

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 2018**

THE ROYAL COLLEGE OF MIDWIVES TRUST

GENERAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITOR

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

BANKER

Unity Trust Bank plc
PO Box 7193
Planetary Road
Willenhall
WV1 9DG

INVESTMENT MANAGER

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

REGISTERED OFFICE

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 2018

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:

Natalie Linder (appointed 1 September 2017) – Chair

Michelle Beacock (appointed 1 September 2017)

Giuseppe Labriola (appointed 1 September 2017) (Resigned 15 November 2018)

Pauline Twigg (appointed 29 November 2018)

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ANNUAL REPORT AND TRUSTEES' ACCOUNTS
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THE ROYAL COLLEGE OF MIDWIVES TRUST

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees (who are also the directors of the company) present their report for the year ended 31 December 2018.

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 2019. 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 2018

AIMS, OBJECTIVES AND ACTIVITIES

RCM Trust's objectives for 2018 were to:

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

2018 saw the continued implementation of the outcomes from the governance review, which was commissioned by the trustees in 2014.

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

Promote the professional education of midwives

In 2018, 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:

- Produced and launched '*Continuity Counts*' educational game; 500 were distributed for free across the UK via Ros and Nos, HoMs and Consultant Midwives.
- Launched '*Midwifery Care in Labour*' guidance
- Produced the WHELM study which explored the impact of midwife shortages on those working in maternity services
- Developing and expanding the leadership offer; RCM announced 2019 as 'Year of the Leader'
- 'Blue Top' guidance published

The RCM Trust received in 2017 a grant from NHS England towards the Continuity of Carer project. The grant funding was used :

- To model the staffing required to safely deliver Continuity of Carer (CoC) across the maternity pathway for:
(i) low risk births and (ii) all risk births.
- To develop an evaluation framework for continuity of carer models
- To develop a new module for the RCM i-learn platform

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 RCM members. During 2018, RCM members made use of the library in the following ways:

- 241 visitors (in 2017, that figure was 214)
- 941 enquiries (in 2017, that figure was 878)
- 1575 e-book visits (in 2017, that figure was 1457).

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

The Benevolent Fund of The Royal College of Midwives Trust

The Benevolent Fund of The Royal College of Midwives Trust, whose administrative services which are provided through the Cavell Nurses' Trust since 2017, provides financial assistance to those in immediate financial hardship. It remains the responsibility of the RCM's elected board and is part of RCM's ongoing commitment to supporting its members.

- The Benevolent Fund provides support for UK nurses, midwives and midwives support workers, both working and retired, when they're suffering personal or financial hardship, often because of illness, disability, domestic abuse and the effects of older age. To safeguard the RCMT Benevolent Fund's future and ensure it has maximum impact, RCMT Chief Executive Gill Walton and Cavell Nurses' Trust Chief Executive John Orchard agreed in November 2018 that Cavell Nurses' Trust's expertise would be best placed to administer and support the running of the charity's services

In 2018, the Benevolent fund received 146 enquiries, (16 of which were non-eligible i.e. from students who were directed to other organisations to contact) 32 awards were made, six were declined, and a total of £23,070 was awarded to members considered to be in dire need.

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

2018 was another successful year for the Alliance programme. Partners in 2018 were:

- Emma's Diary;
- Johnsons;
- Kellogg's;
- Lansinoh;
- Slimming World; and
- Vitabiotics

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.

THE ROYAL COLLEGE OF MIDWIVES TRUST

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

While 2018 saw the maintenance of income levels and 3 partners renewing their contracts, 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

2018 saw income for the Benevolent Fund increase with one off bequests and income from a commercial partner, Pampers, who has had a number of successful campaigns which resulted in donations to the Benevolent Fund. Other plans were implemented to ensure the fund is managed in the most effective and efficient way including the confirmation of passing the administrative responsibilities to the Cavell Nurses Trust (following a trial period in 2017). The risk remains that the fundraising objectives of the fund will not be fulfilled and that it will primarily 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.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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 and 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.

FINANCIAL REVIEW

During 2018, 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 £461,540 for the 12-month period, compared to £650,086 for the previous period. The main sources of income are the Alliance programme, investments, and donations to the RCM Trust Benevolent Fund.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Overall expenditure amounted to £982,527 compared to £970,996 in the previous period. After taking into account the (£79,426) overall loss on investments, the RCM Trust shows a net expenditure and movement in funds of (£600,413). This compares with the previous period's net movement of (£266,409).

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 RCMT and concluded, based on the substance of this relationship, that activities historically attributed to the RCMT can be performed by the RCM.

The impact of the review was that the RCMT in future would be a much smaller entity with income and associated expenditure considerably reduced. The main source of income will be the donation from its subsidiary, the RCMT Trading Company and grants from external funders.

The main expenditure will be the library costs estimated at around £100K per year; a provision set aside of around £200K for funding potential projects should they arise, and £200K for unforeseen liabilities.

The Trustees' aim during 2019 will be to implement the governance review and recommendations in full and to that effect they approved the RCMT's budget for 2019 in November 2018.

The implementation of the 2019 budget will see a further reduction of the free reserves with the aim of keeping total reserves to around £500K, which is the level that Trustees would like reserves to be held at in the future.

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

The Board of Trustees will monitor the RCM Trusts Reserve Policy by setting annual budgets for operating expenses and income, and by monitoring operating income and expenditure on a quarterly basis.

This policy will continue to 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.

THE ROYAL COLLEGE OF MIDWIVES TRUST
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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 16.7.19 and signed on their behalf by



Trustee
Natalie Linder

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 2018 which comprise the consolidated statement of financial activities, the group and charity balance sheets 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its 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, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

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

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.

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

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; and
- the directors' report included within the trustees' report 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 the charitable company and their 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 7-8, 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.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

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

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 151 of the Charities Act 2011, and 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.

Use of our report

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008 and 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.



Tim Redwood

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

23 July 2019

London

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ROYAL COLLEGE OF MIDWIVES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2018

Notes	Unrestricted funds £	Restricted funds £	Expendable endowment £	Permanent endowment £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donation and legacies	-	38,275	-	-	38,275	78,590
Other trading activities	395,321	-	-	-	395,321	458,656
Investments	9,979	17,965	-	-	27,944	37,840
Charitable activities	-	-	-	-	-	75,000
Total	405,300	56,240	-	-	461,540	650,086
Expenditure on:						
Trading	156,203	-	-	-	156,203	184,972
Charitable activities	-	-	-	-	-	-
<i>Professional education</i>	639,454	68,068	-	920	708,442	657,974
<i>Information services to members and the public</i>	86,680	3,215	-	-	89,895	84,397
<i>Promotion of midwifery practice</i>	-	-	-	-	-	13,081
<i>Raising the research profile</i>	-	-	-	-	-	8,000
<i>Financial support to members</i>	-	27,987	-	-	27,987	22,572
Total	882,337	99,270	-	920	982,527	970,996
Net (loss) gains on investments	(24,898)	(28,223)	(17,572)	(8,733)	(79,426)	54,501
Net (expenditure)/ income and movement in funds	(501,935)	(71,253)	(17,572)	(9,653)	(600,413)	(266,409)
Reconciliation of funds	-	-	-	-	-	-
Funds brought forward	1,130,654	540,073	254,227	108,839	2,033,793	2,300,202
Funds carried forward	628,719	468,820	236,655	99,186	1,433,380	2,033,793

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 2018

	Notes	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
FIXED ASSETS					
Investments	5	<u>828,986</u>	<u>1,259,497</u>	<u>828,986</u>	<u>1,259,497</u>
CURRENT ASSETS					
Debtors	6	<u>46,103</u>	<u>187,529</u>	<u>249,837</u>	<u>125,292</u>
Cash at bank and in hand		<u>736,878</u>	<u>680,331</u>	<u>433,287</u>	<u>415,562</u>
		782,981	867,860	683,124	540,854
CREDITORS: Amounts falling due within one year	7	<u>(178,587)</u>	<u>(93,564)</u>	<u>(79,766)</u>	<u>(41,278)</u>
NET CURRENT ASSETS		<u>604,394</u>	<u>774,296</u>	<u>603,358</u>	<u>449,576</u>
NET ASSETS		<u>1,433,380</u>	<u>2,033,793</u>	<u>1,432,344</u>	<u>1,759,073</u>
THE FUNDS OF THE CHARITY:					
Endowed funds					
Specific HQ		<u>99,186</u>	<u>108,839</u>	<u>99,186</u>	<u>108,839</u>
Benevolent fund		<u>236,655</u>	<u>254,227</u>	<u>236,655</u>	<u>254,227</u>
Restricted income funds					
Benevolent funds		<u>405,216</u>	<u>408,401</u>	<u>405,216</u>	<u>408,401</u>
Other restricted funds		<u>63,604</u>	<u>131,672</u>	<u>63,604</u>	<u>131,672</u>
		<u>468,820</u>	<u>540,073</u>	<u>468,820</u>	<u>540,073</u>
Unrestricted funds					
General funds		<u>628,719</u>	<u>1,130,654</u>	<u>627,683</u>	<u>855,934</u>
TOTAL CHARITY FUNDS	8	<u>1,433,380</u>	<u>2,033,793</u>	<u>1,432,344</u>	<u>1,759,073</u>

The RCM Trust's unconsolidated deficit for the year was (£272,340).

Approved and authorised for issue by the Board of Trustees on 16.7.19

Trustee
Natalie Linder

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, 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 (£272,340) and the total incoming resources was £525,997.

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 2018

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 2018, the RCM charged the RCM Trust for the part of the governance expenditure associated with the RCM Trust's activities £19,000 (2017: 19,750).

4. NET EXPENDITURE

In 2018, the RCM charged the RCM Trust for the part of its overhead costs associated with the RCM Trust's activities £17,349 (2017: £18,204). The audit fee £710 (2017:£705) was included in the overheads cost.

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5. FIXED ASSET INVESTMENTS

Group and charity	2018	2017
	£	£
Market value at start of year	1,259,497	1,198,902
Additions	120,914	300,490
Disposals	(471,999)	(294,396)
Gains (losses)	(79,426)	54,501
	<u>828,986</u>	<u>1,259,497</u>
Market value at 31 December		
	<u>828,986</u>	<u>1,259,497</u>
Cost at 31 December	<u>796,558</u>	<u>1,089,352</u>

The investments of the RCM Trust are managed by Cazenove Capital.

6. DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts due from RCM Trust Trading	-	-	238,919	-
Trade debtors	<u>46,103</u>	<u>187,529</u>	<u>10,918</u>	<u>125,292</u>
	<u>46,103</u>	<u>187,529</u>	<u>249,837</u>	<u>125,292</u>

7. CREDITORS

Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts due to RCM	54,349	-	54,349	-
Other creditors	22,002	16,821	-	1,412
Deferred income	66,441	32,336	-	-
Accruals	<u>35,795</u>	<u>44,407</u>	<u>25,417</u>	<u>39,866</u>
	<u>178,587</u>	<u>93,564</u>	<u>79,766</u>	<u>41,278</u>

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8. MOVEMENT ON RESERVES

	At 1 January 2018	Incoming resources	Outgoing resources	Gains on investment	At 31 December 2018
	£	£	£	£	£
Permanent endowment	108,839	-	(920)	(8,733)	99,186
Expendable endowment	254,227	-	-	(17,572)	236,655
Restricted funds					
JJPI	66,658	-	(11,005)	-	55,653
Other grants/projects	(96)	-	-	-	(96)
Public Health Project	2,090	-	-	-	2,090
Maternal Mental Health	20	-	-	-	20
Specific Headquarters Fund	-	3,215	(3,215)	-	-
Benevolent Fund	408,401	53,025	(27,987)	(28,223)	405,216
NHS England grant – Continuity of Carer	63,000	-	(57,063)	-	5,937
Total restricted funds	<u>540,073</u>	<u>56,240</u>	<u>(99,270)</u>	<u>(28,223)</u>	<u>468,820</u>
Unrestricted funds					
General funds	<u>1,130,654</u>	<u>405,300</u>	<u>(882,337)</u>	<u>(24,898)</u>	<u>628,719</u>
Total funds	<u>2,033,793</u>	<u>461,540</u>	<u>(982,527)</u>	<u>(79,426)</u>	<u>1,433,380</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 ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 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 2017 MOVEMENTS 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 ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9. COMPARATIVES STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	Total 2017
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	-	78,590	-	-	78,590
Other trading activities	458,656	-	-	-	458,656
Investments	19,026	18,814	-	-	37,840
Charitable activities	-	75,000	-	-	75,000
Total	477,682	172,404	-	-	650,086
Expenditure on:					
Raising funds	184,972	-	-	-	184,972
Charitable activities					
Professional education	641,849	15,238	-	887	657,974
Information services to members and the public	63,611	20,786	-	-	84,397
Promotion of midwifery practice	-	13,081	-	-	13,081
RCM Trust's research	-	8,000	-	-	8,000
Financial support to members	-	22,572	-	-	22,572
Total	890,432	79,677	-	887	970,996
Net gains on investments	24,978	14,496	10,378	4,649	54,501
Net (expenditure)/income and movement in funds	(387,772)	107,223	10,378	3,762	(266,409)
Reconciliation of funds					
Funds brought forward	1,518,426	432,850	243,849	105,077	2,300,202
Funds carried forward	1,130,654	540,073	254,227	108,839	2,300,202

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2018 are represented by:

	Endowed £	Restricted £	Unrestricted £	Total £
Investments	335,841	290,962	202,183	828,986
Current assets	-	201,266	581,715	782,981
Current liabilities	-	(23,408)	(155,179)	(178,587)
	<u>335,841</u>	<u>468,820</u>	<u>628,719</u>	<u>1,433,380</u>

COMPARATIVE 2017 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>

THE ROYAL COLLEGE OF MIDWIVES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11. SUBSIDIARY UNDERTAKINGS

At 31 December 2018, 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 2018, RCM Trust Trading Company Limited had assets of £338,775 (2017: £327,006), liabilities of £337,739 (2017: £52,286) and net assets of £1,036 (2017: £274,720). The turnover for the year to 31 December 2018 was £395,121 (2017: £458,656), the expenditure was £156,202 (2017: £184,972) and the profit for the year was £238,919 (2017: £273,684). The profit £238,919 for the year will be donated under the gift aid donation (2017: £273,684) to the RCM Trust in the first half of 2019.

Related parties

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

	2018	2017
	£	£
Gift aid receivable from RCM Trust Trading	512,603	-
Grant paid to RCM	600,000	600,000
Overheads, governance and other cost paid to RCM	71,833	37,954

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.