

Company No: 1345335

Registered Charity No: 275261 (England and Wales)

Registered Charity No: SC039694 (Scotland)

**THE ROYAL COLLEGE OF MIDWIVES TRUST
ANNUAL REPORT AND TRUSTEES' ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

THE ROYAL COLLEGE OF MIDWIVES TRUST

GENERAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITOR

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

BANKER

Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

INVESTMENT MANAGER

Schroder & Co. Limited
31 Gresham Street
London
EC2V 7QA

REGISTERED OFFICE

15 Mansfield Street
London
W1G 9NH

SOLICITOR

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

THE ROYAL COLLEGE OF MIDWIVES TRUST

GENERAL INFORMATION (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

The RCM Trust is a company registered in England under company number 1345335. The company is registered as a charity in England and Wales (charity registration number 275261) and in Scotland (charity registration number SC039694).

The RCM Trust's registered office is 15 Mansfield Street, London, W1G 9NH.

The trustees and those who acted during the year are:

Amanda Burleigh (resigned 4 September 2017)
Sheena Byrom (resigned 1 February 2017)
Barbara Kuypers (resigned 22 March 2017)
Natalie Linder (resigned 23 March 2017, appointed 1 September 2017) - Chair
Helene Marshall (resigned 4 September 2017)
Lynne Pacanowski (resigned 22 March 2017)
Julie Richards (until 22 March 2017)
Professor Jane Sandall (deputy chair, resigned 5 September 2017)
Dr Susan Way (resigned 22 March 2017)
Michelle Beacock (appointed 1 September 2017)
Giuseppe Labriola (appointed 1 September 2017)

THE ROYAL COLLEGE OF MIDWIVES TRUST
ANNUAL REPORT AND TRUSTEES' ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENTS

	Page
REPORT OF THE BOARD OF TRUSTEES	2
INDEPENDENT AUDITOR'S REPORT	10
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	13
BALANCE SHEET	14
NOTES TO THE ACCOUNTS	15

THE ROYAL COLLEGE OF MIDWIVES TRUST

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees (who are also the directors of the company) present their report for the year ended 31 December 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- (a) The governing document of the Royal College of Midwives Trust (RCM Trust) is a Memorandum and Articles of Association.

The RCM Trust is a company limited by guarantee and is a subsidiary of The Royal College of Midwives (the RCM). The RCM is a member of the Trust.

- (b) Trustees are appointed by the RCM for terms of two years.
- (c) An induction for newly appointed trustees is held every two years as near as conveniently possible to the date on which they take up office. Thereafter, trustees are supported for further education and training by external providers, including the Trust's auditor and investments manager.
- (d) The trustees are collectively known as the Board of Trustees (or the Trustee Board). Trustees are non-executive and unpaid. The Board retains overall responsibility for the control of the Trust and has delegated the management of the RCM Trust and its assets to a chief executive, Gill Walton. The Board of Trustees is advised by an audit and risk committee.
- (e) A governance review progressed during the year and is continuing into 2018. The trustees will rationalise the relative contributions of the RCM Trust and the RCM, and this will involve modifications to the Trust's governing document and associated restructuring.
- (f) Parties to which the RCM Trust is related are:
- (i) The RCM
 - (ii) RCM Trust Trading Company Limited
 - (iii) The Benevolent Fund of The Royal College of Midwives Trust

(i) The RCM

The RCM (a company limited by guarantee that is not a charity) is a corporate member of the RCM Trust and appoints all of the trustees.

(ii) RCM Trust Trading Company Limited

This company conducts business and donates its profits under gift aid to the RCM Trust.

(iii) The Benevolent Fund of The Royal College of Midwives Trust

This is a charity governed by a scheme of the Charity Commission made on 18 April 2007 and altered on 24 March 2011 and 30 January 2014. The fund provides financial relief to eligible applicants. The RCM Trust is the fund's trustee.

All of these parties are part of the RCM Group, and results are included in the RCM's consolidated accounts. Therefore, transactions between the parties are not separately disclosed.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

AIMS, OBJECTIVES AND ACTIVITIES

RCM Trust's objectives for 2017 were to:

- Promote the professional education of midwives
- Provide information services to RCM members and public
- Promote midwifery practice
- Raise the research profile

2017 saw the continued implementation of the outcomes from the governance review, which was commissioned by the trustees in 2014. This review looked into the relationship between the RCM Trust and its parent company, the RCM, and work was done during the year to further fulfil the recommendations of the review and the professional advice subsequently received.

The trustees have had due regard for the Charity Commission's guidance on public benefit when considering the RCM Trust's objectives and activities.

OBJECTIVE 1: Promote the professional education of midwives

In 2017, the RCM Trust gave a grant to the RCM to carry out work on the RCM Trust's behalf that fulfils the objectives of the charity. Some of the activities funded by the grant were:

- Wellbeing of Women award (WOW)
- Work, Health and Emotional Lives of Midwives (WHELM) project
- Better Births initiatives
- Developing and expanding the leadership offer
- Producing the 'Midwifery in care' labour guidance

The RCM Trust received a grant from NHS England towards the Continuity of Carer project. The work on Continuity of Carer workforce modelling started in 2017. The project activities are carrying on into 2018.

OBJECTIVE 2: Provide information services to RCM members and public

The RCM continues to invest in a physical and online library as well as a knowledge and information service for members. The permanent collection of around 15,000 books and 600 journals, together with 100 e-books and journals, is available free of charge to our members. During 2017, our members made use of the library in the following ways: 214 visits, 1,457 e-books accessed, 1,011 email/online requests made for literature searches or enquires, and 591 documents supplied.

The library is also widely used by the academic and historical community beyond midwifery. The RCM continues to support the archiving and cataloguing of historical materials that tell the story of the midwifery profession and the RCM. In 2017 a curator was appointed to catalogue and care for the RCM museum collection, and a heritage committee was established to look after the RCM's interests in the heritage collection. The heritage committee is a key foundation block to ensuring the future of the heritage collections. It is also a requirement to gain museum accreditation status and apply for lottery funding. The heritage blog was accessed by 4,496 users in 2017, while in 2018 we unearthed a vinyl record featuring a 35-year-old performance of a special hymn called *Vita Donum Dei*. This had been the RCM's motto since its foundation in 1881 and means "Life is the gift of God". We had the record professionally restored and digitised, and the audio is now available to RCM members on the website. The RCM library regularly hosts trips organised by student midwife societies and is present at RCM corporate events, such as our annual education and main conference, and annual lecture. The key activities in 2017 were to finalise and disseminate the midwifery public health model and to continue global activities.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

OBJECTIVE 3: Promote midwifery practice

The Maternal Mental Health project, which is funded by the Department of Health and conducts work around improving the mental health and wellbeing of women and their children, was completed in 2017. This saw the creation of more content plus the updating and maintenance of the website, which allows healthcare professionals to share their ideas and questions, discuss issues and experiences, and access resources and information.

OBJECTIVE 4: Raise the research profile

The Ruth Davies Bursary of £4,000 each were awarded to Sarah Bennett and Claire Wood in 2017.

The Benevolent Fund of The Royal College of Midwives Trust

During the year the RCM changed the way it administers its Benevolent Fund. After reviewing existing arrangements, it piloted new arrangements, outsourcing the day-to-day administration and management of the fund to the Cavell Nurses' Trust (CNT). This has meant that applications are dealt with more speedily (now resolved in days rather than months), that additional professional advice and guidance is given, and that grants received have doubled with the ability to simultaneously award from the Benevolent Fund and CNT. Applications received and awarded are at a similar level to previously. Feedback from recipients has been overwhelmingly positive. The cost to the RCM is less than employing a part-time administrator. This quote from a member sums up why the Benevolent Fund remains an important part of RCM business:

"I want to thank you from the bottom of my heart for the support you have given me and the kind donation to enable me to get back on my feet. I am truly grateful. I am privileged to be a member of the RCM. What the charity has done for me is indescribable. I won't forget how you have helped me through a very tough and stressful time."

The Alliance programme

This scheme develops relationships with like-minded organisations that share similar values and goals. The partnerships enable the RCM to promote its work and commitment to maternity professionals.

Partners in the Alliance programme work hard to advance the interests of midwives, maternity support workers (MSWs) and the midwifery profession. Shared ethics and ideas combine to provide dedicated support of midwives and MSWs, and to enhance the wellbeing of women, babies and their families.

The objectives of the Alliance programme are to:

- Raise the profile of midwives and the RCM, internally and externally
- Deliver direct benefits, and promote and advance the interest of every midwife and the midwifery profession throughout the UK
- Consolidate and extend the range of RCM activities
- Support the influence of the RCM on the public and on decision-makers
- Build long-term selective Alliance partnerships to maximise commercial opportunities
- Protect and further the care provided by midwives for all mothers, newborns and their families

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

2017 was another successful year for the Alliance programme. Partners in 2017 were:

- Emma's Diary
- Johnsons
- Kellogg's
- Lansinoh
- Slimming World
- Vitabiotics
- EuroKing (left the programme in September 2017)

Each of these partners has a clearly defined work plan, and regular meetings are held to ensure the objectives of all parties are being met and delivered.

INTERNAL CONTROLS AND THE MITIGATION OF MAJOR RISKS

The trustees are responsible for managing the risks faced by the RCM Trust. An annual review of the RCM Trust's risk management processes and systems took place, and policies have been put in place to mitigate any significant risk identified.

PRINCIPAL RISKS AND UNCERTAINTIES

The RCM Trust is committed to adopting best practice in identifying, evaluating and cost-effectively controlling risks to ensure that 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 Trust is committed to establishing and maintaining a systematic approach to 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
- Inform strategic and operational decisions by identifying risks and their likely impact

Principal risks for the RCM Trust

Loss of income from the RCM Alliance programme

The Alliance programme is reliant on finding commercial companies that see the mutual benefits it offers and the long-term strategic advantages it brings to both parties. However, the global economic situation and the increasing need for companies to demonstrate tangible benefits and a clear return on investment means this source of income is constantly under pressure and under review.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

While 2017 saw the maintenance of income levels and the loss of only one partner, the RCM Trust continues to ensure that it is not reliant on this income and that work packages and projects are one off, focused and time bound. In addition, a business development plan is in place to ensure any partners that leave are replaced and that discussions with existing partners whose contracts are due for renewal start in a timely manner.

Potential of the failure of the Benevolent Fund to revitalise

2017 saw the continuation of a proactive and focused plan to increase income streams for the Benevolent Fund while managing expenditure more effectively, despite the increased interest in the fund. A number of actions have been implemented to ensure this plan succeeds, including significantly raising the profile of the fund and passing the administrative responsibilities to the CNT. The risk remains that the fundraising objectives of the fund will not be fulfilled and that it will remain reliant on the returns on its investments, which are likely to be relatively small given the uncertainties in the global markets. Other fundraising ideas are being investigated including encouraging members to bequeath money to the fund in their wills. The Benevolent Fund was a grateful recipient of three bequests in 2017.

INVESTMENT POWERS, POLICY AND PERFORMANCE

The trustees have wide investment powers and delegate responsibility for managing the investment portfolio of the RCM Trust to its fund managers.

The investment policy has been prepared by the Investment Committee of the Board of Trustees and was approved by the Board of Trustees. The policy makes explicit the RCM Trust investment philosophy, and sets out the investment objectives and how these will be achieved. The investment 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 the activities. The long-term objective for the investment portfolio is to achieve a return by way of income and the capital growth of RPI plus 3% per annum after fees. The trustees adopted a balanced investment strategy with a medium-risk tolerance. The portfolio is primarily invested in equities and fixed-interest bonds, with diversification through exposure to alternative asset classes such as property, commodities and absolute return funds.

The RCM Trust does not directly invest in companies involved in arms manufacture, tobacco, alcohol or breast milk substitutes.

The trustees review 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 RCM Trust's benchmark comprises the following:

- 30% UK equities, measured by the FTSE All Share Index
- 20% global equities, measured by the MSCI World ex UK Index
- 5% emerging market equities, measured by the MSCI Emerging Markets Index
- 10% UK government bonds, measured by the FTA All Stock Govt Index
- 10% UK corporate bonds, measured by the BofA Merrill Lynch £ Non-Gilt Index
- 10% property, measured by the IPD All Balanced Funds Index
- 3% commodities, measured by the Rogers Intl Commodity Index
- 10% absolute return, measured by the three-month LIBOR + 4%
- 2% cash, measured by the three-month LIBOR

The movement of the RCM Trust's investments during the year is shown in note 5 to the accounts.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL REVIEW

During 2017 the trustees continued to implement the outcomes of the 2014 governance review. The governance review looked into the relationship between the RCM Trust and its parent company, the RCM. One impact of this review is that the RCM Trust's income and expenditure has reduced because the activities that were historically attributed to the RCM Trust are now being carried out by the RCM.

The RCM Trust's total incoming resources amounted to £650,086 for the 12-month period, compared to £416,638 for the previous period. The main sources of income are the Alliance programme, investments, and donations to the RCM Trust Benevolent Fund. In addition to this the RCM Trust received a grant of £75,000 from NHS England towards the Continuity of Carer project.

Overall expenditure amounted to £970,996 compared to £1,029,615 in the previous period. After taking into account the £54,501 overall gain on investments, the RCM Trust shows a net expenditure and movement in funds of (£266,409). This compares with the previous period's net movement of (£481,407).

The results include the RCM Trust Trading Company's result of a net operating profit of £273,684. The company donates its profit to the RCM Trust. Separate accounts have been prepared, audited and signed off by the directors.

The Benevolent Fund of The Royal College of Midwives Trust accounts show net incoming resources for the year of £94,058 compared to £19,748 in 2016. The expenditure amounted to £22,572 in 2017 compared to £28,294 in 2016. The gain on investments was £24,135 in 2017 compared to £57,808 in 2016. Overall, the result was an increase in reserves of £95,621 in 2017.

GOING CONCERN

Having reviewed the financial position, the trustees reasonably expect that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going-concern basis in preparing the financial statements.

RCM TRUST RESERVES POLICY

The governance review looked into the relationship between the RCM and the RCM Trust and concluded, based on the substance of this relationship, that the RCM can perform the activities historically attributed to the RCM Trust.

The impact of the review was that the RCM Trust would in future be a much smaller entity with considerably reduced income and associated expenditure. The main source of income will be the donation from its subsidiary, the RCM Trust Trading Company and grants from external funders. The main expenditure will be the library costs estimated at around £94,000 per year, a provision set aside of around £200,000 for funding potential projects, and £200,000 for unforeseen liabilities.

The trustees' aim during 2018 will be to implement the governance review and recommendations in full. To that effect they approved the RCM Trust's budget for 2018. The implementation of the 2018 budget will see a further reduction of the free reserves with the aim of keeping total reserves to around £500,000. This is the level that trustees would like reserves to be held at in future.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

This policy should ensure the security of the RCM Trust's operations for a reasonable period of time, should unforeseen circumstances arise. In accordance with its investment policy to maximise income return, the RCM Trust will continue to invest any surplus funds not immediately required.

The Board of Trustees will monitor the RCM Trust's reserve policy by setting annual budgets for operating expenses and income, and by monitoring operating income and expenditure each quarter.

This policy will be reviewed annually.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

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

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming/outgoing resources for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Apply the concept and principles of the Charities SORP
- 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 charity will continue to operate

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

Insofar as each of the trustees of the company 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 trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITOR

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

This trustees' report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the trustees on 16.7.18 and signed on their behalf by



Natalie Linder
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF MIDWIVES TRUST

Opinion

We have audited the financial statements of The Royal College of Midwives Trust for the year ended 31 December 2017, which comprise the consolidated statement of financial activities and the balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going-concern basis of accounting in the preparation of the financial statements is not appropriate
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going-concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF MIDWIVES TRUST (CONTINUED)

Other information

The trustees 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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements
- The directors' report included within the trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- Adequate and proper accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF THE ROYAL COLLEGE OF MIDWIVES TRUST (CONTINUED)**

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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



Tim Redwood
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

20 June 2018

THE ROYAL COLLEGE OF MIDWIVES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2017

Notes	Unrestricted funds £	Restricted funds £	Expendable endowment £	Permanent endowment £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donation and legacies	-	78,590	-	-	78,590	5,609
Other trading activities	458,656	-	-	-	458,656	365,951
Investments	19,026	18,814	-	-	37,840	37,078
Charitable activities	-	75,000	-	-	75,000	8,000
Total	477,682	172,404	-	-	650,086	416,638
Expenditure on:						
Trading	184,972	-	-	-	184,972	152,955
Charitable activities	-	-	-	-	-	-
Professional education	641,849	15,238	-	887	657,974	650,688
Information services to members and the public	63,611	20,786	-	-	84,397	96,799
Promotion of midwifery practice	-	13,081	-	-	13,081	83,915
Raising the research profile	-	8,000	-	-	8,000	359
Global midwifery initiative	-	-	-	-	-	16,605
Financial support to members	-	22,572	-	-	22,572	28,294
Total	890,432	79,677	-	887	970,996	1,029,615
Net gains on investments	24,978	14,496	10,378	4,649	54,501	131,570
Net (expenditure)/ income and movement in funds	(387,772)	107,223	10,378	3,762	(266,409)	(481,407)
Reconciliation of funds						
Funds brought forward	1,518,426	432,850	243,849	105,077	2,300,202	2,781,609
Funds carried forward	1,130,654	540,073	254,227	108,839	2,033,793	2,300,202

There are no recognised gains or losses other than as recognised above, and all activities are continuing.

THE ROYAL COLLEGE OF MIDWIVES TRUST

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
FIXED ASSETS					
Investments	5	<u>1,259,497</u>	<u>1,198,902</u>	<u>1,259,497</u>	<u>1,198,902</u>
CURRENT ASSETS					
Debtors	6	<u>187,529</u>	<u>67,262</u>	<u>125,292</u>	<u>220,408</u>
Cash at bank and in hand		<u>680,331</u>	<u>1,191,463</u>	<u>415,562</u>	<u>961,606</u>
		867,860	1,258,725	540,854	1,182,014
CREDITORS: Amounts falling due within one year	7	<u>(93,564)</u>	<u>(157,425)</u>	<u>(41,278)</u>	<u>(81,750)</u>
NET CURRENT ASSETS		<u>774,296</u>	<u>1,101,300</u>	<u>449,576</u>	<u>1,100,264</u>
NET ASSETS		<u>2,033,793</u>	<u>2,300,202</u>	<u>1,759,073</u>	<u>2,299,166</u>
THE FUNDS OF THE CHARITY:					
Endowed funds					
Specific HQ		<u>108,839</u>	<u>105,077</u>	<u>108,839</u>	<u>105,077</u>
Benevolent fund		<u>254,227</u>	<u>243,849</u>	<u>254,227</u>	<u>243,849</u>
Restricted income funds					
Benevolent funds		<u>408,401</u>	<u>323,158</u>	<u>408,401</u>	<u>323,158</u>
Other restricted funds		<u>131,672</u>	<u>109,692</u>	<u>131,672</u>	<u>109,692</u>
		<u>540,073</u>	<u>432,850</u>	<u>540,073</u>	<u>432,850</u>
Unrestricted funds					
General funds		<u>1,130,654</u>	<u>1,518,426</u>	<u>855,934</u>	<u>1,517,390</u>
TOTAL CHARITY FUNDS	8	<u>2,033,793</u>	<u>2,300,202</u>	<u>1,759,073</u>	<u>2,299,166</u>

The RCM Trust's unconsolidated deficit for the year was (£660,080).

Approved and authorised for issue by the Board of Trustees on 16.7.18



Natalie Linder
Trustee

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. STATUS OF THE COMPANY

The RCM Trust is a company limited by guarantee and incorporated in the UK (registered number 01345335). At 31 December 2017, there was one member – the RCM – with a guarantee. The company's registered office address is 15 Mansfield Street, London, W1G 9NH. The financial statements are presented in pounds sterling and rounded to the nearest whole pound. The RCM Trust is a public benefit entity.

2. ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost accounting rules (modified by the revaluation of freehold property and investments) and in accordance with accounting standard FRS 102 and the Companies Act 2006. The accounts follow the Statements of Recommended Practice 'Accounting and Reporting by Charities' Charities SORP 2015 (FRS 102) issued by the Charity Commission. There are no adjustments to reserves required on transition to the new standard.

The trustees have considered the financial position of the charitable company and its position within the overall group accounts. The trustees are satisfied that the level of reserves, the financial strength of the parent company (the RCM) and the plans for the future support the conclusion that the charity is a going concern.

b) Basis of consolidation

The consolidated accounts incorporate the accounts of the RCM Trust and its subsidiaries: the Benevolent Fund of The Royal College of Midwives, which is a subsidiary charity of the RCM Trust and so reported within the charity's results and balances, and RCM Trust Trading Company Limited, a subsidiary company of the RCM Trust. The RCM Trust has taken advantage of the exemption available under Section 408 of the Companies Act not to present an unconsolidated Statement of Financial Activities. The RCM Trust's unconsolidated deficit for the year was (£660,080) and the total incoming resources was £97,372.

c) Investments

Investments are stated at mid-market value at the balance sheet date and carried at fair value through the Statement of Financial Activities. Gains are calculated based on the difference between the closing market value or sales proceeds and the purchase price (if purchased during the year) or opening market value.

d) Income

Donated income is credited to the Statement of Financial Activities in the period in which it is received. Investment income primarily received in the form of distributions from listed investments, interest and other incoming resources is credited to the Statement of Financial Activities as it is earned. Income received for services is recognised during the year in which the service is provided. Income received in advance of a service being provided is deferred. Grant income is recognised in the Statement of Financial Activities as receivable.

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

e) Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are categorised as support costs and are apportioned over the relevant charitable activities on the basis of direct expenditure incurred on each activity. The irrecoverable element of VAT is included with the item of expense to which it relates. A liability is recognised when the charity enters into a legal or constructive obligation to a third party.

Governance costs comprise the costs associated with complying with constitutional and statutory requirements, such as the costs of trustees' meetings and of preparing statutory accounts and satisfying public accountability.

f) Financial instruments

The RCM Trust 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.

g) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, trustees 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.

In the view of the trustees, no 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. TRUSTEE EXPENSES AND REMUNERATION

No member of the Board of Trustees received any remuneration from the RCM Trust. Trustees' travel and subsistence expenses were borne by the RCM. In 2017, the RCM charged the RCM Trust for the part of the governance expenditure associated with the RCM Trust's activities. The figure included a provision of £17,500 (2016: £12,000) in respect of 10 trustees' travel and subsistence expenses.

4. NET EXPENDITURE

In 2017, the RCM charged the RCM Trust for the part of its overhead costs associated with the RCM Trust's activities. The figure included for the auditor's remuneration was £ 1,500 (2016: £1,500) and for taxation advice was £0 (2016: £2,500).

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5. FIXED ASSET INVESTMENTS

Group and charity	2017	2016
	£	£
Market value at start of year	1,198,902	677,173
Additions	300,490	583,563
Disposals	(294,396)	(193,404)
Gains	54,501	131,570
Market value at 31 December	1,259,497	1,198,902
Cost at 31 December	1,089,352	1,026,926

The investments of the RCM Trust are managed by Schroder & Co. Limited.

The investments held at the end of the year were:

	2017	2016
	£	£
Schroder Charity Equity Fund income units	68,965	65,386
Artemis UK Special Situations	51,095	60,319
The Equity Income Trust for Charities	118,995	112,436
J.P. Morgan Global	-	138,931
Schroder European Alpha Income Fund	49,429	-
Schroder QEP Global Blend	151,782	194,150
Schroder Strategic Credit Fund	34,015	33,840
Schroder Emerging Markets Debt	31,871	31,090
SPDR S&P 400 US Mid Cap UCITS ETF	76,319	-
Schroder Tokyo Fund	23,501	-
Treasurer Stock	17,237	17,137
Hermes Asia Ex-Japan Equity Fund	34,400	-
Fidelity Emerging Markets Fund	28,263	-
RWC Global Emerging Markets Fund	21,921	-
Majedie UK Equity Fund	108,270	137,057
J.P. Morgan Income Opportunity Fund	-	37,024
M&G Strategic Corporate Bond	73,007	67,920
Ruffer Charity Assets Trust	156,010	154,219
Property Income Trust for Charities	28,745	27,404
Vontobel Fund SICAV	43,202	-
Schroder Commodity Fund	5,535	5,789
Charity Property Fund	95,240	61,787
Henderson Gartmore Fund	-	40,300
Henderson UK Property	-	14,113
Janus Henderson	41,695	-
	1,259,497	1,198,902

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6. DEBTORS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Amounts due from RCM Trust Trading	-	-	-	212,995
Trade debtors	187,529	67,262	125,292	7,413
	<u>187,529</u>	<u>67,262</u>	<u>125,292</u>	<u>220,408</u>

7. CREDITORS

Amounts falling due within one year

	2017 £	2016 £	2017 £	2016 £
Amounts due to RCM	-	33,040	-	33,040
Other creditors	16,821	17,414	1,412	-
Deferred income	32,336	32,077	-	-
Accruals	44,407	74,894	39,866	48,710
	<u>93,564</u>	<u>157,425</u>	<u>41,278</u>	<u>81,750</u>

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8. MOVEMENT ON RESERVES

	<i>At 1 January 2017</i>	Incoming resources	Outgoing resources	Gains on investment	At 31 December 2017
	£	£	£	£	£
Permanent endowment	105,077	-	(887)	4,649	108,839
Expendable endowment	243,849	-	-	10,378	254,227
Restricted funds					
JJPI	69,896	-	(3,238)	-	66,658
Other grants/projects	7,904	-	(8,000)	-	(96)
Public Health Project	2,090	-	-	-	2,090
Maternal Mental Health	13,101	-	(13,081)	-	20
Specific Headquarters Fund	16,701	3,346	(20,786)	739	-
Benevolent Fund	323,158	94,058	(22,572)	13,757	408,401
NHS England grant – Continuity of Carer	-	75,000	(12,000)	-	63,000
Total restricted funds	<u>432,850</u>	<u>172,404</u>	<u>(79,677)</u>	<u>14,496</u>	<u>540,073</u>
Unrestricted funds					
General funds	<u>1,518,426</u>	<u>477,682</u>	<u>(890,432)</u>	<u>24,978</u>	<u>1,130,654</u>
Total funds	<u>2,300,202</u>	<u>650,086</u>	<u>(970,996)</u>	<u>54,501</u>	<u>2,033,793</u>

The income received relating to the permanent endowment fund (from The Fairbairn and Rosalind Paget Trust comprised in a Trust Deed dated 25 November 1942 is available to be expended on the RCM Trust's library and educational activities. The fund is invested, and the income allocated to the Specific Headquarters Fund.

The income received relating to the expendable endowment fund is available for use for the general purposes of the Benevolent Fund of The Royal College of Midwives Trust. The capital element of the fund is available for use at the discretion of the trustees.

The Johnson & Johnson Pediatric Institute (JJPI) fund is towards the development and implementation of an initiative focused on neonatal examination and care.

The Ruth Davis Research Bursary is sponsored by Bounty and set up by the RCM to support a number of research bursaries for midwives.

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8. MOVEMENT ON RESERVES (CONTINUED)

Public Health Project relates to the grant awarded by the Department of Health. This grant is for the project on bridging the gap between midwives, maternity support workers, researchers and the wider public health agenda.

The Maternal Mental Health Project is funded by the Department of Health and is for work around improving the mental health and wellbeing of women and their children.

The Benevolent Fund of The Royal College of Midwives Trust is for the relief of persons in need who are midwives, retired midwives or student midwives – with a preference for those who are members of the RCM – or maternity support workers who have been admitted as such as members of the RCM, or persons who are not midwives or maternity support workers but who have served as members of staff of RCM Trust Limited or the RCM for no less than five years.

COMPARATIVE 2016 MOVEMENTS ON RESERVES

	<i>At 1 January 2016</i>	Incoming resources	Outgoing resources	Gains on investment	At 31 December 2016
	£	£	£	£	£
Permanent endowment	94,691	-	(781)	11,167	105,077
Expendable endowment	219,570	-	-	24,279	243,849
Restricted funds					
PEARLS	3,831	-	(3,831)	-	-
JJPI	72,968	-	(3,072)	-	69,896
Other grants/projects	8,263	-	(359)	-	7,904
Public Health Project	71,058	8,000	(76,968)	-	2,090
Maternal Mental Health	20,049	-	(6,948)	-	13,101
Specific Headquarters Fund	12,283	2,969	-	1,449	16,701
Benevolent Fund	298,175	19,748	(28,294)	33,529	323,158
Nepal earthquake appeal	16,604	-	(16,604)	-	-
Total restricted funds	<u>503,231</u>	<u>30,717</u>	<u>(136,076)</u>	<u>34,978</u>	<u>432,850</u>
Unrestricted funds					
General funds	<u>1,964,117</u>	<u>385,922</u>	<u>(892,759)</u>	<u>61,146</u>	<u>1,518,426</u>
Total funds	<u>2,781,609</u>	<u>416,639</u>	<u>(1,029,617)</u>	<u>131,570</u>	<u>2,300,202</u>

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9. COMPARATIVES STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	Total 2016
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	-	5,609	-	-	5,609
Other trading activities	365,951	-	-	-	365,951
Investments	19,970	17,108	-	-	37,078
Charitable activities	-	8,000	-	-	8,000
Total	385,921	30,717	-	-	416,638
Expenditure on:					
Raising funds	152,955	-	-	-	152,955
Charitable activities					
Professional education	643,004	6,903	-	-	650,688
Information services to members and the public	96,799	-	-	-	96,799
Promotion of midwifery practice	-	83,915	-	-	83,915
RCM Trust's research	-	359	-	-	359
Global midwifery initiative	-	16,605	-	-	16,605
Financial support to members	-	28,294	-	-	28,294
Total	892,758	136,076	-	781	1,029,615
Net gains on investments	61,146	34,978	24,279	11,167	131,570
Net (expenditure)/income and movement in funds	(445,691)	(70,381)	24,279	10,376	(481,407)
Reconciliation of funds					
Funds brought forward	1,964,117	503,231	219,570	94,691	2,781,609
Funds carried forward	1,518,426	432,850	243,849	105,077	2,300,202

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2017 are represented by:

	Endowed £	Restricted £	Unrestricted £	Total £
Investments	363,066	313,585	582,847	1,259,497
Current assets	-	249,558	618,301	867,860
Current liabilities	-	(23,070)	(70,494)	(93,564)
	<u>363,066</u>	<u>540,073</u>	<u>1,130,654</u>	<u>2,033,793</u>

COMPARATIVE 2016 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2016 are represented by:

	Endowed £	Restricted £	Unrestricted £	Total £
Investments	243,849	412,314	542,739	1,198,902
Current assets	-	125,613	1,133,112	1,258,725
Current liabilities	-	-	(157,425)	(157,425)
	<u>243,849</u>	<u>537,927</u>	<u>1,518,426</u>	<u>2,300,202</u>

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11. SUBSIDIARY UNDERTAKINGS

At 31 December 2017, the RCM Trust (company no: 1345335; registered charity no: 275261 (England and Wales); registered charity no: SC039694 (Scotland)) and RCM Trust Trading Company Limited (company no: 5399453) formed part of the consolidated financial statements. The RCM Trust holds 100% of the share capital of RCM Trust Trading Company Limited. RCM Trust Trading Company Limited is registered in the UK and has the same registered office as the RCM Trust.

At 31 December 2017, RCM Trust Trading Company Limited had assets of £327,006 (2016: £289,705), liabilities of £52,286 (2016: £288,669) and net assets of £274,720 (2016: £1,036). The turnover for the year to 31 December 2017 was £458,656 (2016: £365,951), the expenditure was £184,972 (2016: £365,951) and the profit for the year was £273,684 (2016: £0). The profit £273,684 for the year will be donated under the gift aid donation (2016: £212,995) to the RCM Trust in the first half of 2018.

Related parties

During the year to 31 December, the RCM Trust had the following transactions with other group entities:

	2017	2016
	£	£
Gift aid receivable from RCM Trust Trading	-	212,995
Grant paid to RCM	600,000	597,861
Overheads and governance cost paid to RCM	37,954	39,150
	<hr/>	<hr/>

12. ULTIMATE PARENT COMPANY

The RCM, a company limited by guarantee (registered number 30157) and incorporated in Great Britain and registered in England and Wales, is the RCM Trust's ultimate holding undertaking. The objectives of the RCM are to promote and advance the art and science of midwifery, and to promote the effectiveness and protect the interests of its members. The RCM is the Trust's sole member. The consolidated financial statements of the RCM can be obtained from 15 Mansfield Street, London, W1G 9NH.