
		<b>4,031,783</b>	<b>4,785,223</b>
<b>NET CURRENT ASSETS</b>		<b>11,583,746</b>	<b><u>12,876,679</u></b>
<b>NET ASSETS</b>			
<b>REPRESENTED BY:</b>			
<b>SPECIFIC FUNDS</b>	15		
Headquarters fund		111,471	122,714
Benevolent Fund		494	1,501
		<b>111,965</b>	<b>124,215</b>
<b>GENERAL FUNDS</b>	15		
Headquarters		11,012,967	12,293,351
Branches		458,814	459,113
		<b>11,471,781</b>	<b>12,752,464</b>
<b>TOTAL FUNDS</b>		<b>11,583,746</b>	<b><u>12,876,679</u></b>

The balance sheet was approved and authorised for issue by the RCM Board on 20 July 2023

*Giuseppe Labriola*

**Giuseppe Labriola**

Director

Company number 30157

The notes on pages 26 to 41 form part of these accounts.



THE ROYAL COLLEGE OF MIDWIVES

PARENT BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	954,274	965,757
Intangible fixed assets	10	119,127	157,433
Investments	11	6,104,053	6,569,120
<b>TOTAL FIXED ASSETS</b>		<b>7,177,454</b>	<b>7,692,310</b>
<b>CURRENT ASSETS</b>			
Debtors	12	588,346	722,435
Cash at bank and in hand		4,162,920	4,621,168
<b>TOTAL CURRENT ASSETS</b>		<b>4,751,266</b>	<b>5,343,603</b>
<b>CREDITORS:</b> Amounts falling due within one year	13	(1,151,557)	(907,549)
<b>NET CURRENT ASSETS</b>		<b>3,599,709</b>	<b>4,436,054</b>
<b>NET ASSETS</b>		<b>10,777,163</b>	<b><u>12,128,364</u></b>
<b>GENERAL FUNDS</b>		10,777,163	12,128,364
<b>TOTAL FUNDS AND RESERVES</b>		<b>10,777,163</b>	<b><u>12,128,364</u></b>

The RCM's unconsolidated surplus (deficit) for the year was (£1,351,201) (2021: 1,168,097) and the total turnover was £10,110,545 (2021: £10,780,541).

The balance sheet was approved and authorised for issue by the RCM Board on 20 July 2023

*Giuseppe Labriola*

**Giuseppe Labriola**  
Director  
Company number 30157

THE ROYAL COLLEGE OF MIDWIVES

STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2022

	Notes	2022	2021
		£	£
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	17	(365,128)	645,656
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		31,498	626
Dividends received		108,241	107,614
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b><u>139,739</u></b>	<b><u>108,240</u></b>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible and intangible fixed assets		(121,864)	(98,887)
Transfer of Benevolent Fund to Cavell		(2,657)	(136,475)
Purchase of investments		(3,124,172)	(1,246,918)
Sale of investments		3,027,483	1,264,053
<b>NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES</b>		<b><u>(220,850)</u></b>	<b><u>(218,227)</u></b>
<b>INCREASE (DECREASE) IN CASH</b>	18	<b><u>(446,238)</u></b>	<b><u>535,669</u></b>

# THE ROYAL COLLEGE OF MIDWIVES

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. STATUS OF THE COMPANY

The RCM is a company limited by guarantee, registration number 30157, and does not have share capital. The members' liabilities in the case of both organisations (RCM and RCMT) are limited to £1, and there were 49,338 members as at 31 December 2022. The RCM is registered as a trade union at 15 Mansfield Street, London, W1G 9NH.

### 2. ACCOUNTING POLICIES

#### a) Accounting convention

The accounts are prepared under the Companies Act 2006, the historical cost accounting rules (modified by the revaluation of listed investments), and in accordance with the amended FRS 102, which has been applied in the preparation of these financial statements.

Having reviewed the financial position and considered the impact of COVID-19, 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.

#### b) Basis of consolidation

The consolidated accounts incorporate the accounts of the RCM and its subsidiary, the RCMT, as at 31 December 2022. The RCM (a company limited by guarantee that is not a charity) is a corporate member of the RCMT and appoints all of the trustees. The accounts of the subsidiary also include the Benevolent Fund of the Royal College of Midwives (which is a subsidiary charity of the RCMT), RCM Trust Trading Company Limited (a subsidiary company of the RCMT in which the RCMT holds the sole share) and RCM Information's Services Ltd (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

#### c) Tangible and intangible fixed assets

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

Freehold building	50 years
Leasehold property	Over period of lease
Furniture and office equipment	Five years
Computer software	Three years
Intangible assess CRM	Three years

**THE ROYAL COLLEGE OF MIDWIVES**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**d) Investments**

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

**e) Leasing**

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

**f) Pension contributions**

The RCM runs a defined benefit scheme for its members. The amounts charged to the income and expenditure account are the current service costs and are included as part of staff costs. Past service costs and other finance costs have been recognised in the income and expenditure account. Actuarial gains and losses are recognised in the statement of other comprehensive income.

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

**g) Income**

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

**h) Expenditure**

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

**i) Financial instruments**

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

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

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

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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**

The income and expenditure account include:

- a) The income and expenditure of headquarters
- b) The income and expenditure of 121 (2021: 137) 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 £4,911,407 (2021: £5,357,645) includes the £461,042 (2021: £459,798) held by branches.

**4. INCOME**

	2022 £	2021 £
Membership subscriptions	9,424,318	9,292,519
Conference income	82,592	21,322
Income raised by branches	8,868	15,074
Donations and legacies	2,865	6,787
Commercial partnership income	137,475	239,678
Project income	455,435	475,887
Other income	31,781	39,287
MIDIRS	386,752	354,591
Journal/website income	90,184	89,728
Consultancy/accreditation	2,917	750
	<b>10,623,187</b>	<b>10,535,623</b>

**THE ROYAL COLLEGE OF MIDWIVES**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. STAFF COSTS AND NUMBERS**

	<b>2022</b> £	<b>2021</b> £
Wages and salaries	5,163,041	4,426,377
Social security costs	513,973	434,690
Pension costs	969,386	1,149,758
Additional pension liability	4,500,000	-
	<b>11,146,400</b>	<b>6,010,825</b>
Full-time equivalent employed at 31 December 2022		
Professional	95	83

The salary cost for the key management personnel during the year was £675,016 (2021: £726,423). The figure is inclusive of pension benefits; no other employee benefits were paid. During the year the RCM accrued a £4.5m pension liability. The liability has been set-off against an unrecognised pension asset and therefore is not shown on the balance sheet. There were one redundancy payments in the year (2021: £nil).

**6. INTEREST RECEIVABLE**

	<b>2022</b> £	<b>2021</b> £
Bank and building society interest	31,498	626

**7. SURPLUS ON ORDINARY ACTIVITIES**

	<b>2022</b> £	<b>2021</b> £
This is stated after charging	31,498	626
Auditor's remuneration		
– audit	44,220	37,440
– other services – taxation	10,860	10,200
Operating lease rentals		
– plant and machinery	3,338	4,822
– land and buildings	177,160	177,160
Depreciation	171,652	312,315

**THE ROYAL COLLEGE OF MIDWIVES**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**8. REMUNERATION OF MEMBERS OF THE RCM BOARD**

No member of the RCM Board received any remuneration from the RCM 2022 : nil (2021: nil) except for reimbursement of their expenses totaling £23,072 (2021: £7,463).

**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 deficit for the year was £5,851,201 and the total turnover was £10,110,545.

**THE ROYAL COLLEGE OF MIDWIVES**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. TANGIBLE AND INTANGIBLE FIXED ASSETS**

	Freehold land and building	Leasehold – Union Street	Furniture and office equipment	Total	Intangibles
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2022	155,000	862,511	240,491	1,258,002	818,413
Additions	-	61,646	-	61,646	60,218
Disposal	-	-	-	-	-
<b>At 31 December 2022</b>	<b>155,000</b>	<b>924,157</b>	<b>240,491</b>	<b>1,319,648</b>	<b>878,631</b>
<b>Depreciation and amortisation</b>					
At 1 January 2022	56,286	48,482	187,477	292,245	660,980
Charge for the year	1,923	56,638	14,568	73,128	98,524
Disposal	-	-	-	-	-
<b>At 31 December 2022</b>	<b>58,209</b>	<b>105,120</b>	<b>202,045</b>	<b>365,373</b>	<b>759,504</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>96,791</b>	<b>819,037</b>	<b>38,446</b>	<b>954,274</b>	<b>119,127</b>
<i>At 31 December 2021</i>	<i>98,714</i>	<i>814,029</i>	<i>53,014</i>	<i>965,757</i>	<i>157,433</i>

At 31 December 2022, there were capital commitments contracted for of £0 (2021: £25,046).



THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11. FIXED-ASSET INVESTMENTS

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>RCM 2022 £</b>	<b>RCM 2021 £</b>
Market value at start of	6,968,266	6,923,790	6,569,120	5,942,402
Additions	3,124,172	1,246,918	2,952,346	1,070,960
Disposals	(3,027,843)	(1,264,054)	(2,861,007)	(1,088,113)
Gains (Loss)	(586,032)	756,692	(556,406)	643,871
Transfer to Cavell	-	(695,080)	-	-
<b>Market value at 31 December 2022</b>	<b><u>6,478,563</u></b>	<b><u>6,986,266</u></b>	<b><u>6,104,053</u></b>	<b><u>6,569,120</u></b>
<b>Historical cost at 31 December 2022</b>	<b><u>6,245,510</u></b>	<b><u>5,619,319</u></b>	<b><u>5,900,312</u></b>	<b><u>5,290,861</u></b>

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

12. DEBTORS

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>RCM 2022 £</b>	<b>RCM 2021 £</b>
Amounts due from RCMT	-	-	245,209	291,006
Other debtors	434,219	496,909	190,319	280,119
Prepayments	149,596	178,088	133,918	151,310
Other taxation	18,900	-	18,900	-
	<b><u>602,715</u></b>	<b><u>674,997</u></b>	<b><u>588,346</u></b>	<b><u>722,435</u></b>

**THE ROYAL COLLEGE OF MIDWIVES**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. CREDITORS:** Amounts falling due within one year

	<b>Group 2022</b>	<i>Group 2021</i>	<b>RCM 2022</b>	<i>RCM 2021</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due to RCMT	-	-	-	12,045
Subscriptions in advance	5,398	8,327	5,398	8,327
Trade creditors	515,222	520,696	501,710	458,085
Other taxation and social	171,695	162,027	171,695	163,441
Accruals	483,537	264,826	447,687	240,048
Deferred income	306,487	291,543	25,067	25,603
	<b>1,482,339</b>	<b>1,247,419</b>	<b>1,151,557</b>	<b>907,549</b>

**14. PENSIONS**

The RCM operates a defined benefit scheme in the UK. This is a separate trustee-administered fund that holds the pension scheme assets to meet long-term pension liabilities. A full actuarial valuation is being carried out at 31 March 2022 and the preliminary results have been updated to 31 December 2022 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 2022 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 plc* 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 2022 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.

**THE ROYAL COLLEGE OF MIDWIVES**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Plan Name	The Pension Scheme for the Royal College of Midwives	
	Country	UK	
		000s	000s
	Financial year ending on	<u>31/12/2022</u>	<u>31/12/2021</u>
	<b>Currency information</b>		
	Reporting currency	GBP	GBP
<b>A.</b>	<b>Change in defined benefit obligation</b>		
1.	Defined benefit obligation at end of prior year	38,863	38,836
2.	Cost (excluding interest)		
	a. Change arising from employee service in reporting period	909	956
	b. (Gain) / loss on curtailments / changes / introductions	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expense	699	543
4.	Cash flows		
	a. Benefit payments from plan assets	(1,276)	(1,258)
	b. Benefit payments from employer	-	-
	c. Settlement payments from plan assets	-	-
	d. Settlement payments from employer	-	-
	e. Participant contributions	343	281
	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	(17,493)	(10)
	b. Effect of experience adjustments	3,127	(485)
7.	Effect of changes in foreign exchange rates	-	-
8.	<b>Defined benefit obligation at end of year</b>	<b>(29,672)</b>	<b>38,863</b>
<b>B.</b>	<b>Change in fair value of plan assets</b>		
1.	Fair value of plan assets at end of prior year	46,009	42,317
2.	Interest income	830	592
3.	Cash flows		
	a. Total employer contributions		
	(i) Employer contributions	1,276	1,050

The notes on pages 26 to 42 form part of these accounts.

THE ROYAL COLLEGE OF MIDWIVES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	(ii) Employer direct benefit payments	-	-
	(iii) Employer direct settlement payments	-	-
	b. Participant contributions	343	281
	c. Benefit payments from plan assets	(1,276)	(1,258)
	d. Benefit payments from employer	-	-
	e. Settlement payments from plan assets	-	-
	f. Settlement payments from employer	-	-
	g. Administrative expenses paid from plan assets	(157)	(184)
	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)	(13,381)	3,211
6.	Effect of changes in foreign exchange rates	-	-
7.	<b>Fair value of plan assets at end of year</b>	<b>33,644</b>	<b>46,009</b>
<b>D.</b>	<b>Change in asset ceiling</b>		
1.	Asset ceiling at end of prior year	7,146	3,481
2.	Interest income	129	49
3.	Remeasurements		
	a. Changes in asset ceiling (excluding interest income)	(3,303)	3,616
4.	Effect of changes in foreign exchange rates	-	-
5.	<b>Asset ceiling at end of year</b>	<b>3,972</b>	<b>7,146</b>
<b>E.</b>	<b>Amounts recognized in the statement of financial position</b>		
1.	Defined benefit obligation	29,672	38,863
2.	Fair value of plan assets	<u>33,644</u>	<u>46,009</u>
3.	<b>Funded status</b>	<b>(3,972)</b>	<b>(7,146)</b>
4.	Effect of asset ceiling	3,972	<u>7,146</u>
5.	<b>Net defined benefit liability (asset)</b>	<b>-</b>	<b>-</b>
<b>F.</b>	<b>Cost relating to defined benefit plans</b>		
1.	Cost (excluding interest)		
	a. Change arising from employee service in reporting period	909	956
	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	-	-

**THE ROYAL COLLEGE OF MIDWIVES**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

		<b>e. Total cost</b>		<b>5,409</b>	<b>956</b>
	2.	Net interest cost			
		a. Interest expense on DBO		699	543
		b. Interest (income) on plan assets		(830)	(592)
		c. Interest (income) on reimbursement rights		-	-
		d. Interest expense on effect of (asset ceiling)		<u>129</u>	<u>49</u>
		<b>e. Total net interest cost</b>		<b>(2)</b>	<b>-</b>
	3.	Remeasurements of Other Long Term Benefits		-	-
	4.	Administrative expenses and/or taxes (not reserved within DBO)		<u>157</u>	<u>184</u>
	<b>5.</b>	<b>Cost relating to defined benefit plans included in P&amp;L</b>		<b>5,564</b>	<b>1,140</b>
F.6	6.	Remeasurements (recognized in other comprehensive income)		-	-
		a. Effect of changes in assumptions		(17,493)	(10)
		b. Effect of experience adjustments		3,127	(485)
		c. (Return) on plan assets (excluding interest income)		13,381	(3,211)
		d. (Return) on reimbursement rights (excluding interest income)		-	-
		e. Changes in asset ceiling (excluding interest income)		<u>(3,303)</u>	<u>3,616</u>
		<b>f. Total remeasurements included in OCI</b>		<b>(4,288)</b>	<b>(90)</b>
	<b>7.</b>	<b>Total cost related to defined benefit plans recognized in P&amp;L and OCI</b>		<b>1,276</b>	<b>1,050</b>
	<b>G.</b>	<b>Net defined benefit liability (asset) reconciliation</b>			
	1.	Net defined benefit liability (asset)		-	-
	2.	Cost relating to defined benefit plans included in P&L		(5,564)	1,140
	3.	Total remeasurements included in OCI		(4,288)	(90)
	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		(1,276)	(1,050)
		b. Employer direct benefit payments		-	-
		c. Employer direct settlement payments		-	-
	6.	Credit to reimbursements		-	-
	6.	Effect of changes in foreign exchange rates		-	-
	<b>7.</b>	<b>Net defined benefit liability (asset) as of end of year</b>		<b>-</b>	<b>-</b>
	<b>H.</b>	<b>Defined benefit obligation</b>			
	1.	Defined benefit obligation by participant status			

The notes on pages 26 to 42 form part of these accounts.

**THE ROYAL COLLEGE OF MIDWIVES**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

		a. Actives		5,328	8,209
		b. Vested deferreds		6,246	12,368
		c. Retirees		18,098	18,286
		<b>d. Total</b>		<b>29,672</b>	<b>38,863</b>
<b>I.</b>		<b>Plan assets</b>			
	1.	Fair value of plan assets			
		a. Cash and cash equivalents		74	66
		b. Equity instruments		12,342	15,826
		c. Debt instruments		2,821	5,741
		d. Real estate		2,809	3,129
		e. Other		15,598	21,247
		<b>f. Total</b>		<b>33,644</b>	<b>46,009</b>
	2.	Amount invested in entity's own financial instruments			
		a. Equity instruments		-	-
		b. Debt instruments		-	-
		c. Real estate		-	-
		d. Other		-	-
		<b>e. Total</b>		<b>-</b>	<b>-</b>
	3.	Actual return on plan assets		(12,551)	3,803
<b>J.</b>		<b>Significant actuarial assumptions</b>			
		<i>Weighted-average assumptions to determine defined benefit obligation</i>			
		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,H 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_2021 converging to 1.25% p.a.
		Assumed life expectancy on retirement at age 65			
		Retiring today (member age 65)		20.5 (M) / 23.4 (F)	21.9 (M) / 24.2 (F)
		Retiring in 20 years (member age 45 today)		21.9 (M) / 25.0 (F)	23.3 (M) / 25.7 (F)
		Duration (in years)		13	17
		<i>Weighted-average assumptions to determine cost relating to defined benefit plans</i>			

The notes on pages 26 to 42 form part of these accounts.

**THE ROYAL COLLEGE OF MIDWIVES**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

		Discount rate		1.80%	1.40%
		Salary increase rate		3.45%	2.95%
		Price inflation rate (RPI)		3.45%	2.95%
		Price inflation rate (CPI)		2.95%	2.45%
		Post-retirement mortality assumption		102% of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2019 converging to 1.25% p.a.	102% of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2018 converging to 1.25% p.a.
		Assumed life expectancy on retirement at age 65			
		Retiring today		21.9 (M) / 24.2 (F)	21.9 (M) / 24.2 (F)
		Retiring in 20 years		23.3 (M) / 25.7 (F)	23.3 (M) / 25.7 (F)
<b>K.</b>		<b>Sensitivity analysis</b>			
		<i>Present value of defined benefit obligation</i>			
		Discount rate - 25 basis points		25,981	40,507
		Discount rate + 25 basis points		24,406	37,309
		Price inflation rate - 25 basis points		24,648	37,566
		Price inflation rate + 25 basis points		25,834	40,223
		Post-retirement mortality assumption - 1 year age rating		25,960	40,562

**THE ROYAL COLLEGE OF MIDWIVES**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. MOVEMENT ON RESERVES**

	1 January 2022	Movement in the period	Revaluation	Transfer to Cavell	31 December 2022
	£	£	£	£	£
<b>SPECIFIC FUNDS</b>					
Headquarters specific fund	122,714	(792)	(10,451)	-	111,471
Headquarters benevolent fund	1,501	1,650	-	(2,657)	494
<b>TOTAL SPECIFIC FUNDS</b>	<b>124,215</b>	<b>858</b>	<b>(10,451)</b>	<b>(2,657)</b>	<b>111,965</b>
<b>GENERAL FUNDS</b>					
General funds – HQ	12,293,351	(5,151,770)	(628,614)	-	6,512,967
General funds – branches	459,113	(299)	-	-	458,814
	12,752,464	(5,152,069)	(628,614)	-	6,971,781
<b>TOTAL SPECIFIC AND GENERAL</b>	<b>12,876,679</b>	<b>(5,151,211)</b>	<b>(639,065)</b>	<b>(2,657)</b>	<b>7,083,746</b>
Pension fund reserve	-	4,288,000	212,000	-	4,500,000
<b>TOTAL FUNDS</b>	<b>12,876,679</b>	<b>-863,211</b>	<b>-427,065</b>	<b>(2,657)</b>	<b>11,583,746</b>

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 the most of the Benevolent fund assets were transferred to Cavell Nurses Trust on 23 November 2022.

As at the end of December 2022, there was £494 cash left on the investment bank account to cover for the final Cazanove invoice for fees due. The funds transferred are 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 holding of £1. This is to allow RCM to receive any future donations/ legacies made to the RCM BF.



**THE ROYAL COLLEGE OF MIDWIVES**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**16. FINANCIAL COMMITMENTS**

At 31 December 2022, the group and company had the following annual commitments under non-cancellable operating leases expiring as follows:

	Land and building		Furniture and equipment	
	2022	2021	2022	2021
	£	£	£	£
In less than one year	177,160	177,160	3,450	4,822
Within two to five years	862,400	878,000	3,878	11,784
In more than five years	1,866,690	2,068,245	-	-

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

	2022	2021
	£	£
Operating surplus	(5,130,612)	394,569
Depreciation	171,652	312,315
(Increase)/decrease in debtors	72,282	(171,164)
Increase/(decrease) in creditors	234,920	37,978
Charitable grants paid	(1,370)	(18,042)
Pension current costs	5,564,000	1,140,000
Contribution by employer	(1,276,000)	(1,050,000)
	<b>(365,128)</b>	<b>645,656</b>

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

	2021	Change in year	2022
	£	£	£
Cash at bank and in hand	5,357,645	(446,238)	4,911,407

**THE ROYAL COLLEGE OF MIDWIVES**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**19      SUBSIDIARY UNDERTAKINGS**

The RCM is the ultimate parent entity of the RCM Group. At 31 December 2022, the RCMT, RCM Trust Trading Company Limited and RCM Information Services Ltd formed part of the consolidated financial statements. The RCMT is controlled by the same board as the RCM, and the RCMT holds 100% of the share capital of RCM Trust Trading Company Limited and RCM Information Services Ltd. All subsidiaries are registered in the UK and have the same registered office as the RCM.

**THE ROYAL COLLEGE OF MIDWIVES**  
**COMPANY STATEMENT TO MEMBERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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 2022:

Income £10,244,907  
Expenditure £11,721,108

- b) The total income for the union for the period ended 31 December 2022 includes £9,424,318 of payments in respect of membership.
- c) The union has no political fund.
- d) The CEOs (whose role includes that of general secretary) received a gross salary of £196,313 for the 12-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 may 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 one or more of the following (as appropriate): the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, or the certification officer (who is an independent officer appointed by the secretary of state) or 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 the rules of the union, and contemplates bringing civil proceedings against the union or responsible officials or trustees, he/she should consider obtaining independent legal advice.