



MDU

# Report & Accounts 2023

*The Medical Defence Union Limited*

The Medical Defence Union Limited.  
By members' sides and on their side since 1885.

We are a mutual, not-for-profit medical defence organisation: assisting our medical and dental members with a multitude of issues that can arise from their professional practice – from regulatory proceedings to claims of clinical negligence.

The Medical Defence Union Limited (the MDU) is an organisation that sets the standard, providing members with dedicated medical, dental and legal expertise. In the MDU, members have an unapologetic champion for their interests – enabling them to practise with confidence.

## Company information

### Registered number

21708

### Registered office

One Canada Square  
London  
E14 5GS

### Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

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# Report of the Chairman

*Dr S W Watkin*

## It is with pride that I present the 2023 Annual Report & Accounts.

This is my second report as chairman of the MDU. It is a position I am honoured to hold, because of the sterling work this organisation does to guide, support and defend the interests of my fellow healthcare professionals. This year, that work has continued in earnest, and our chief executive officer, Dr Matt Lee, goes into more detail in the Group Strategic Report.

At the MDU we exist to serve our members, because as a mutual, we are owned by them. The board and I never forget that, and nor do any of my colleagues across the business. It informs everything that we do.

I have been a member of the MDU ever since I became a doctor. Over the course of my career, I have seen many advances in medicine and huge changes in the delivery of healthcare. The MDU was there for me at every turn, and that's where it remains today – on hand around the clock to support you and the more than 200,000 other healthcare professionals who we are proud to count as members.

When I speak to doctors and dentists in practice today, I often hear a similar theme: expectations. Patient expectations are rising all the time. The challenges facing healthcare systems across the UK are well documented, and MDU members are working hard in the face of those challenges to provide safe and effective patient care. But as patients' expectations of our members rise, so too do our members' expectations of us. That is why the MDU never stands still and looks to evolve alongside the working lives of members.

In that spirit, the MDU is always looking for ways to support members in all aspects of their professional practice, including the development of their professional career. It has been an exciting year for the MDU Group in that regard, as we welcomed Red Whale to the wider company family.

Red Whale is a leader in primary care education and has built a solid reputation thanks to the quality of their courses and the expertise of the team. As an organisation staffed by a large number of practising GPs, their doctor-for-doctor ethos could not align more perfectly with the mission of the MDU. We are looking forward to working closely with the team to expand and diversify MDU and Red Whale's respective educational offerings across our membership base.

The MDU is also driving forward its insurance offering. MDUConnect provides healthcare organisations access to MDU corporate membership through their business insurance brokers. This provides a unique combination of the MDU's expert guidance, support and defence, and a package of Lloyd's of London insurance policies to cover clinical and other liabilities to which their businesses might be exposed.

Being the chairman of the MDU is a real honour. Together we are all committed to delivering for you, and your company.

Despite all the developments and changes at the MDU, our core service and our core purpose remain undiminished: providing members with support for a range of issues that can arise from their professional practice. From a referral to a regulator to a clinical negligence claim, we're there when our members need us.

At this stage, I shift my focus to people changes in the past year.

In respect of the board, we said farewell to Dr Paul Goldsmith and Professor Sunil Shaunak, whose terms came to an end. Both Paul and Sunil made a huge contribution to the MDU during their tenure on the board and were tireless advocates for the interests of members. I thank them both, on your behalf, for their service.

In their place, I am delighted to welcome Professor Ashok Handa and Dr Harjinder Sandhu, to the board. Professor Handa is a specialist vascular surgeon and an academic tutor at St Catherine's College, Oxford, while Dr Sandhu is a senior GP partner in Runcorn and also chairs our claims committee. I know both will bring considerable expertise and invaluable insight to the board.

Whilst discussing the board, I would like to record my ongoing thanks to Dr Tom Norfolk, our vice-chairman. As I noted last year at the time of his appointment, Tom is the first dentist to become vice-chairman. He is a strong voice for our dental members, and it is a real pleasure to be working together.

Turning to our council, I report the following retirements and extend my thanks to all for their dedication to the MDU over many years: Professor Derek Alderson, Mr David Badenoch, Mr Stephen Cannon and Professor Christopher Winearls. In turn, I have the pleasure of reporting two new additions to council: Mrs Robyn Webber and Mr Nathan Howes.

Sadly, on a more sombre note, I regret to report the deaths of two respected MDU Honorary Fellows, Professor Malcom Symonds and Dr John Wall, both of whom passed away during the course of the last year. On behalf of the MDU, I offer our sincerest condolences to their families and friends.

Returning to happier news, I want to finally introduce you to some new additions to the MDU senior leadership team.

Last year we bade farewell to Jo Bateman, who retired from the MDU and her role as head of legal services. Jo epitomised what it means to be a champion of healthcare professionals, and we all wish her well on a much-deserved retirement. She is succeeded by Nick Tennant, one of our senior solicitors with 15 years of experience at the MDU. The team is in safe hands with Nick.

Justine Crozier joins us as our new head of business development. She comes to the MDU with considerable experience in health education organisations and is already proving an immense asset to the team, helping increase our member base. Justine takes over from Nick Gleeson, who made several valuable contributions to the MDU in his almost 15 years with the organisation.

Finally, we welcome John Bannister as our new chief technology officer. John has a key role in driving forward the delivery of key elements of our change programme to ensure colleagues have access to the right tools and systems to deliver the quality service our members expect from us. John has a diverse background in infrastructure operations and strategic change and is well placed to support us in our investment in improved technology.

I said at the start of this report that being the chairman of the MDU is a real honour. It is precisely that, and a huge part of it is because I get to work with this array of dedicated professionals. Together we are all committed to delivering for you, and your company.



### **Dr S W Watkin**

Chairman of the board of management  
and president of the MDU

22 May 2024





# Group Strategic Report

*Dr M Lee*

*Chief executive officer*



## Whether you are a student just starting out in your professional life, or a retired colleague reflecting back on a career dedicated to patients, as a member of the MDU, you have something in common.

You are part of something special; an organisation for healthcare professionals, run by healthcare professionals, and owned by healthcare professionals. It is your company, here for you at every stage of your career.

Change is a constant and the delivery of healthcare is no exception. In both the NHS and the independent sector, and whether you are an individual practitioner or a corporate member, we know you need an organisation behind you that provides a reassuring presence. Through your membership of the MDU, you are putting your trust in the world's first medical defence organisation, one that has stood the test of time and been a constant source of guidance, support, and defence for its members since 1885. It is a proud history and one with a track record of delivery. While we are always looking forward, it is this legacy that drives my colleagues and me to deliver a world class service for you every day.

In this Group Strategic Report for 2023, I can say with pride that your company is performing strongly. It is fully funded, has a growing member base, and remains staffed by a combination of medical, dental and other professional colleagues who work to ensure you always get the standard of service you deserve.

The MDU has a front-row seat to the challenging medico-legal and dento-legal landscape confronting healthcare professionals. We know the issues members face, which is why when we say that we are on your side and by your side, we mean it. This year – again – that statement is borne out in our rate of acceptance of requests for assistance, the figure for which stands at over 99%.

Our driving purpose is rooted in our mutuality. We have no shareholders, only you, our members, so our instinct and desire is always to do everything we can to support you. The fact that we're able to advise and assist almost every member who seeks our help is a testament to how much we embody that ethos.

In this report, I share more details about how my colleagues across the MDU have supported members over the past year.

As chief executive officer, I continue to be proud of the MDU's unwavering focus on safeguarding the longevity of our members' company, with a commitment to delivery and excellence every step of the way. Providing the best medico-legal and dento-legal services sits at our core, but we also strive to support members in all aspects of their professional practice, their clinical work, running their healthcare business, and developing their professional career.

That is what the MDU is all about; an organisation rooted in its core purpose but growing to meet the changing nature of healthcare delivery.

In short, an organisation you can rely on – now, and in the future.

## Medical and dental advisory

It's the middle of the night. You're a paediatric registrar. There has been an adverse incident on the ward, and you need some advice. Or perhaps you're a dentist; it's late on a Friday afternoon, and as you prepare to leave the surgery, you're handed a letter saying that a patient who is unhappy with their treatment has made a complaint about you to the regulator.

We know situations and issues like these can occur at any time, so we're here for our members 24 hours a day, seven days a week, 365 days a year. Whenever you need us, we are only ever a phone call away.

At the MDU, it's not just about answering your call, it's about who answers it. One of many things that makes the MDU such a leader in the field is that we connect you with a fellow professional; doctors and dentists who are immediately on-hand to help you. I know how much this means to members. The importance of speaking to people who have walked those wards and sat in that surgery is invaluable, and our advisers routinely offer an initial video consultation when a new case is opened, so you can put a face to the name.

Once again, it has been a busy year for our dedicated team of medico-legal and dento-legal advisers, with almost 22,000 calls received to our advice lines. 98% of the calls to our 24-hour advice line were answered within 20 seconds, with the average call answered in just over 10 seconds.

Because we are a doctors-for-doctors, dentists-for-dentists organisation, we can confidently say that the service we provide our members is something personal.

We care deeply about what we do, which is why feedback like this means so much to us:

***“I have been with MDU for 15 years or more. I will never ever consider another indemnity organisation. I have always found MDU phenomenal and right by me when I needed them ... I have recommended MDU to my friends and my son who is training to be a psychiatrist.”***

and

***“DDU is always very supportive, helpful, objective and caring. In my 37 years of practice, they have made my working life pleasant and safe.”***

## Legal

Everything is a team effort at the MDU, and all our colleagues work together to promote and defend your interests. That is particularly true when I reflect on our in-house legal team, and their work with our medical and dental teams. Our members are served by a first-class team of in-house lawyers who, together with selected UK and Irish specialist law firms, provide a robust defence of members.

Every year, I try to find a new way to say how excellent their results are – but once again, I am aided by the fact that they really do just speak for themselves.

In 2023, of the GMC cases where our in-house team assisted with representations to case examiners, 19% were referred on to a fitness to practise tribunal run by the Medical Practitioners Tribunal Service (MPTS).

Looking at a five-year period (2018 to 2022), the published GMC hearing outcomes showed that only 28% of cases were concluded with no finding of impairment. Comparing that to the results of our in-house legal team, I am delighted to say that their outcomes for the same period stood at 45%.

In our legal department, the commitment and determination to deliver for members is unsurpassed. That's why positive feedback from members is always so appreciated:

***“I had the most amazing support from your legal team. It made a very frightening experience seem far less so.”***

Turning to dental cases, where our solicitors assisted members with representations to the GDC's case examiners, 77% were not referred to a hearing. And where cases did progress to a hearing before the GDC's Professional Conduct Committee, our legal team secured strong outcomes. The latest GDC figures from 2022 show that the Professional Conduct Committee concluded 18% of hearings with no finding of impairment. Compare this to those cases conducted by a solicitor in our in-house legal department in the same year, where 50% of hearings concluded with no finding of impairment.

But of course, behind these percentages are people – members, who have often faced one of the most challenging periods of their careers. That is why we are so proud of these results.

## Claims

Regulatory action, complaints, and local investigations are just some of the multitude of medico-legal and dento-legal processes where members call upon the MDU for support. Sadly, something we hear time and time again is that being the subject of a clinical negligence claim can be one of the most stressful episodes of a healthcare professional's career.

We're here to do all we can to mitigate that stress and provide help at every turn. Unfortunately, a clinical negligence claim can take many years to conclude, so our claims team goes the extra mile to make sure members involved in the process are constantly supported. A member was kind enough to send one of my claims handler colleagues this message at the conclusion of their case:

***“Relief is not a big enough word. I am told occasionally to try not to take this kind of thing personally or be too worried as this did not pose a regulatory or criminal-proceeding type threat, but it doesn't really work like that... And it's finally over! I am truly appreciative and grateful for your and the MDU's clear and consistent support throughout.”***

Our claims team always seeks to build a close relationship with members involved in a claim, involving them throughout the process and keeping them informed. Their support for members is unstinting, and the results are impressive.

During 2023, we closed 80% of medical claims without a payment of damages. In dental claims, the figure was 59%. In total, where cases made it to trial and concluded, we had a success rate of 71%.

The cost of clinical negligence in the UK remains unsustainable, and the MDU continues to be a campaigning organisation, committed to securing law reform and policy interventions from the government to address the issue.

In 2024, we hope that the UK government will finally launch a fixed recoverable costs (FRC) scheme for lower value clinical negligence claims. The policy was announced last year and is something we welcome, as we firmly expect it will quickly yield valuable policy evidence for the government and persuade them to take the scheme even further.

The MDU has always believed that for this scheme to have a meaningful impact on rising clinical negligence costs, it should be far more ambitious. Rather than just applying to claims up to £25,000, it should include claims up to £250,000. We will continue to campaign for that, but this latest policy intervention by the government – when it emerges – will be an important first step, given that disproportionate legal costs are one of several defects in the current litigation system and affect lower value claims.

We are also actively engaging in the Ministry of Justice's review of the personal injury discount rate (PIDR) in England and Wales, and the parallel reviews taking place in Stormont and Holyrood. The PIDR has a substantial impact on clinical negligence costs, and so it is vital that the policy assumptions built into the rate setting methodology are robust. We have long been concerned that the rate is set on assumptions of what claimant investment behaviour is, without ever having any substantial evidence of what that actually looks like in practice. Given the significant sums of money involved, both for individual healthcare professionals and their claims indemnity, it is vital to bodies like the NHS that the rate is appropriately set.

## Business review

In our annual reports, we explain the factors that determine how we build the MDU's long-term strategy.

The medico-legal climate is harsh and complex. We continue to make every effort to positively influence the development of policy and procedures through which members are scrutinised and held accountable for their treatment of patients. In this work, we engage with a significant number of medical, dental, legal, regulatory and other stakeholders so we can form the clearest view of the environment that members are working within, including the various economic, societal and other pressures, and the impact all this has can have on the decisions you make – be they personal or professional.

This forms the foundation of our success in meeting this company's objective of supporting members in all aspects of their professional lives.

## Key performance indicators

The company is committed to maintaining strong management, organisational effectiveness, tight cost control and appropriate investment in systems and technology, to deliver the optimal service to members.

The MDU monitors its business activity by means of several key performance indicators (KPIs), which the board considers on a quarterly basis. These KPIs are designed to track the activity and achievement of the company. They are described below, in conjunction with relevant results, to illustrate the MDU's achievements during 2023.

## Membership statistics

The MDU monitors all areas of membership and evaluates any movements in renewals activity, leavers, junior doctor, graduate and student applications, and recruitment overall.

## Quality of service

When a member needs to contact the MDU, we aim to get to their call, email or letter as quickly as possible. Of the nearly 110,000 calls made to our membership contact centre in 2023, 78% of calls were answered within 20 seconds. Looking at the 77,000 emails and letters we received, 100% were responded to within five working days. The team in our membership contact centre remains committed to providing an exemplary service to all our members. On the rare occasions things go wrong, we work hard to get that sorted fully and swiftly. Complaints to the MDU are dealt with courteously, and as a learning organisation we are always looking to identify opportunities to do things better.

Our membership department continues to maintain its accreditation under the Customer Service Excellence Standard. The team works hard to retain this prestigious accreditation, which recognises the quality of service we provide to members.

## Support for other organisations

As part of our regular programme of work with other organisations and membership bodies across the healthcare community, we also partner with certain charities whose interests align closely with our members.

Foundation Year 1 members (FY1) of the MDU raised over £35,000 for the Royal Medical Benevolent Fund (RMBF) in 2023. This is the third consecutive year we have facilitated this partnership. The RMBF provides support for doctors throughout their medical career, from financial assistance in the form of grants and loans to a telephone befriending scheme for those who may feel isolated. The MDU's partnership with the RMBF began in 2021, when the MDU reduced its first-year subscription from £10 to £5 for FY1 members who donated the remaining £5 to charity.

In 2023 we also launched a new partnership with the independent charity, Doctors in Distress. This charity now provides MDU members with access to health and wellbeing services to support positive mental health.

## Business engagement (Section 172(1) statements)

This section outlines how directors engaged with stakeholders, how they had regard to the interests of stakeholders, and the outcome of that engagement.

We recognise the importance of our stakeholders in delivering our strategy. In addition to MDU members, our stakeholders include employees, suppliers, healthcare and financial regulators, representative bodies, government and legislative bodies.

We engage with members as customers when we provide advice and other benefits of membership, and we conduct member satisfaction surveys and surveys of those who have recently been assisted by us. We invite members through our Member Lab to provide suggestions for improvements to our service, which are greatly valued by the MDU.

There is a formal process for investigating complaints and making improvements where required. The KPIs and results we achieve for members referred to in this Group Strategic Report reflect prioritisation of members' interests.

As the Directors' Report explains, we also engage with members through the annual report and the annual general meeting (AGM). The participation of members on the board is a particular strength in our governance.

Employees are provided with information about the group's performance, major business decisions, and other matters that affect them at quarterly staff briefings, staff surveys and more frequently through the group's intranet.

Employees' views are sought when decisions are required that are likely to affect their interests.

We have a dedicated internal communications function, to ensure colleagues are kept up to date with business developments and to support their continuous professional development.

Through our staff Insights programme, colleagues regularly explore a range of issues – from deepening understanding of various faiths, to gaining a broader view of the lived experiences of different communities and groups.

A social committee is run by colleagues who volunteer their spare time to organise events, with the aim of fostering a sense of community and cohesion at the MDU.

There is a comprehensive suite of policies relating to employees' interests, wellbeing and safety. Continuing professional development is encouraged and the MDU's speak up policy provides an opportunity for staff to raise concerns in confidence.

For our suppliers, the MDU has an outsourcing policy and process and relationship managers in relevant departments. Our policies have due regard to risks around bribery and modern slavery.

The MDU publishes its supplier payment performance on the gov.uk website: – GOV.UK ([www.gov.uk](http://www.gov.uk)).

The MDU engages constructively with healthcare regulators, government departments and other institutions in relation to regulation or legislation that affects the interests of members. For example, we respond to consultations and contribute to committees and working groups on relevant matters.

The MDU takes its corporate social responsibility seriously, as reflected in its commitment to treating its members and employees fairly and managing its business with due regard to its impact on the environment.

## How does the MDU manage its risks?

### Principal risks and uncertainties

The MDU has a risk appetite and risk management policy which takes into account the different risks we are exposed to in pursuing the MDU's strategy and objectives.

In undertaking our business, we face different types of risk such as legal and regulatory risks, financial risks, member needs, reliance on suppliers and third parties and operational risks from our people, IT systems, managing change and operational processes.

Risk management processes, and new and existing risk mitigations, are assessed and regularly reviewed by the audit and risk committee and the board to ensure appropriate and effective procedures and strategies are in place to manage them.

A summary of our principal risks, and mitigating actions, is included in the following table.



Risk type	Description	Mitigation
<b>Financial risk – Claims</b>	A significant increase in claims cost could affect the funding levels of the MDU.	<ul style="list-style-type: none"> <li>▪ Highly trained claims and legal staff who manage claims on behalf of members in line with department procedures.</li> <li>▪ Reinsurance programmes to protect against unexpected changes to claims frequency and inflation.</li> <li>▪ We continue to lobby for reform of the law governing claims.</li> </ul>
<b>Market and member needs</b>	Risks of not meeting member needs (products and services) in a changing environment with new entrants into the market.	<ul style="list-style-type: none"> <li>▪ The MDU differentiates itself from its competition on the quality of service it provides to its members.</li> <li>▪ Quality monitoring system in place with member experience and satisfaction measures collected across our key journeys.</li> <li>▪ We conduct regular research to test member product and needs.</li> <li>▪ Product and pricing governance processes ensure that products and services are regularly reviewed.</li> <li>▪ Our KPIs provide daily monitoring of member numbers, subscription collection, joiners and lapse rates.</li> <li>▪ We have processes in place to proactively encourage member retention and regularly review their effectiveness.</li> </ul>
<b>Change risk</b>	Risks arising from the management and implementation of changes to business – IT systems, people and processes.	<ul style="list-style-type: none"> <li>▪ Change framework in place.</li> <li>▪ Training and communication of our staff on how new procedures and changes impact them.</li> <li>▪ Monitoring by our executive, audit and risk committee and board of our strategic change programmes.</li> </ul>
<b>People risk</b>	The risk that the MDU does not attract, retain and develop the right skills to deliver the service to members.	<ul style="list-style-type: none"> <li>▪ People strategy monitored regularly.</li> <li>▪ HR function supporting our staff.</li> <li>▪ HR policies and procedures supporting our staff with their development.</li> <li>▪ Training &amp; development strategy through in-house and external programmes.</li> <li>▪ Employee wellbeing surveys and employee assistance plans.</li> <li>▪ Competitive remuneration packages benchmarked against market.</li> </ul>

Risk type	Description	Mitigation
<b>Cyber risk</b>	The potential risks around a hack or data loss from a cyber-attack or data breach on our IT systems.	<ul style="list-style-type: none"> <li>Our cyber security team regularly assesses the risks and threats arising from use of data.</li> <li>IT, information management and security policies and procedures are regularly reviewed and reported on.</li> <li>Staff training on security and responding to phishing attempts.</li> <li>Third parties testing the security of our IT systems.</li> <li>Incident response plans to handling.</li> </ul>
<b>Legal and regulatory compliance risk</b>	The risk arising from MDU's implementation of new regulations and non-compliance with existing legislation.	<ul style="list-style-type: none"> <li>We monitor and report on developments in the regulatory environment on a regular basis.</li> <li>We monitor our compliance risks through a compliance monitoring plan and report results to the board.</li> </ul>
<b>Financial - Investment risk</b>	Risk arising from MDU's investment portfolio and financial instruments e.g. currency, inflation, interest rate, credit to provide longer term funding to support members.	<ul style="list-style-type: none"> <li>Investment strategy and objectives monitored by MDU Investments Limited, and assisted by advice from independent investment advisers.</li> <li>Monitoring of investment performance monitored by the Fund Manager.</li> </ul>

## Financial performance

Every quarter, the board reviews the MDU's overall financial performance including subscription levels, reinsurance premiums, claims payments, legal costs and claims reserves. Details are given in the financial review, but the key figures are as follows.

The MDU's net assets now total **£619.8m** (2022: **£600.8m**) after indemnity, insurance and other provisions of **£500.7m** (2022: **£495.9m**). This figure does not include an estimate of the cost of claims that might be brought against our members in the future. Such cases are recognised as liabilities when they are notified to the MDU and assistance is granted.

## Financial review

### Subscription income

Total subscriptions recognised for the year ended 31 December 2023 were **£127.2m (2022: £123.8m)**, of which 98.8% was received from our UK members, with the remainder, amounting to **£1.6m**, being from our members in Ireland.

### Investment result

There were positive changes in the market value of investments in 2023 resulting in an unrealised gain of **£55.2m (2022: loss of £40.8m)**. There was net realised investment income of **£33.4m (2022: £12.1m)** bringing the total net investment result to a gain of **£88.6m (2022: loss of £28.7m)**.

### Expenditure

In 2023, the MDU paid out **£102.5m (2022: £81.3m)** in discretionary indemnity claims and legal costs, of which **£2.9m** relates to our Irish members' claims.

Medical and dental advisory costs amounted to **£36.2m** in 2023 **(2022: £31.9m)**.

Reinsurance premiums in 2023 were **£2.8m (2022: £4.0m)**.

Administrative expenses in 2023 were **£27.3m (2022: £20.8m)**. This increase is largely attributable to expenditure on the strategic change programme.

### Result after tax

The total comprehensive result is a gain of **£19.0m (2022: gain £34.2m)**.

### Assets/indemnity provision

The Statement of Financial Position for the MDU shows total assets less current liabilities of **£1,114m**, compared to **£1,088m in 2022**.

In assessing the provision for indemnity, the MDU takes account of all reported incidents notified up to the statement of financial position date. This includes all notifications from members, including incidents relating to potential claims, pre-claims where incidents are still being investigated, and actual claims where there has been a demand for compensation or where legal proceedings have been served. It does not include any case where the board has declined to exercise or to continue to exercise its discretion to assist.

No provision is made for claims that may arise from incidents occurring before the statement of financial position date but not reported to the MDU at that date, or for defendant legal costs. As these claims are notified, they can be picked up by the MDU under the discretionary indemnity provided to members. An estimate of the potential cost of such claims is provided in note 26.

In summary, the MDU is a not-for-profit mutual owned by its members.

We focus on providing the best advisory, risk management and claims handling service to members, while controlling costs and managing funds prudently for members' financial security.

This Strategic Report was approved by order of the board of management.



**Dr Matthew Lee**

Chief executive officer

22 May 2024

For and on behalf of the board of management.



# Directors' Report

*N J Bowman*  
*Company secretary*

## The directors present their report and the financial statements for the year ended 31 December 2023.

The Medical Defence Union Limited's (MDU) activities include the discretionary provision, in accordance with the memorandum and articles of association, of indemnity and medico-legal and dento-legal services for its members.

The MDU continues to set subscriptions that the directors, on actuarial advice, consider sufficient for overheads and foreseeable discretionary indemnity payments and legal costs.

The MDU represents members' medico-legal interests by informing, and thereby influencing, the government and other bodies on matters relating to healthcare law and the regulatory environment, with a view to ensuring that any changes in these areas are equitable and fair.

MDU Investments Limited (MDUIL), a wholly owned subsidiary of the MDU, manages investments on behalf of the MDU. Funds are invested with third-party investment managers and MDUIL does not undertake any direct investment activity.

## Corporate governance

The MDU is a member of the Association of Financial Mutuals (AFM). The board supports the principles expressed in the AFM Corporate Governance Code and has applied them as follows.

### Principle one – purpose and leadership

An effective board promotes the purpose of the organisation, and ensures that its values, strategy and culture align with that purpose.

The board activities in 2023 included a review of strategy, to ensure that it continues to be aligned with the purpose of the MDU.

The MDU continues to develop digital technology and products to support members and their changing needs in professional practice.

### Principle two – board composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the organisation.

The participation of MDU members on the board is a particular feature and strength of the governance arrangements. There are five executive directors including the chief executive officer who is also an MDU member. The board has five non-executive directors who are not members of the MDU and have no financial interest in the MDU other than their fees as board members. There are five non-executives with MDU membership, who receive fees as board members and as expert witnesses. The board does not consider that this compromises their independence as board members. All the non-executive directors are therefore considered to be independent. The non-executive directors are sufficiently strong in numbers and independence to provide a proper balance on the board.

The board has not appointed a senior independent director. While this is not in line with the AFM Code guidance, the board considers that such a role is not a necessary part of the arrangements for effective appraisal of the chair's performance, and that there is no need for an intermediary between the directors and the chair.

All directors must stand for election at the first annual general meeting following their appointment.

The following served as directors in 2023:

<b>Board member</b>	<b>No. of Board meetings attended*</b>
S W Watkin (chairman) <sup>1 3 4 5</sup>	<b>9 (9)</b>
C Aghadiuno <sup>2 4</sup>	<b>9 (9)</b>
A Archibald <sup>4</sup>	<b>9 (9)</b>
S E Beaumont <sup>2 4</sup>	<b>9 (9)</b>
P Clark <sup>1</sup>	<b>9 (9)</b>
P Goldsmith <sup>7</sup>	<b>5 (6)</b>
A Handa <sup>6</sup>	<b>2 (3)</b>
L R Hykin	<b>9 (9)</b>
M T Lee <sup>3 4 5</sup>	<b>9 (9)</b>
G McAusland <sup>1 2 3 4 5</sup>	<b>9 (9)</b>
K Miller <sup>4</sup>	<b>8 (9)</b>
T J Norfolk <sup>1 2 3 4 5</sup>	<b>9 (9)</b>
J H Riley <sup>2 4</sup>	<b>8 (9)</b>
H Sandhu <sup>6</sup>	<b>3 (3)</b>
S Shaunak <sup>7</sup>	<b>4 (6)</b>
H Stewart <sup>4 8</sup>	<b>9 (9)</b>
E C J Wells <sup>1 4 5</sup>	<b>8 (9)</b>
A R Wright <sup>4 5</sup>	<b>9 (9)</b>

- <sup>1</sup> Members of the remuneration committee  
<sup>2</sup> Members of the audit & risk committee  
<sup>3</sup> Members of the nomination committee  
<sup>4</sup> Directors of MDU Services Limited  
<sup>5</sup> Members of the investments committee of MDU Investments Limited  
<sup>6</sup> Appointed on 19 September 2023  
<sup>7</sup> Retired on 19 September 2023  
<sup>8</sup> Retired on 31 March 2024  
<sup>\*</sup> 9 meetings were held in the year. The number of meetings the director was eligible to attend is in brackets.

In accordance with the articles of association, the following directors are due to retire by rotation and, being eligible, offer themselves for re-election at the next annual general meeting:

C Aghadiuno  
 K Miller  
 S Watkin  
 A Wright

A Handa and H Sandhu were appointed by the board during the year and will stand for election at the next annual general meeting in accordance with Article 54.

P Goldsmith and S Shaunak retired on 19 September 2023.



## Nomination committee

Membership of the nomination committee comprises the chair and vice-chair of the board, the chair of the audit and risk committee and the chief executive officer. Other board members may be co-opted by the committee according to the nature of the vacancy under consideration. The committee prepares a description of the role and capabilities required for a particular appointment. It selects a shortlist of candidates for consideration by the board, on merit and against objective criteria and with due regard to the benefits of diversity.

The nomination committee is chaired by the chair of the board. While this is a departure from the AFM Code guidance, the board considers it appropriate as the chair is responsible for the effectiveness of the board.

## Principle three – director responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The posts of chair and chief executive officer are separate. This distinguishes the running of the board from executive responsibility for the business. The roles of chair and chief executive officer are defined in writing. The chair's responsibilities include leadership of the board and facilitating the effective contribution of non-executive directors.

There is an induction process for new directors. This is tailored to meet the needs of individuals. It is designed to give new directors knowledge of the business and of their role in it as directors. Directors are encouraged to undertake continuing professional development.

The board undertakes an annual evaluation of its performance by questionnaire, including self-assessment of non-executive directors. The chair reports back to the board on the results of the evaluation.

All board members are subject to election by MDU members at the first annual general meeting after their appointment. All, including the executive directors, are also subject to retirement by rotation and re-election at least every three years.

The board met nine times in the year. The attendance record of the directors at the board meetings is set out on page 20. The board has a schedule of matters reserved to it for decision, including the following:

- approval of commercial strategy;
- changes to corporate structure;
- internal control arrangements;
- Board and committee appointments; and
- contracts not in the ordinary course of business.

The board has a procedure for directors to obtain independent advice. All board members have access to the advice and services of the company secretary.

The MDU's articles of association give members of the board an indemnity (including qualifying third-party indemnity provisions within the meaning of section 234 Companies Act 2006, which were in force during the year ended 31 December 2023 and remain in force) against liabilities incurred in relation to the affairs of the MDU. The group also purchases directors' and officers' liability insurance which gives appropriate cover for legal action brought against directors of group companies.

## Principle four – opportunity and risk

A board should promote the long-term sustainable success of the organisation by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

The Group Strategic Report provides a review of the business and how it has performed, and of the principal risks and how they are managed.

### Audit and risk committee

The board has an audit and risk committee, which meets as often as necessary. The committee is chaired by Mr Graeme McAusland, a non-executive director without MDU membership. Mr McAusland is an actuary. The committee includes four other non-executive members of the board.

The committee meets with the internal and external auditors. The committee reviews risk management and internal control arrangements, and their effectiveness. It guides the activities and reviews the results of the internal audit. The committee also reviews the scope and results of the external audit, and reviews the annual financial statements and other information in the annual report before publication, including the indemnity provision.

The audit and risk committee has a written policy, approved by the board, dealing with any recommendation to the board concerning the appointment of the external auditors, and with their independence and remuneration.

### Internal control

The board is ultimately responsible for the risk management and internal control management of the MDU and for the effectiveness of these systems. The audit and risk committee has authority to advise the board on these matters. Management is responsible for identifying, assessing, managing and monitoring risk, and for developing, operating and monitoring the system of internal control. Control is exercised through an organisational structure with clearly defined levels of responsibility and authority and reporting lines. Information is regularly provided at all levels and compared with budgeted targets which are reviewed on a quarterly basis. The board considers regular reports on the risks in the business. The principal risks are identified in the Group Strategic Report on pages 15 and 16.

The internal control and risk management systems cannot eliminate risks to the business, but they are designed to manage them. Internal controls can provide only reasonable and not absolute assurance against material misstatement or loss. The board, with advice from the audit and risk committee, reviews the effectiveness of the risk management and internal control of the group.

### Going concern

The financial statements are prepared on a going concern basis. In deciding to adopt the going concern basis the directors have reviewed the group's business plans and budgets and taken account of the discretionary nature of the company's indemnity obligations and other risk factors (discussed on pages 15 and 16).

## Principle five – remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of an organisation, considering pay and conditions elsewhere in the organisation.

### Remuneration committee

The committee makes recommendations on the remuneration of the executive directors, non-executive directors and members of the council and of committees. In addition to the chair, the committee comprises two non-executive directors who are MDU members and two non-executive directors without MDU membership. The remuneration committee works on the basis that remuneration should be sufficient to attract, retain and motivate individuals of the quality required but without paying more than is necessary, and that remuneration should be aligned to the long-term success of the company.

The remuneration committee is chaired by the chair of the board. While this is a departure from the AFM Code guidance, the board considers it appropriate as the chair is responsible for taking a lead in setting and embedding the company's values. The chair takes no part in discussion of the chair's own remuneration.

### Principle six – stakeholder relationships and engagement

Directors should foster effective stakeholder relationships aligned to the organisation's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regards to their views when taking decisions.

The MDU uses a variety of routes to communicate with members, including the opportunity to participate at the AGM. It highly values communication with members, and encourages members to participate in the annual general meeting, either in person or by proxy. The executive and members of the audit and risk, remuneration and nomination committees always remain available to respond to any questions. The notice for the AGM is sent to members at least 14 days before the meeting.

Employees are provided with information about the group's performance at regular staff forums and through the group's intranet. Employees' views are sought when decisions are required which are likely to affect their interests.

Information required by the Companies (Miscellaneous Reporting) Regulations 2018 is included in the Group Strategic Report.

The MDU Group gives full and fair consideration to applications for employment from disabled people where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the MDU's policy wherever practicable to provide continuing employment under normal terms and conditions.

Training, career development and promotion are provided to disabled employees where possible.

### Greenhouse gas and carbon reporting

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the MDU is required to report on its total energy consumption and greenhouse gas emissions (Streamlined Energy & Carbon Report (SECR)).

Energy consumption has been measured in kilowatt-hours (kWh), and greenhouse gas emissions have been measured in metric tonnes of Carbon Dioxide equivalent (tCO<sub>2</sub>e).

## Summary

In summary, the MDU's emissions (combustion of transportation fuels, such as company vehicles and employee owned vehicles) for the year were **58.60 tCO<sub>2</sub>e** (**2022: 49.64 tCO<sub>2</sub>e**), resulting from the combustion of **259,588 kWh** of fuel (**2022: 212,938 kWh**), and an increase on the previous year's emissions figure after lockdown restrictions were lifted and normal activities resumed, which accommodate for virtual meetings where appropriate.

For both 2023 and 2022, the MDU purchased **100% renewable energy** for the full reporting periods, with evidence of green certificates, resulting in **nil tCO<sub>2</sub>e consumption**. For full disclosure, if this electricity were purchased from the national grid, consumption in day-to-day business operations would be **601,676 kWh** (**2022: 607,731 kWh**).

The intensity metrics were calculated by dividing the 2023 reportable figure for tCO<sub>2</sub>e (58.60) by the average number of full-time equivalents (433 FTE). The MDU's operations had an intensity metric of **0.14 tCO<sub>2</sub>e** per FTE, an increase compared with the previous year's figure of **0.12 tCO<sub>2</sub>e** per FTE.

## Consumption (kWh) and Greenhouse Gas emissions (tCO<sub>2</sub>e) totals

The MDU's total consumption and greenhouse gas emissions is set out below:

### Total consumption (kWh) figures for energy supplies:

Utility and Scope	2023 consumption (kWh)*	2022 consumption (kWh)*
Gaseous and other fuels (Direct consumption)	3,592	-
Transportation (Direct consumption)	199,471	181,275
Grid Supplied Electricity (Indirect consumption)	601,676	607,731
Renewable Electricity (100%)	(601,676)	(607,731)
Transportation (Indirect consumption)	56,525	31,663
	<b>259,588</b>	<b>212,938</b>

### Total emission (tCO<sub>2</sub>e) figures for energy supplies:

Utility and Scope	2023 consumption (tCO <sub>2</sub> e)*	2022 consumption (tCO <sub>2</sub> e)*
Gaseous and other fuels (Direct consumption)	0.66	-
Transportation (Direct consumption)	45.28	42.29
Grid Supplied Electricity (Indirect consumption)	124.59	117.52
Renewable Electricity (100%)	(124.59)	(117.52)
Transportation (Indirect consumption)	12.66	7.35
	<b>58.60</b>	<b>49.64</b>

\* Consumption and emissions data was calculated in line with the Emission Factor Database 2023, Version 1.0 and is consistent with the 2019 UK government environmental reporting guidance.

All consumption data for the MDU was complete for the reporting year, and data quality checks were carried out for data completeness and accuracy. 100% data coverage was achieved, consisting of 99.08% verifiable data coverage with 0.92% of consumption data estimated, to achieve the results.

### Energy efficiency review and improvements

In 2023, several operational energy efficiency measures were undertaken, including:

- Considering sustainability when sourcing equipment. Through reviewing the energy rating of every product before purchase, we have ensured that any equipment purchased holds up to our efficiency standards.
- The replacement of around 150 lighting units that have been in place since 2014 with energy efficient LED modules and new drivers, successfully reducing energy emissions this year and for the future.
- Reducing the amount of time spent in the office has reduced energy consumption over the working week.
- Continuation of 100% renewable energy supply on a fully flexible green purchasing framework until 2031.

A register of energy efficiency measures has been established to facilitate improvements over the next five years, including review of workstation use and air conditioner operation.

### Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, the directors 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 company and the group and of the surplus or deficit of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK 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 group will continue in business.

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

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Provision of information to auditor**

Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware.
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information, and to establish that the company and the group's auditor is aware of that information.

This report was approved by the board and signed on its behalf.

### **N J Bowman**

Company secretary

22 May 2024





# Independent Auditor's Report to the members of The Medical Defence Union Limited

## Opinion on the financial statements

### In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023, and of the Group's profit and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Medical Defence Union Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023, which comprise Consolidated Statement of Comprehensive Income, Consolidated Statements of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of

Cash Flows and the 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group and the Parent 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.

### Conclusions relating to going concern

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

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

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

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial statements, 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

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

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

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

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of directors

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations, based on:

- Our understanding of the Parent Company and Group and the industry in which it operates.
- Discussion with management and those charged with governance.
- Obtaining and understanding of the Parent Company's and Group's policies and procedures regarding compliance with laws and regulations.
- Correspondence with the FCA and other regulatory bodies obtained from the entity.

We considered the significant laws and regulations to be the applicable accounting framework.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations.

- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations.
- Review of financial statement disclosures and agreeing to supporting documentation.
- Involvement of tax specialists in the audit.
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

### Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud.
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud.
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, technical provision assumptions and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation.
- Assessing significant estimates made by management for bias relating to the technical provision assumptions.
- Substantively testing subscription income earned and recalculating the total deferred income balance.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained

alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Geeta Joshi

Senior Statutory Auditor  
For and on behalf of BDO LLP

### Statutory Auditor

London, United Kingdom

24 May 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)





# Financial Statements



# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 £000	2022 restated £000
Members' subscriptions		127,160	123,845
Other income		678	56
Medical and dental advisory services		(36,167)	(31,924)
Administrative expenses		(27,305)	(20,812)
Indemnity, legal and reinsurance costs	6	(93,571)	13,505
Finance cost – indemnity/pension provision	7	(17,500)	(12,359)
<b>Operating surplus</b>		<b>(46,705)</b>	72,311
Changes in fair value of investments	3	55,165	(40,839)
Net investment income	4	33,432	12,139
Interest payable	5	(61)	(41)
<b>Result before taxation</b>		<b>41,831</b>	43,570
Taxation	10	(18,859)	5,689
<b>Result after taxation</b>		<b>22,972</b>	49,259
Actuarial (loss) on defined benefit schemes	22	(4,000)	(15,100)
		(4,000)	(15,100)
<b>Total comprehensive income for the year</b>		<b>18,972</b>	34,159

The notes on pages 40 to 67 form part of these financial statements.

# Consolidated Statement of Financial Position

For the year ended 31 December 2023

	Note	2023 £000	2022 restated £000
<b>Fixed assets</b>			
Tangible fixed assets	12	7,920	9,096
Fixed asset investments	14	1,140,972	1,082,162
Goodwill	13	6,108	-
		<b>1,155,000</b>	1,091,258
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	16	10,064	14,888
Debtors: amounts falling due within one year	16	13,075	8,334
Cash at bank and in hand		29,599	50,605
		<b>52,738</b>	73,827
Creditors: amounts falling due within one year	18	(93,426)	(77,087)
<b>Net current liabilities</b>		<b>(40,688)</b>	(3,260)
<b>Total assets less current liabilities</b>		<b>1,114,312</b>	1,087,998
Creditors: amounts falling due after more than one year	17	(3,009)	(3,843)
<b>Provisions for liabilities</b>			
Indemnity provision	20	(499,593)	(494,881)
Other provisions	20	(1,105)	(1,041)
<b>Net assets excluding pension asset</b>		<b>610,605</b>	588,233
Pension asset	22	9,154	12,554
<b>Net assets</b>		<b>619,759</b>	600,787
<b>Capital and reserves</b>			
Revaluation reserve		137,812	81,223
Retained earnings		481,947	519,564
		<b>619,759</b>	600,787

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 May 2024.

**M T W Lee**  
Chief executive officer

**S W Watkin**  
Chairman

The notes on pages 40 to 67 form part of these financial statements.

# Company Statement of Financial Position

For the year ended 31 December 2023

	Note	2023 £000	2022 restated £000
<b>Fixed assets</b>			
Fixed asset investments	14	31,906	25,160
		<b>31,906</b>	25,160
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	16	10,064	14,888
Debtors: amounts falling due within one year	16	886,611	923,654
Cash at bank and in hand		4,556	14,123
		<b>901,231</b>	952,665
Creditors: amounts falling due within one year	18	(70,005)	(61,964)
<b>Net current assets</b>		<b>831,226</b>	890,701
<b>Total assets less current liabilities</b>		<b>863,132</b>	915,861
<b>Provisions for liabilities</b>			
Indemnity provision	20	(499,593)	(494,881)
		<b>(499,593)</b>	(494,881)
<b>Net assets excluding pension asset</b>		<b>363,539</b>	420,980
Pension asset	22	9,154	12,554
<b>Net assets</b>		<b>372,693</b>	433,534
<b>Capital and reserves</b>			
Retained earnings		372,693	433,534
		<b>372,693</b>	433,534

The Statement of Comprehensive Income for the year ended 31 December 2023 for the parent company only was a loss of **£56.8m (2022: gain of £69.8m)**.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 May 2024.

**M T W Lee**  
Chief executive officer

**S W Watkin**  
Chairman

The notes on pages 40 to 67 form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 January 2023 restated (see note 1.3)	81,223	519,564	600,787
Result after taxation	-	22,972	22,972
Actuarial loss on pension scheme	-	(4,000)	(4,000)
Fair value adjustments from revaluation reserve	-	(1,424)	(1,424)
Fair value adjustments to retained earnings	1,424	-	1,424
Transfer to/from retained earnings	55,165	(55,165)	-
<b>At 31 December 2023</b>	<b>137,812</b>	<b>481,947</b>	<b>619,759</b>

## Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2022

	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 January 2022 restated (see note 1.3)	130,769	435,859	566,628
Result after taxation	-	49,259	49,259
Actuarial loss on pension scheme	-	(15,100)	(15,100)
Fair value adjustments from revaluation reserve	-	8,707	8,707
Fair value adjustments to retained earnings	(8,707)	-	(8,707)
Transfer to/from retained earnings	(40,839)	40,839	-
At 31 December 2022 restated	81,223	519,564	600,787

The notes on pages 40 to 67 form part of these financial statements.

## Company Statement of Changes in Equity

For the Year Ended 31 December 2023

	Retained earnings £000	Total equity £000
At 1 January 2023 restated (see note 1.3)	433,534	433,534
Result after taxation	(56,841)	(56,841)
Actuarial loss on pension scheme	(4,000)	(4,000)
<b>At 31 December 2023</b>	<b>372,693</b>	<b>372,693</b>

## Company Statement of Changes in Equity

For the Year Ended 31 December 2022

	Retained earnings £000	Total equity £000
At 1 January 2022 restated (see note 1.3)	378,814	378,814
Result after taxation	69,820	69,820
Actuarial loss on pension scheme	(15,100)	(15,100)
At 31 December 2022 restated	433,534	433,534

The notes on pages 40 to 67 form part of these financial statements.

# Consolidated Statement of Cash Flows

**For the Year Ended 31 December 2023**

	Note	2023 £000	2022 restated £000
<b>Cash flows from operating activities</b>			
Result after taxation		<b>22,972</b>	49,259
<b>Adjustments for:</b>			
Amortisation of goodwill	13	<b>104</b>	-
Depreciation of tangible assets		<b>3,135</b>	3,946
Impairment of investments	14	-	387
Foreign exchange differences	4	<b>442</b>	(1,098)
Net changes in fair value of investments	3	<b>(55,165)</b>	40,839
Increase/(decrease) in indemnity and other provisions	20	<b>4,776</b>	(66,001)
(Profit)/loss on disposal of investments	4	<b>(266)</b>	4,242
Non cash investment expense	14	<b>4,868</b>	5,086
Finance credit on pension scheme	22	<b>(600)</b>	(500)
Movement in deferred taxation		<b>1,074</b>	(7,596)
(Increase)/decrease in debtors		<b>(620)</b>	4,280
Increase in creditors		<b>3,178</b>	232
Past service cost on pension scheme	22	-	(600)
Corporation tax charge		<b>17,835</b>	1,814
Corporation tax paid		<b>(7,063)</b>	386
Provision paid	20	-	(1,372)
<b>Net cash from operating activities</b>		<b>(5,330)</b>	33,304
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	12	<b>(1,725)</b>	(1,725)
Purchase of investments	14	<b>(115,000)</b>	(215,535)
Sale of investments	14	<b>140,070</b>	111,931
Movement in other liquid resources	14	<b>(33,758)</b>	83,555
Net cash flow from Red Whale acquisition		<b>(5,236)</b>	-
<b>Net cash from investing activities</b>		<b>(15,676)</b>	(21,774)
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		<b>50,605</b>	39,075
Cash and cash equivalents at the end of year		<b>29,599</b>	50,605

The notes on pages 40 to 67 form part of these financial statements.

# Company Statement of Cash Flows

For the Year Ended 31 December 2023

	Note	2023 £000	2022 restated £000
<b>Cash flows from operating activities</b>			
Result after taxation		(56,841)	69,820
<b>Adjustments for:</b>			
Decrease in debtors (excl. amounts owed by subsidiaries)	16	4,839	4,422
Increase in creditors (excl. corporation tax)	18	2,232	1,675
Decrease/(increase) in amounts receivable from subsidiary undertakings	16	37,043	(1,446)
Increase/(decrease) in indemnity provision	20	4,712	(65,765)
Finance credit on pension scheme	22	(600)	(500)
Corporation tax paid		(1,420)	5,016
Corporation tax charge/(credit)		7,228	(3,679)
Net cash flow from Red Whale acquisition		(6,760)	-
<b>Net cash generated from operating activities</b>		<b>(9,567)</b>	9,543
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		14,123	4,580
Cash and cash equivalents at the end of year		4,556	14,123

The notes on pages 40 to 67 form part of these financial statements.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

These financial statements comply with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments, derivative assets and certain financial liabilities included within creditors and in accordance with Financial Reporting Standard FRS 102 and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. In preparing these financial statements, the directors consider the significant judgements and key estimates to be the indemnity provision. Further details are provided in note 1.7.

In preparing the financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Disclosures in respect of the parent company's financial instruments have not been presented where equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

The group Statement of Comprehensive Income and Financial Position consolidate the financial results of the company and its subsidiary undertakings for the year ended 31 December 2023. No Statement of Comprehensive Income is presented for the Medical Defence Union Limited as permitted by section 408 of the Companies Act 2006.

#### 1.3 Restatement of prior year figures

The Group has restated subscription income in respect of member segments with an indemnity dominant income profile and accounted for this on an accruals basis and apportioned to accounting periods based upon the membership inception date. This treatment is in line with the subscription term.

Previously the Group had recognised subscription income on the basis of the amount received/receivable by the Group.

#### Group

As a result of this adjustment, the deferred income creditor as at 31 December 2021 is £40.0m higher, with a corresponding reduction in retained earnings (from £475.9m to £435.9m). For the year ending 31 December 2022, the impact of the adjustment resulted in a decrease of £1.0m in membership subscriptions with corresponding increase in deferred subscription income creditor. As at 31 December 2022, the deferred income subscription creditor has been restated to £61.4m from reported balance of £20.4m and the retained earnings has been restated to £519.6m from the reported balance of £560.6m.

## Company

As a result of this adjustment, the deferred income creditor as at 31 December 2021 is £40.0m higher, with a corresponding reduction in retained earnings (from £418.9m to £378.8m). For the year ending 31 December 2022, the impact of the adjustment resulted in a decrease of £1.0m in membership subscriptions with corresponding increase in deferred subscription income creditor. As at 31 December 2022, the deferred income subscription creditor has been restated to £61.4m from reported balance of £20.4m and the retained earnings has been restated to £433.5m from the reported balance of £474.5m.

The statement of cash flows has been updated to reflect this adjustment. There will be no impact to the net cash flows from operating activities and net change in cash and cash equivalents. Note 10 (taxation) has also been updated to reflect this adjustment.

### 1.4 Members' subscription

Members' subscriptions consist of subscriptions for members' services. Subscriptions are accounted for on an accruals basis and apportioned to accounting periods based upon the membership inception date.

### 1.5 Insurance premiums payable

The insurance arrangements described in the Directors' Report provide for an adjustment in premiums if the actual claims experience is better than envisaged at the time the premium is initially established. Such amounts are brought into the accounts as debtors (premium element adjustment) when they can be reliably measured and are re-assessed each year.

### 1.6 Indemnity, legal and reinsurance costs

The charge for indemnity costs includes indemnity payments, the movement on the indemnity provision, legal charges covering the aggregate of all indemnity payments and legal services provided for members, together with the cost of reinsurance premiums paid/payable. These include claimants' costs, payments on account, legal costs, representation at hospital enquiries and at the General Medical and Dental Councils, and legal assistance to members.

### 1.7 Indemnity provision

Provision is made for the estimated future cost of settlement, including related claimants costs of claims against members which have been notified at the date of the Statement of Financial Position and in respect of which the company has exercised its discretion to provide indemnity. The gross provision is calculated by the MDU's actuarial team.

No provision is made for claims that may arise from incidents occurring before the Statement of Financial Position date but not reported to the group at that date, nor for defendant legal costs, nor for claims where The Medical Defence Union Limited has not exercised its discretion to assist.

The estimated value of this provision is stated before estimated recoveries from insurers, which are disclosed separately as debtors and calculated by the MDU's actuarial team. The provision will be paid over an extended period and subject to agreement by all parties. The provision is discounted to reflect the time value of money. The movement on the provision separately identifies the unwinding of the discount which is disclosed as a finance cost in the Consolidated Statement of Comprehensive Income.

### 1.8 Other provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision is recognised.

Subsequently, provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

### 1.9 Tangible fixed assets

The cost of tangible fixed assets is written off evenly over their useful economic lives. Reviews are made periodically of the estimated remaining lives of individual assets, taking account of commercial and technological obsolescence as well as normal wear and tear.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful economic life ranges are as follows:

Long-term leasehold property	<b>12–20 years</b>
Furniture and office equipment	<b>3–5 years</b>
Computer equipment and software	<b>2–5 years</b>

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

### 1.10 Goodwill

On 31 October 2023 the MDU Group completed the acquisition of Red Whale (GP Update Limited), a wholly owned subsidiary.

Goodwill arising on a business combination represents the difference between the cost of acquisition and the company's consolidated interest in the fair value of the identifiable assets and liabilities of the subsidiary at the acquisition date. Directly attributable costs (e.g., legal and advisory fees) in relation to the business combination are capitalised and included in the cost of acquisition.

Goodwill is being amortised over 10 years.

### 1.11 Foreign currencies

Transactions in foreign currencies are translated at a budgeted exchange rate, which applies for the entirety of the year. The budgeted exchange rate is a proxy for the transaction date rate. Monetary assets and liabilities denominated in foreign currencies are recorded at the prevailing rate of exchange at each month end. All foreign exchange differences are taken to the Consolidated Statement of Comprehensive Income. The consolidated financial statements are presented in sterling, which is the company's functional and the group's presentation currency.

### 1.12 Taxation

Provision is made in the financial statements for tax on investment and trading income received and receivable in the year and revaluation gains and losses realised on investments disposed of in the year.

Deferred taxation is provided using the full provision method. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date. Deferred tax assets and liabilities are calculated at the tax rate expected to be effective at the time that the timing differences are expected to reverse, and are not discounted. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered.

Where gains and losses are recognised in the Consolidated Statement of Comprehensive Income, the related taxation is also taken directly to the Consolidated Statement of Comprehensive Income.

## **1.13 Investments**

### **(i) Recognition**

Initial recognition of investment financial assets occurs when the entity becomes party to the contractual provisions of the instrument. The investment financial asset/liability is recognised initially at the transaction price (including transaction costs).

Investments in subsidiaries are included at cost less any necessary provision for impairment.

### **(ii) Subsequent measurement**

Investment financial assets at the Statement of Financial Position date are subsequently measured at market value or amortised cost.

Financial assets at fair value:

Financial assets measured at fair value include: gilts, bonds, equities, pooled funds, short sold government bonds and derivative contracts. Subsequently, movements on revaluation are accounted for through the Consolidated Statement of Comprehensive Income. These revaluation movements are gross of investment management fees.

At the year end, changes in gross fair value recognised through the Consolidated Statement of Comprehensive Income are transferred to the revaluation reserve. These are netted down by transferring investment management fees back to retained earnings from the revaluation reserve.

### **(iii) Derecognition**

A financial asset is derecognised when: the contractual rights to cash flows expire or are settled, substantially all the risks and rewards of ownership are transferred to another party, or some of the risks and rewards are transferred to another party, or control of the asset is transferred to that party such that the other party will be able to sell the whole asset externally without any restrictions.

### **(iv) Derivatives**

Derivative financial instruments ("derivatives") are held and traded in conjunction with the group's risk management objectives. Derivatives are defined as a financial instrument that derives its value from the price or rate of some underlying item. Derivatives are carried on the Statement of Financial Position at market value ("marked to market"). Changes in that value are recognised in the Consolidated Statement of Comprehensive Income. This method is used for all derivatives which are held for trading purposes.

## **1.14 Investment income**

Investment income includes; interest, dividends, coupons, foreign exchange gains/(losses) and swap settlements. Investment income is accounted for on an accruals basis.

## **1.15 Operating lease**

Operating lease rentals are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

### Lease incentives

- (i) Landlord contributions are initially recognised as a deferred income liability on the Statement of Financial Position. These contributions are then released to administrative expenses over the length of the lease.
- (ii) During a rent-free period, a liability is built up on the Statement of Financial Position which is then charged to the Consolidated Statement of Comprehensive Income over the life of the lease. The liability in respect of rent free periods are not discounted.

### 1.16 Pension costs

The group operates two pension schemes; a defined benefit pension scheme and a defined contribution pension scheme.

Contributions to the defined contribution pension scheme are charged to the Consolidated Statement of Comprehensive Income in the year to which they relate.

Under the terms of the arrangements between the company and MDU Services Limited the company is responsible for any deficit, or can recover any surplus, of the defined benefit pension scheme for which MDU Services Limited is the principal employer.

The assets of the defined benefit pension scheme are measured at their market value at the Statement of Financial Position date and the liabilities of the scheme are measured using the projected unit method. The discount rate at 31 December 2023 is based on the annualised yield on the AON GBP single agency AA (corporates) curve. A single equivalent discount rate is then calculated, which produces the same value of plan liabilities as applying each spot yield to that future year's projected benefit cash flow.

The extent to which the scheme's assets exceed/fall short of their liabilities is shown as a surplus/deficit in the Statement of Financial Position to the extent that a surplus is recoverable by the company or that a deficit represents an obligation of the company. The following are charged to the Consolidated Statement of Comprehensive Income:-

- the increase in the present value of pension scheme liabilities as a result of benefit improvements over the period during which such improvements vest.
- gains and losses arising on settlements/curtailments.
- a credit in respect of the expected return on the scheme's assets.
- a charge in respect of the increase during the period in the present value of the scheme's liabilities because the benefits are one period closer to settlement.

Actuarial gains and losses are recognised in other comprehensive income.

### 1.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured and the undisclosed salary cost of the future holiday entitlement so accrued and the balance sheet date.

### 1.18 General information

The Medical Defence Union Limited is a private company limited by guarantee without share capital incorporated in England and Wales (registered number: 21708) with registered office One Canada Square, Canary Wharf, London, E14 5GS.

## 2. Employee information

	2023 £000	2022 £000
Salaries	31,526	28,891
Social security costs	3,790	3,599
Pension costs - defined contribution scheme	2,693	3,195
Other staff costs	1,334	1,399
	<b>39,343</b>	37,084
Average number of employees in the year	<b>433</b>	412

There are no staff employed by the parent company.

## 3. Changes in fair value of investments

	2023 £000	2022 £000
Changes in fair value	55,165	(40,839)
	<b>55,165</b>	(40,839)

**4. Net investment income**

	<b>2023</b> <b>£000</b>	2022 £000
Bond and interest income	<b>3,363</b>	1,009
Difference on exchange	<b>(442)</b>	1,098
Impairment of investments	-	(387)
Other investment income	<b>35,723</b>	20,428
Profit/(loss) on disposal of investments	<b>266</b>	(4,242)
Investment management fees and related costs	<b>(5,478)</b>	(5,767)
	<b>33,432</b>	12,139

Investment income from listed investments in the year was **£16.4m (2022: £12.1m)**.

**5. Interest payable**

	<b>2023</b> <b>£000</b>	2022 £000
Bank interest payable	<b>61</b>	41
	<b>61</b>	41



## 6. Indemnity, legal and reinsurance costs

	2023 £000	2022 £000
Reinsurance premiums	2,772	4,035
Increase/(decrease) in incurred costs (see note 20)	66,299	(21,391)
Premium element adjustment (see note 1.5)	(2,357)	(22,000)
Legal costs	22,763	24,111
Reinsurance recoveries (including the movement in reinsurance provision)	4,094	1,740
	<b>93,571</b>	<b>(13,505)</b>

## 7. Finance cost - indemnity/pension provision

	2023 £000	2022 £000
Finance cost relating to indemnity provision (see note 20)	18,100	12,859
Finance income relating to pension provision (see note 22)	(600)	(500)
	<b>17,500</b>	<b>12,359</b>

## 8. Result before taxation

The result before taxation has been arrived at after charging the following:	2023 £000	2022 £000
Research & development taxation credit	-	(45)
Depreciation of tangible fixed assets	3,135	3,946
Amortisation of Goodwill (see note 13)	104	-
Operating lease rentals – land and buildings	603	603
Operating lease rentals - motor vehicles	159	155
Defined contribution pension cost	2,693	3,195

**9. Directors' remuneration**

	2023 £000	2022 £000
Fees	554	521
Directors' emoluments	1,680	1,603
Amounts due and receivable under long-term incentive plans	182	172
	<b>2,416</b>	<b>2,296</b>

The highest paid director in the year earned:

	2023 £000	2022 £000
Emoluments (including short-term incentive plans (STIP) and benefits under the long-term incentive plan (LTIP)).	597	591

There are no retirement benefits accruing to directors under a defined benefit scheme (2022: nil).

The fees disclosed above in respect of services to the company represent the remuneration of the non-executive directors of The Medical Defence Union Limited. In addition five (2022: six) of the non-executive directors received fees totalling £15,928 (2022: £18,207) for acting as expert witnesses on behalf of members.

	Fee/Salary £000	Benefits [i] £000	STIP/LTIP [ii] £000	Cash alternative [iii] £000	Pension [v] £000	2023 £000	2022 £000
<b>Executive directors</b>							
M T Lee	345	1	231	21	-	597	591
A R Wright	227	19	144	21	-	411	390
A R Archibald	158	1	57	-	16	232	214
K Miller	163	1	101	-	20	284	259
H H A Stewart	228	1	87	21	-	337	321
	<b>1,121</b>	<b>23</b>	<b>620</b>	<b>63</b>	<b>36</b>	<b>1,861</b>	<b>1,775</b>

	Fee/Salary £000	Other [iv] £000	2023 £000	2022 £000
<b>Non-executive directors</b>				
P Riordan-Eva	-	-	-	64
E Wells	43	3	46	45
I D Hutchinson	-	-	-	13
S W Watkin	92	16	108	86
J H Riley	51	1	52	45
C Aghadiuno	43	1	44	43
S Beaumont	43	1	44	43
P Goldsmith	9	3	12	16
S Shaunak	9	13	22	13
T J Norfolk	51	28	79	56
P I Clark	12	24	36	36
G S McAusland	51	4	55	50
L R Hykin	12	11	23	11
A I Handa	3	2	5	-
H Sandhu	20	8	28	-
	<b>439</b>	<b>115</b>	<b>554</b>	521

[i] Benefits include car allowances, medical and other benefits in kind or their equivalent monetary value.

[ii] STIP represents those amounts accrued in respect of the year to 31 December 2023, and over/under accruals for 2022. The STIP is determined by comparing actual performance against set targets for the key performance indicators over the year. LTIP represents those amounts accrued in respect of the year to 31 December 2023, and over/under accruals for 2022. The LTIP is determined by comparing actual performance against set targets over a three year period, and relates primarily to the overall financial position of the company and its key membership statistics.

[iii] Payments made as cash alternative to company contributions to defined contribution pension scheme.

[iv] "Other" represents expenses paid to board members and any fees and expenses for attendance at council and committee meetings other than MDU board and its related committees.

[v] Pension costs represents company contributions to defined contribution pension scheme

**10. Taxation**

	2023 £000	2022 £000
<b>Corporation tax</b>		
Current tax on result for the year	17,613	-
Adjustments in respect of prior periods	172	1,906
<b>Total current tax</b>	<b>17,785</b>	1,906
<b>Deferred tax</b>		
Timing differences	2,729	(4,737)
Adjustments in respect of prior periods	(1,826)	(1,979)
Effect of tax rate change	171	(879)
<b>Total deferred tax</b>	<b>1,074</b>	(7,595)
<b>Taxation</b>	<b>18,859</b>	(5,689)

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 23.52%\* (2022 - 19%). Reconciling items are explained below:

	<b>2023</b> <b>£000</b>	2022 £000
Profit on ordinary activities before tax	<b>41,831</b>	43,570
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52%* (2022 - 19%)	<b>9,839</b>	8,278
Effects of:		
Net mutual income not subject to corporation tax	<b>(30,364)</b>	(28,087)
Expenses not deductible for tax	<b>41,409</b>	15,084
Adjustments in respect of prior periods	<b>(1,654)</b>	(72)
Non-taxable income	-	(362)
Difference in tax rate on deferred tax movement	<b>171</b>	(880)
Allocation from transparent funds	<b>(542)</b>	350
<b>Total tax charge/(credit) for the year</b>	<b>18,859</b>	(5,689)

\*The tax rate of 23.52% represents a blended rate of 19% (1 January – 5 April 2023) and 25% (6 April – 31 December 2023)

**11. Auditor's remuneration**

	2023 £000	2022 £000
Fees payable to the Group's auditor and its associates	245	242
Fees payable to the Group's auditor and its associates		
- for the audit of the group's annual accounts	222	218
- in respect of the audit of the MDU Services Limited pension scheme	23	24

**12. Tangible fixed assets****Group**

	Long-term leasehold property £000	Furniture and office equipment £000	Computer equipment and software £000	Total £000
Cost or valuation				
At 1 January 2023	10,927	454	16,840	28,221
Additions	641	409	2,001	3,051
<b>At 31 December 2023</b>	<b>11,568</b>	<b>863</b>	<b>18,841</b>	<b>31,272</b>
Depreciation				
At 1 January 2023	6,706	418	12,001	19,125
Charge for the year on owned assets	996	71	3,160	4,227
<b>At 31 December 2023</b>	<b>7,702</b>	<b>489</b>	<b>15,161</b>	<b>23,352</b>
Net book value				
At 31 December 2023	3,866	374	3,680	7,920
<b>At 31 December 2022</b>	<b>4,221</b>	<b>36</b>	<b>4,839</b>	<b>9,096</b>

### 13. Goodwill

<b>Group</b>	<b>Goodwill £000</b>
Cost	
Additions	<b>6,212</b>
<b>At 31 December 2023</b>	<b>6,212</b>
Amortisation	
Charge for the year on owned assets	<b>104</b>
<b>At 31 December 2023</b>	<b>104</b>
Net book value	
At 31 December 2023	<b>6,108</b>
<b>At 31 December 2022</b>	<b>-</b>



On 31 October 2023, the Group acquired 100% of the issued share capital of Red Whale (GP Update Limited). Red Whale was founded in 2010, is a leading provider of education services, operating mainly in United Kingdom. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	£000
Purchase consideration	6,538
Directly attributable costs	208
<b>Total</b>	<b>6,746</b>

Assets and Liabilities recognised:

	£000
Cash	1,524
Debtors	498
Creditors and other liabilities	(1,488)
Net identified assets acquired	534
Add: Goodwill	6,212
<b>Total purchase consideration</b>	<b>6,746</b>

## 14. Fixed asset investments

Group	Investments in cash & cash equivalents £000	Funds held by Investment Managers £000	Total £000
Cost or valuation			
At 1 January 2023	25,804	1,056,358	1,082,162
Additions	-	115,000	115,000
Disposals	-	(140,070)	(140,070)
Foreign exchange movement	-	(442)	(442)
Revaluation of investments	-	55,165	55,165
Net movement of cash & accrued income	33,758	(4,867)	28,891
Profit on disposal	-	266	266
At 31 December 2023	59,562	1,081,410	1,140,972

### Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2023	25,160
Additions	6,746
At 31 December 2023	31,906

The company, The Medical Defence Union Limited (reg number: 21708) either directly or indirectly, holds the entire issued ordinary share capital of the following subsidiaries which principally affect the figures shown in the company's financial statements: directly MDU Services Limited (reg number: 3957086), MDU Investments Limited (reg number: 3291117) and GP Update Limited (reg number: 07135974) all incorporated in England and Wales (registered offices: One Canada Square, London, E14 5GS) and indirectly MDU Reinsurance Limited, an insurance company, incorporated in Guernsey (registered office: PO Box 34, St. Martins House, Le Bordage, St. Peter Port, Guernsey, GY1 4AU)

The additions in the year reflect the acquisition of Red Whale (GP Update Limited) on 31 October 2023.

Dormant companies are disclosed in note 27.

## 15. Analysis of funds held by investment managers

	2023 %	2023 £000	2022 %	2022 £000
Pooled funds [i]	95.9	1,036,543	95.7	1,010,450
Private credit [ii]	4.1	44,867	4.3	45,907
	<b>100</b>	<b>1,081,410</b>	100	1,056,357

### Valuation basis of investments

	2023 £000	2022 £000
Fair value	1,081,410	1,056,357
	<b>1,081,410</b>	1,056,357

[i] Pooled funds represent investments in funds that hold short term debt and similar instruments; medium to long term debt; and diversified assets that aim to balance equity, interest rate and inflation risks.

[ii] Private credit represents investments in funds in order to access private secure income assets.

## 16. Debtors

	<b>Group 2023 £000</b>	Group 2022 £000	<b>Company 2023 £000</b>	Company 2022 £000
<b>Due after more than one year</b>				
Reinsurance recoveries	<b>10,064</b>	14,888	<b>10,064</b>	14,888
	<b>10,064</b>	14,888	<b>10,064</b>	14,888
<b>Due within one year</b>				
Reinsurance recoveries	<b>1,158</b>	846	<b>1,158</b>	846
Amounts owed by subsidiary undertakings	-	-	<b>884,822</b>	921,865
Other debtors	<b>7,461</b>	3,535	-	-
Prepayments and accrued income	<b>4,456</b>	3,953	<b>631</b>	943
	<b>13,075</b>	8,334	<b>886,611</b>	923,654

**17. Creditors: Amounts falling due after more than one year**

	<b>Group 2023 £000</b>	Group 2022 £000
Deferred income	<b>409</b>	617
Other creditors and accruals	<b>2,600</b>	3,226
	<b>3,009</b>	3,843

All creditors falling due after more than one year are held at amortised cost.

**18. Creditors: Amounts falling due within one year**

	<b>Group 2023 £000</b>	Group 2022 restated £000	<b>Company 2023 £000</b>	Company 2022 restated £000
Corporation tax	<b>10,845</b>	73	<b>5,808</b>	-
Taxation and social security	<b>1,278</b>	1,362	<b>34</b>	418
Deferred taxation (see note 21)	<b>3,570</b>	2,444	-	-
Deferred subscription income	<b>62,909</b>	61,400	<b>62,891</b>	61,400
Accruals and deferred income	<b>14,824</b>	11,808	<b>1,272</b>	146
	<b>93,426</b>	77,087	<b>70,005</b>	61,964

All creditors falling due after more than one year are held at amortised cost.

## 19. Net funds held by investment managers

	2023 £000	2022 £000
Financial assets: investments (see note 14)	1,081,410	1,056,357
	<b>1,081,410</b>	<b>1,056,357</b>

The historic cost of net funds held by investment managers is £943.6m (2022: £976.2m).

### Fair value hierarchy

Of the investments held, £1,081m were held at fair value (note 14), the following fair value hierarchy was used to estimate the value of these investments:

	2023 £000	2022 £000
Quoted prices – Level 1	-	-
Recent quoted prices – Level 2	1,081,410	1,056,357
Valuation technique (Unobservable inputs) – Level 3	-	-
	<b>1,081,410</b>	<b>1,056,357</b>

### Total net assets

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

- Level 1** Valued using quoted prices in active markets for identical assets.
- Level 2** Valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.
- Level 3** Valued by reference to valuation techniques using inputs that are not based on observable market data.

**20. Provisions – indemnity**

	2023 £000	2022 £000
<b>Group and company</b>		
At 1 January	494,881	560,646
Finance costs	18,100	12,859
Indemnity and insurance paid	(79,687)	(57,233)
Increase/(decrease) in incurred costs (see note 6)	66,299	(21,391)
<b>At 31 December</b>	<b>499,593</b>	494,881

The principal financial assumption used in the calculation of the finance cost is that the rate used to unwind the discount is 3.74% (2022: 2.52%) per annum.

The principal financial assumptions used in the actuary's calculation of the gross indemnity provision for the company are that medium/large claims inflation will be 8% per annum (2022: 8% per annum) over the period of settlement and that a net discount rate of 3.49% per annum (2022: 3.99%) is used to discount the claims payments to the Statement of Financial Position date.

**Provisions - other**

	2023 £000	2022 £000
<b>Group</b>		
At 1 January	1,041	1,987
Increase in the year	64	426
Payments	-	(1,372)
<b>At 31 December</b>	<b>1,105</b>	1,041



## 21. Deferred taxation

	2023 £000	2022 £000
<b>Group</b>		
At 1 January	2,444	10,040
Charge/(credit) to profit or loss	1,126	(7,596)
<b>At 31 December</b>	<b>3,570</b>	2,444

The deferred tax liability is made up as follows:

	Group 2023 £000	Group 2022 £000
Fixed asset timing differences	3,633	13,622
Capital (losses)	(63)	(11,178)
	<b>3,570</b>	2,444

The deferred tax liability is largely attributable to the unrealised gains on capital assets. The effective rate applied was 25% (2022: 25%) which is the corporation tax rate applicable for periods after 1 April 2023. We have therefore used the 25% tax rate for calculating the deferred tax position at 31 December 2023.

## 22. Pension costs

As explained in accounting policy note 1.16, the Group operates two pension schemes; a defined benefit pension scheme and a defined contribution pension scheme. The defined benefit pension scheme provides defined benefits for employees who accepted employment before 1 January 2003. The company also manages the defined contributions for employees who accepted employment after 31 December 2002, and, after 31 December 2019, for employees who accepted employment before 1 January 2003. The assets of both pension schemes are held under trust separately from those of MDU Services Limited. The funding of the defined benefit pension scheme is based on regular triennial actuarial valuations. The last full actuarial valuation of the scheme was carried out as at 1 April 2021 and has been updated to 31 December 2023 by qualified independent actuaries for the purpose of reporting pension costs.

The funded status as at 31 December 2023 reflects the status of the defined benefit section of the scheme only.

**The major assumptions made by the actuary were:**

	2023	2022	2021	2020
Rate of increase in salaries	3.4%	3.6%	3.5%	3.2%
Rate of increase in pension pre 16 February 2009 retirees	2.9%	3.1%	3.1%	2.3%
Rate of increase in pensions post 16 February	2.7%	2.7%	2.6%	2.8%
Discount rate	4.5%	4.8%	2.0%	1.5%
RPI inflation assumption	3.1%	3.3%	3.3%	2.9%
CPI inflation assumption	2.7%	2.8%	2.7%	2.3%

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 22.7 years if they are male and a further 25.0 years if they are female. Members currently aged 45 are expected to live for a further 24.3 years from age 65 if they are male and for a further 26.7 years from age 65 if they are female.

**Fair value of scheme assets:**

	2023 £000	2022 £000	2021 £000	2020 £000
Equities	10,700	5,300	18,400	19,500
Property	-	-	20,600	16,900
Government bonds	96,200	64,300	82,100	45,700
Corporate bonds	-	21,000	34,000	91,900
Other	1,700	18,200	25,100	1,700
	<b>108,600</b>	<b>108,800</b>	<b>180,200</b>	<b>175,700</b>

**The approximate fair value of assets and liabilities of the scheme were:**

	2023 £000	2022 £000	2021 £000	2020 £000
Total market value of assets	<b>108,600</b>	108,800	180,200	175,700
Present value of scheme liabilities	<b>(99,400)</b>	(96,200)	(153,600)	(171,200)
<b>Pension asset</b>	<b>9,200</b>	12,600	26,600	4,500

	2023	2022	2021	2020
Assets as a percentage of liabilities	<b>109.3%</b>	113.1%	117.3%	102.6%

**Movement in the fair value of the scheme liabilities during the year:**

	2023 £000	2022 £000
Opening defined benefit obligations	<b>96,200</b>	153,600
Interest cost	<b>4,500</b>	3,000
Actuarial loss/(gain) on the scheme liabilities	<b>3,200</b>	(56,900)
Net benefits paid out	<b>(5,400)</b>	(3,500)
Past service cost (incl. curtailments)	<b>900</b>	-
<b>Closing defined benefit obligations</b>	<b>99,400</b>	96,200

**Movement in the fair value of the scheme assets during the year:**

	<b>2023</b> <b>£000</b>	2022 £000
Opening fair value of scheme assets	<b>108,800</b>	180,200
Expected return on scheme assets	<b>5,100</b>	3,500
Actuarial (loss) on scheme assets	<b>(800)</b>	(72,000)
Contributions by employer	<b>900</b>	600
Net benefits paid out	<b>(5,400)</b>	(3,500)
<b>Closing fair value of scheme assets</b>	<b>108,600</b>	108,800

The total estimated pension expense in 2023 is £nil (2022: £nil). This is because the DB pension scheme closed with effect from 1 January 2020.

The assets of both pension schemes do not include any of the Group's own financial instruments or any property occupied by the Medical Defence Union Limited or its subsidiary undertakings.

A building block approach is employed in determining the long-term rate of return on the defined benefit pension scheme's assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

**Analysis of the amount credited to other finance credits**

	<b>2023</b> <b>£000</b>	2022 £000
Expected return on scheme assets	<b>(5,100)</b>	(3,500)
Interest on scheme liabilities	<b>4,500</b>	3,000
<b>Net return</b>	<b>(600)</b>	(500)

**Analysis of amounts recognised in other comprehensive income:**

	<b>2023</b> <b>£000</b>	2022 £000
Actuarial (losses) on scheme assets	<b>(800)</b>	(72,000)
Actuarial (losses)/gains on scheme liabilities	<b>(3,200)</b>	56,900
<b>Actuarial (losses)/gains recognised in other comprehensive income</b>	<b>(4,000)</b>	(15,100)

**23. Members liability**

The Medical Defence Union Limited is a company limited by guarantee not exceeding £1 per member.

**24. Related party transactions**

The Group has taken advantage of the exemptions available in respect of its wholly-owned subsidiary undertakings and the disclosure of related party transactions within the Group and balances eliminated on consolidation.

**25. Commitments under operating leases**

The Group and company had minimum lease payments under non-cancellable operating leases as set out below:

	<b>Group</b> <b>2023</b> <b>£000</b>	Group 2022 £000	<b>Company</b> <b>2023</b> <b>£000</b>	Company 2022 £000
Not later than 1 year	<b>766</b>	731	-	-
Later than 1 year and not later than 5 years	<b>2,491</b>	2,381	-	-
Later than 5 years	<b>3,175</b>	3,752	-	-
	<b>6,432</b>	6,864	-	-

## 26. Potential cost of future claims

As a not-for-profit, mutual organisation, the MDU exists exclusively for the benefit of its members. The company holds a mutual fund and manages it on members' behalf. This fund ensures that we are able to meet the costs of cases where the board has exercised its discretion to assist, and that we are also able to consider requests for assistance which may be made in the future, whether from current or previous members.

The MDU recognises the uncertainty inherent in the amount and timing of claims payments to be made, and the performance of the investment fund between the present time and the time of payment. Given the long-tail nature of clinical negligence liabilities and the nature of associated claims, the ultimate cost of claims (both those notified and those yet to be notified) could end up differing considerably from that which was initially estimated.

For that reason, the MDU's investment strategy seeks to preserve a long-term surplus. This is achieved by investing in a diverse set of assets, seeking a reasonable rate of return while controlling the overall level of risk. The surplus of assets over known liabilities also provides funds to meet the cost of potential future claims against members for incidents that have already occurred but are not yet reported to the MDU, and on which the board may exercise its discretion to assist.

The costs of these potential future claims are not recognised as a liability until the board exercises its discretion to assist. However, the MDU still considers the value of these potential future claims to assess the strength of its funding position. The cost is evaluated by the MDU's actuarial team and is periodically subject to both external peer review and independent actuarial analysis.

In determining the potential cost of future claims, we factor in the historic level of acceptance of requests and make an estimate for the future on that basis. The estimate below is presented in today's terms. It is an estimate of the funds that would be required at the end December 2023 to settle the damages and claimant legal costs of future claims that could not be defended. The figure is adjusted for both expected future inflation and investment return over the period between the accounting date and the date of payment.

As of 31 December 2023, the board has estimated that this potential future cost, were it to grant assistance, would be £234m (**2022: £264m**). The underlying assumptions used to estimate the potential cost of future claims are regularly reviewed and refined. In 2023 an amendment was made to the way some dental claims are reserved resulting in a decrease in the estimate of future dental claims costs.

The above figure does not include an estimate of the legal costs that the MDU will likely incur instructing lawyers and experts to help defend the cases. These defence costs are currently estimated to be in the region of £44m. The equivalent defence costs for the indemnity provision (note 20) are £45m.

The estimate of future claims costs is discounted to reflect the anticipated (target) investment return on the monies held in the mutual fund to meet the cost of these claims. The effect of this discounting (vs discounting at a 'risk free' rate of return) is a decrease of approximately £53m.

## **27. Dormant companies**

The MDU Group had the following dormant companies as at 31 December 2023:

**Dental Defence Union Limited**

**Doctors and Dentists Bank Limited**

**Healthcare Risk Management Limited**

**Just for Doctors Limited**

**MDU Healthcare Limited**

**MDU Healthcare Risk Management Limited**

**MDU Risk Management Limited**

**Medical Liability Services Limited**

**The Doctors Bank Limited**

**The Dentists Bank Limited**

All of the above are wholly owned subsidiaries of the Medical Defence Union Limited, incorporated in England and Wales and included in the consolidation. The companies are exempt from an audit.

## **28. Parental guarantee**

GP Update Limited (reg number 07135974) is a wholly owned subsidiary of The Medical Defence Union Limited (reg number 21708). The accounts of GP Update Limited are incorporated from the date of acquisition (31 October 2023) in the Group consolidated financial statements. The parent company is claiming exemption from audit under section 479A of the Companies Act 2006. The parent company guarantees all outstanding liabilities to which the subsidiary company is subject at the end of its financial period. The guarantee is enforceable against the parent company to who the subsidiary is liable in respect of those liabilities.



# Notice of Annual General Meeting 2024

**Notice is hereby given that the annual general meeting of The Medical Defence Union Limited (a company limited by guarantee) will be held at One Canada Square London E14 5GS on Tuesday, 17 September 2024 at 2.00pm for the following purposes:**

## **Resolution 1**

To receive reports of the board of management and the auditor and the financial statements for the year ended 31 December 2023.

## **Resolution 2**

To elect members of the board of management of whom due notice has been given under Article 54:

**C Fryar**  
**A Handa**  
**H Sandhu**

To re-elect the following members of the board of management who are retiring by rotation under Article 49:

## **Resolution 3**

C Aghadiuno

## **Resolution 4**

K Miller

## **Resolution 5**

S Watkin

## **Resolution 6**

A Wright

## **Resolution 7**

To invite the board of management to appoint as members of the Council of the MDU for 2024 – 2025 the following:

### **K A V Cartwright**

MA BM FRCP FRCPATH FFPH  
*Gloucester*

### **C A F Cassie**

BDS LL.M MJDF  
*Edinburgh*

### **S Chadwick**

MBBS DCH DRCOG MRCGP FRCGP  
*Bristol*

### **B Chana**

Dip Dental Hygiene, Dip Dental Therapy  
*London*

### **A Chandrapal**

BDS MFGDP (UK) DPDS MCLIN DENT (Pros)  
*London*

### **P I Clark**

MA MD FRCP  
*Liverpool*

### **L J Freeman**

MB ChB FRCB FESC FHEA  
*Norwich*

### **T E E Goodacre**

MB MS LRCP FRCS  
*Oxford*

### **R H Hammond**

MB ChB FRCS(Ed) FRCOG  
*Nottingham*

### **A I Handa**

MBBS FRCS FRCS(Ed)  
*Oxford*

### **S C Harvey**

MA (Law) BDS DDMFR RCR MFDS RCS  
*London*

### **N R Howes**

MBChB(Hons) MD FRCS (Gen)  
*Cheshire*

### **L R Hykin**

MBBS BSc MRCP FRCGP  
*Cornwall*

**A J Ireland**

PhD MSc BDS FDS MOrth RCS (Eng)  
*Bath*

**P R Kay**

MB ChB BA (Maths) FRCS(G) FRCS  
*Lancashire*

**N Lord**

MBChB FRCGP MEWI PGCert in GPED  
*Cheshire*

**K W Murphy**

MD FRCOG FRCPI DCH  
*London*

**N Ninis**

MBBS MSc MRCP MD (Res)  
*London*

**T J Norfolk**

BDS MFGDP LLM  
*Suffolk*

**C E Offiah**

BSc (Hons) MB ChB FRCS (Ed) FRCR  
*London*

**D Paviour**

PhD MBBS FRCP  
*London*

**R J S Webber**

MD FRCSEd(Urol)  
*Dunfermline*

**H S Sandhu**

MB ChB DRCOG MRCGP  
*Cheshire*

**S Shaunak**

OBE MD PhD FRCP FRCPath  
*Hertfordshire*

**K G Smith**

BDS FDSRCS PhD  
*Sheffield*

**L Turner-Stokes**

MA MB BS DM FRCP ARCM  
*Middlesex*

**S W Watkin**

BSc MB ChB MD FRCP(UK) FRCP(Edin)  
*Roxburghshire*

**A Whaley**

MA (Cantab) MB BS MRCP FRCA FFICM  
FCICM (Aust)  
*Bristol*

**P Whitfield**

BM PhD FRCS (Eng) FRCS (SN) FHEA  
FAcadMed  
*Plymouth*

**J S Wyatt**

FRCP FRCPCH  
*London*

**Resolution 8**

To appoint BDO LLP as auditor and to authorise the board of management to determine the remuneration of the auditor.

By order of the board of management

**N J Bowman**

Company secretary  
22 May 2024

**REGISTERED OFFICE**

One Canada Square  
London  
E14 5GS

## Notes

Every member is entitled to attend and vote, or may appoint a proxy who need not be a member of the MDU. The proxy form is enclosed with this annual report. To be effective it must be signed and deposited at the registered office not later than 2.00 pm on 15 September 2024.

Any corporate member can appoint a corporate representative who may exercise on its behalf all of its powers as a member.

### Board member elections

#### Resolution 2

##### Dr C Fryar

Dr Caroline Fryar is a former GP. She joined the MDU as a medico-legal adviser in 2006. Subsequently, Caroline obtained an LLM and an Executive MBA with distinction. She was appointed head of advisory services in 2014, and director of medical services in 2022. She became professional services director in April 2024.

##### Professor A Handa

Ashok Handa is Professor of Vascular Surgery at Oxford University and Honorary Consultant Vascular Surgeon. He is Director of the Collaborating Centre for values-based practice in Health and Social Care based at St Catherine's College, Oxford. He has over 200 publications in vascular surgery, surgical education, patient safety, values-based practice, shared decision making and consent.

He is the Principal Investigator of the OxAAA and OxPVD studies in vascular surgery and is Co-PI of the Oxford University Global Surgery Research Group..

##### Dr H Sandhu

Dr Harjinder Sandhu graduated from Liverpool Medical School in 1989 and completed vocational training in 1995. GP Senior Partner at Tower House Practice in Runcorn. Also a GP appraiser and GP trainer. Chair of the cases committee at the MDU, Harjinder is also a member of council, assists on the case management committee and regularly on the Risk Advisory Group.

### Board member re-elections

#### Resolution 3

##### Ms C Aghadiuno

Ms Chika Aghadiuno is Chief Risk Officer at Munich Re Specialty – Group Markets. She sits on the executive committee and board. Prior to joining Munich Re in 2023, Chika had a long-standing career at Aviva plc, most recently as Group Enterprise Risk Director. A qualified actuary, Chika is a member of the Group audit and risk committee for UK Sport.

#### Resolution 4

##### Mr K Miller

Mr Kevin Miller joined the MDU as operations director in January 2018 and was appointed to the boards of the MDU, MDU Services Limited, and MDU Investments Limited in 2021. His previous experience includes COO at a number of insurance companies, a non-executive director in Insurtech, and consultancy, having

started his career at EY. Mr Miller is a chartered management accountant and qualified executive coach.

### Resolution 5

##### Dr S Watkin

Dr. Simon Watkin is MDU chairman. He was a Consultant in Respiratory and General Medicine in Norwich from 1994-2008 and then in the Scottish Borders until 2020. He has held numerous key NHS management roles. From 2020-2022 he was Director of Quality for Liverpool Medical School. He was chairman of the cases committee of the MDU, is a member of the audit and risk committee, the risk advisory group, the remuneration committee and of the investments committee.

### Resolution 6

##### Mr A Wright

Mr Anthony R Wright BA DPhil FIA has been MDU chief financial officer since 2018, and was previously MDU company actuary. He started his financial career in actuarial consultancy, and subsequently worked in the London insurance market. Prior to that he was a Junior Research Fellow in Physiology at the University of Oxford. He holds INSEAD's Certificate in Corporate Governance.

# The Medical Defence Union Limited

## Chairman of the board and president of council

### Dr S W Watkin

BSc(Hons) MB ChB MD FRCP(UK)  
FRCP(Edin)

## Vice-chairman of the board and vice-president of council

### Dr T J Norfolk

BDS MFGDP LLM

## Board of management

### Ms C Aghadiuno

BSc FIA

### Mr A Archibald

BA (Hons) MSc

### Ms S Beaumont

BA (Hons)

### Prof P I Clark

MA MD FRCP

### Dr C Fryar

MB ChB MRCP LLM MBA

### Prof A I Handa

MBBS FRCS FRCS(Ed)

### Dr L R Hykin

MBBS BSc MRCP FRCGP

### Dr M T Lee

BM MBA FRCP FFLLM MRCPCH

### Mr G S McAusland

BSc (Hons) FFA

### Mr K Miller

BSc (Hons) ACMA CGMA

### Mr J H Riley

BSc (Econ) CII

### Dr H S Sandhu

MB ChB DRCOG MRCP

### Mr E C J Wells

BA (Hons) Solicitor

### Mr A R Wright

BA DPhil FIA

## Company secretary

### Mr N J Bowman

BSc(Econ)(Hons) ACIS

## Council

### Prof K A V Cartwright

MA BM FRCP FRCPATH FFPH  
Gloucester

### Dr C A F Cassie

BDS LL.M MJDF  
Edinburgh

### Dr S A Chadwick

MBBS, DCH, DRCOG, MRCP, FRCGP  
Bristol

### Ms B Chana

Dip Dental Hygiene, Dip Dental Therapy  
London

### Mr A Chandrapal

BDS MFGDP(UK) DPDS  
MClinDent(Pros)  
London

### Prof P I Clark

MA MD FRCP  
Somerset

### Dr L J Freeman

MB ChB, FRCB, FESC, FHEA  
Norwich

### Mr T E E Goodacre

MB MS LRCP FRCS  
Oxford

### Mr R H Hammond

MB ChB FRCS(Ed) FRCOG  
Nottingham

### Prof A I Handa

MBBS FRCS FRCS(Ed)  
Oxford

### Dr S C Harvey

MA (Law) BDS DDMFR RCR MFDS RCS –  
London

### Dr N R Howes

MBChB(Hons) MD FRCS (Gen)  
Cheshire

**Dr L R Hykin**

MBBS BSc MRCP FRCGP  
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Bath

**Mr P R Kay**

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Lancashire

**N Lord**

MBChB FRCGP MEWI PGCert in GPED  
Cheshire

**Mr K W Murphy**

MD FRCOG FRCPI DCH  
London

**Dr N Ninis**

MBBS MSc MRCP MD(Res)  
London

**Dr T J Norfolk**

BDS MFGDP LLM  
Suffolk

**Dr C E Offiah**

BSc (Hons) MB ChB FRCS (Ed) FRCR  
London

**Dr D Parviour**

PhD MBBS FRCP  
London

**Mrs R J S Webber MD**

FRCSEd(Urol)  
Dunfermline

**Dr H S Sandhu**

MB ChB DRCOG MRCGP  
Cheshire

**Prof S Shaunak**

MD PhD FRCP FRCPath  
Hertfordshire

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Roxburghshire

**Dr A Whaley**

MA(Cantab) MB BS MRCP FRCA FFICM  
FCICM(Aust)  
Bristol

**Dr P Whitfield**

BM PhD FRCS (Eng) FRCS (SN) FHEA  
FAcadMEd  
Plymouth

**Prof J S Wyatt**

FRCP FRCPCH  
London

## The Dental Defence Union – the specialist dental division of the MDU

### Dental advisory committee

**Dr C A F Cassie**

BDS LLM MJDF  
Edinburgh

**Ms B Chana**

Dip Dental Hygiene Dip Dental Therapy  
London

**Mr A Chandrapal**

BDS MFGDP(UK) DPDS(Bris)  
MClinDent(Pros)  
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**Dr S C Harvey**

MA (Law) BDS DDMFR RCR MFDS RCS  
Kingston upon Thames

**Prof A J Ireland**

PhD MSc BDS FDS MOrth RCS(Eng)  
Bath

**Dr T J Norfolk**

BDS MFGDP LLM  
Suffolk

**Dr K G Smith**

BDS FDSRCS PhD  
Sheffield

**Auditor****BDO LLP**



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Plain English Campaign  
Committed to clearer communication

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