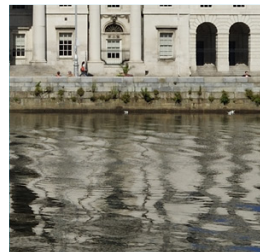
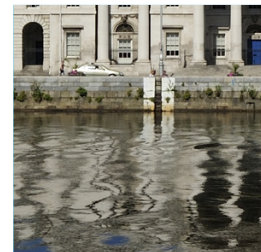
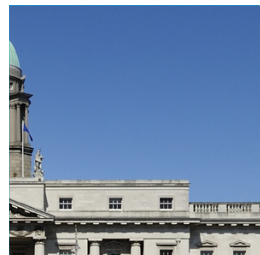
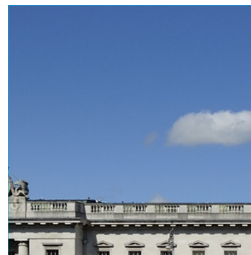
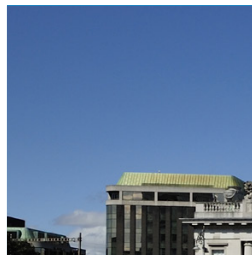
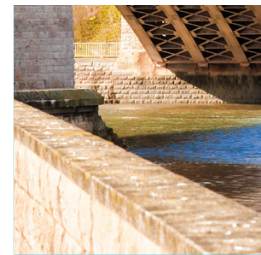
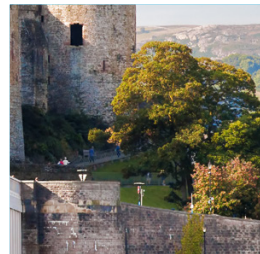
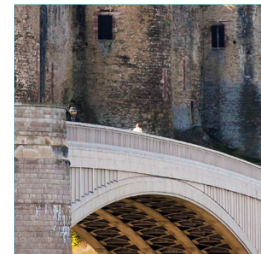
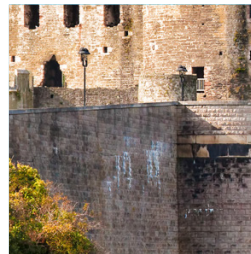
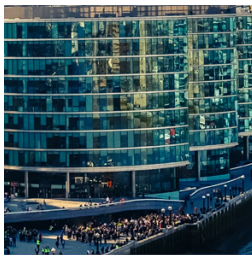


Annual Report and Financial Statements 2018



Annual Report and Financial Statements for the year ended 31 December 2018

Contents

	Page
The GPDF at a glance	2–3
Chair's Statement, including The GPDF at work	4–7
The GPDF Board	8
Company Information	9
Directors' Report	10–11
Independent Auditor's Report	12–14
Income and Expenditure Account	15
Balance Sheet	16
Notes to the Financial Statements	17–23



Company Registration No. 01508388 (England and Wales)
C/O Mazars, Tower Bridge House, St. Katharine's Way,
London E1W 1DD

The GPDF at a glance



Highlights

- Year of positive change as the GPDF transforms into an LMC-led organisation
- Clarified the GPDF purpose and improving communications with LMCs
- Progress with BMA relationship, but more to do
- Extensive research and engagement exercise with LMCs, now acting on those views
- The GPDF becoming more transparent, accountable, delivering better value for money, doing more to support LMCs
- Delivering more support through new digital resource at www.gpdf.org.uk; enhanced guidelines & library material, new LMC Development Grant in 2019.



Finance snapshot

- Accumulated fund down at £15.3m (15.9m: 2018)
- The GPDF agreed to make a Grant amounting to £1,375,000 to the BMA for the medico-political year to 30 June 2019 to maintain status quo through transitional year
- 10% reduction in Quota for LMCs in 2019, down to 5.4p per capita value (6.0p:2018)
- Board working to make available some of the GPDF funds to LMCs by the end of 2019.

Why the GPDF exists

The GPDF exists to ensure representation, influence and support for Local Medical Committees (LMCs), GPs and general practice.

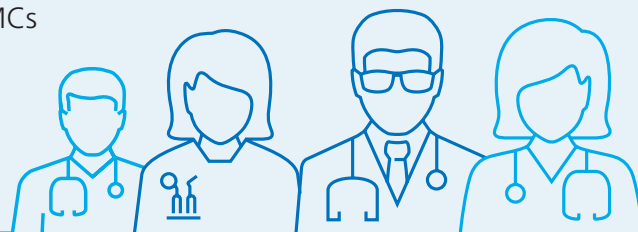


What we do

We achieve this by listening to and working with Local Medical Committees to:

- Strengthen the 'voice' of LMCs and GPs at a nationally representative level through funding for meeting attendance and funding for LMC Conferences
- Fund interventions in legal and other related matters that benefit LMCs and general practice with priority given to issues of 'national importance'
- Fund initiatives that support effective functioning of LMCs and general practice such as event sponsorship and the LMC Development Grant Scheme
- Engage in dialogue with LMCs, the General Practitioners Committee of the BMA, and others to share knowledge and learning, and to promote unity across the profession.

The GPDF will always seek to advance the views of LMCs with the aim of supporting and influencing on behalf of general practice. We will do this across all the organisations we engage with seeking to support the best interests of the profession.



How the GPDF is run

The GPDF is a Company limited by guarantee, consisting of members nominated from LMCs across Great Britain.

We are governed by a Board of Directors, the majority of whom are or have been GPs and elected by members (i.e. LMCs). A minority of Directors are appointed for their skills or experience in other sectors. (i.e. non-medical). Day to day management is provided by a Management Team, headed by the Executive Chair and supported by the Director of Operations and the Company Secretary.

Until 2018, the GPDF was very closely linked to the General Practitioners Committee of the BMA. This is no longer the case and the GPDF is completely independent in structure and responsibility from the GPC and BMA.

How the GPDF is funded

The GPDF funding structure is on a mutual basis across all GPs throughout Great Britain, based on a principle of shared investment for the common good. This payment is made on a 'per patient' basis, collected initially by the LMC, and then contributed on a 'quota' basis to the GPDF, based on the reported patient population for their area, which they confirm to the GPDF every three years. In this way, every GP and LMC contributes on the same basis for mutual benefit and the collective good of general practice.



Our origins

The GPDF (The General Practitioners Defence Fund) has its roots in the early 20th century when its predecessor organisation, initially called The Insurance Defence Fund was founded in 1911. The remit, structure, focus and name (variously General Medical Services Defence Trust and General Medical Services Defence Fund Ltd), has changed and evolved several times over the years but always with a common purpose to support the best interest of publicly funded general practitioners.

Chair's Statement

It has been another year of change for the GPDF as our transformation into an LMC-led organisation continues.

While it has been a period of ongoing, significant challenge, we have made positive progress on a number of fronts and we are now better placed to accelerate that transformation as we build on the extensive programme of research and engagement work that we undertook throughout 2018.

Your feedback confirmed to us that the Board needs to commit to being more transparent and accountable, to deliver better value for money and to support LMCs in a range of activities – and we are acting to make serious improvements in all these areas.

Progress with the BMA relationship

Eighteen months ago, the then members of the GPDF voted to limit future membership of the Company to LMC Nominees and, at that time, we settled historic debts of close to £1.5 million, owed to us by the BMA.

At the insistence of the BMA, that final settlement involved the BMA taking back sole responsibility for the GPC (UK), which is a BMA committee, and its national committees in England, Scotland and Wales, including payments of honoraria and expenses.

In recognition of the additional burden on the GP members of GPC, the GPDF agreed to make a Grant amounting to £1,375,000 to the BMA for the medico-political year to 30 June 2019.

This was made in order to ensure that the status quo was maintained during the 2018/2019 session, and that GPC members and the members of the Management Teams did not suffer financially, all as set out in the Deed of Grant.

Nevertheless, we recognise that there have been concerns about the clarity and transparency of the agreement that the GPDF and the BMA reached, with members of GPC UK and its national committees in England, Scotland and Wales worried about being properly remunerated.

After the UK Conference in Belfast and in the spirit of transparency the GPDF provided further extensive information to all LMCs on the details of that Deed of Grant, confirming the relevant roles and responsibilities of the GPDF and the BMA going forward. We also corrected several inaccuracies voiced in speeches at Conference.

We have started discussions with the BMA in order to deliver a medium-term agreement that ought to provide our branch of practice's political representatives with the reassurance and certainty they need. Our hope is that the pace of progress will increase following a period of multiple personnel changes at the BMA that has slowed matters over the last several months.

Listening to your views

As many of you will know, we carried out extensive research, both quantitative and qualitative, backed up by three workshops in the autumn of last year and which was led by an independent insight specialist, James Law Research Associates.

The results of this research have given us new impetus to ensure that the GPDF engages directly with LMCs in order to listen to their views.

Movement on the Quota and Reserves

We listened to your concerns regarding the level of the voluntary levy, or quota as we'll refer to it going forwards.

The GPDF Board has set a challenging budget for this year, bearing down on various costs, with the result that we have delivered a 10% reduction in the per capita value for 2019, down from 6 pence to 5.4 pence.

Furthermore, the Board is keen to make funds available to LMCs to use at their discretion, and we are actively working on the best way to achieve that before the end of this year.

Concerns have been expressed to me regarding the level of the fund that the GPDF has accumulated over many years, much of it by careful management of the Company's investments. As we all know, the value of investments does fluctuate, and Brexit concerns remain front and centre. Consequently, as far as the level of the fund is concerned, the Board needs to strike a responsible and appropriate balance between understanding and responding to the pressures that LMCs face, whilst retaining our 'firepower' to act on your behalf as needed.

Further support for LMCs

Better support for LMCs is critical to what we do.

With that in mind, you have seen that we launched the GPDF's new website at www.gpdf.org.uk.

Following that successful first step in developing the GPDF's digital presence, we have since added various forms of library material including the guidance notes on topics such as GDPR, E-Signatures, Fixed Rate Loans and Interest Swaps as well as the updates to the GMS, PMS and SFE Regulations.

We also have heard the desire for the GPDF to provide support to assist in the development and increase the effectiveness of LMCs. We fully understand that you do not want us to interfere with your day-to-day operations and your relationship with the practices and GPs in your region.

Nevertheless, there are areas where some help from the GPDF can contribute to the value that many LMCs provide to their GPs, enabling the promotion of collaboration between LMCs and the sharing of good practice.

With that in mind we launched a new LMC Development Grant Scheme to fund 'projects' over and above what should be considered 'normal LMC activity'. The scheme will not fund recurring expenditure, nor will we subsidise any LMC that could, and should, have a higher local levy. Further details of the new Grant Scheme feature in our case study on page 7.



"While we have made great progress, there is still much to be done to drive forward our programme of transformation...continuing to strengthen engagement with all LMCs – as the GPDF is now your organisation."

Clearer purpose, better communications

LMCs want the GPDF to improve the quality of communications and our transparency as an organisation. We have heard you.

We have set ourselves the challenge of making sure our processes are transparent and our communications to you are clear, direct and unambiguous. For example, we have updated and clarified the criteria and process for securing funding for legal support, which you will now find on our website, clearly and straightforwardly laid out.

In the last year, we introduced a simple, the GPDF's new logo that emphasises our

corporate purpose and commitment to **Listen, to Support and to Influence** – all in the best interests of LMCs, GPs and General Practice.

You have confirmed that Annual Conferences are an important feature of the medico-political year. The GPDF supported the LMC UK Conference in Belfast, displaying a significantly more visible presence and appropriate branding throughout. This approach will continue at all LMC Conferences, including any conference where we are joint-sponsors.

Immediately after the LMC UK Conference, we launched 'Communique' our first newsletter aimed at keeping LMCs up to date with the wide array of activities that we support. This simple, yet direct way of communicating throughout the year will be a regular feature.

We will continue to build on our process of engagement with all LMCs so that the GPDF becomes more closely aligned to your needs. This will include further research and LMC workshops during the remainder of 2019.

Governance update

Aside from our two non-medically qualified Directors, Julia Densem and Vicky Wright, who are the appointed Directors with particular relevant skills and experience, the Directors are nominees of their respective LMCs.

The GPDF's current Board has made a strong commitment to the evolution of Board membership to ensure a more diverse mix of individuals and adjust from the current balance. The elected Board members are drawn from LMC Nominees, and for the Board to reflect greater diversity it requires LMCs to put forward Nominees who are willing to stand for election to the Board and who can help bring about this desire to modernise.

Although there are no elections this year, the Board welcomes a diverse range of applicants to stand for future election to ensure an appropriate mix of gender, gender identity or expression, sexual orientation, national origin, genetics, disability, age, race, and religion. Careful consideration will also be given to the background and experience of those Directors appointed to the Board specifically for their non-medical skills and experience.

Future change

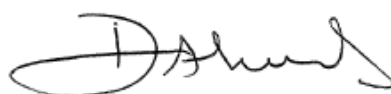
While we have made great progress, there is still much to be done to drive forward our programme of transformation. That includes building on the research results that we have received and continuing to strengthen engagement with all LMCs – as the GPDF is now your organisation.

For example, LMCs have confirmed that National Representation is important. We wanted to be clear as to what you meant when referring to National Representation and so we distributed a short electronic questionnaire designed to explore this topic, and we are grateful for your views.

The real value of this exercise has been to provide a key plank of information in our ongoing discussions with the BMA, as we work to reach a sensible, future agreement with them.

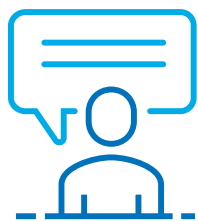
On that note and to illustrate how our organisations are working together, the GPDF co-sponsored two major events with the BMA - a Conference for new PCN Clinical Directors held in BMA House and two Masterclasses also for Clinical Directors. In a separate initiative, the GPDF has funded the preparation of a series of Advice Notes and template Schedules for English LMCs in relation to PCNs, enabling them to provide consistent guidance to local GPs.

Finally, I am grateful to my fellow Directors and management team for their support over what has been a very challenging year of change, and above all, my thanks to you, our LMC members and their GPs, for your continuing help, support and contributions.



Dr Douglas A Moederle-Lumb
Chair, General Practitioners Defence Fund

The GPDF at work



Case study One: Supporting LMCs to explain 2019 GP contract

In order to support English LMCs in explaining the 2019 GP Contractual changes to their general practitioners at a local level, the GPDF set up a simple sponsorship programme.

The programme was open to all English LMCs.

It allowed them to apply for £1,000 of sponsorship support from the GPDF that could be used to reimburse LMC costs for any local roadshows regarding the changes to the GP Contract.

The only requirements were a recognition of the GPDF's sponsorship on any written or visual material used in promoting the events, in either a paper or digital format.

This was a positive and straightforward way to provide support to a wide range of LMCs, who took up the sponsorship opportunity across the country.

The GPDF was delighted to receive positive feedback for this initiative, helping LMCs to explain the significant changes in the GP Contract to a wide range of local GP practices.



Case study Two: Helping to understand PCNs

The introduction of Primary Care Networks in England has been a substantial and significant change.

In order to offer tangible support, the GPDF has funded the preparation of a series of Advice Notes and template Schedules for LMCs in relation to PCNs, enabling them to provide consistent guidance to their local GPs.

These Advice Notes have been circulated via the database held by the GPDF and are now available within the 'Library' section of the GPDF website.

We were delighted to have received a positive response from LMCs in relation to this initiative.

The GPDF also decided to co-sponsor two events with the BMA. This included a conference for new PCN Clinical Directors held in BMA House and two Masterclasses also for Clinical Directors, both held in June 2019.

The GPDF's contribution towards the cost of these events has ensured that the BMA could offer them 'free of charge' to Clinical Directors removing a cost barrier which could have resulted in some being unable to attend.



Case study Three: New LMC Development Grant Scheme

The GPDF launched a new LMC Development Grant Scheme in March.

The scheme focusses on providing grants rather than loans to LMCs. The areas that are eligible for a Grant include:

- Issues of 'widespread' importance or benefit to LMCs where the results, outcomes, findings or experiences are transferable across a number of LMCs;
- Developmental activity across a group or consortium of LMCs. (This could be a regional grouping or across multiple regional LMCs);
- Activity, which when replicated across several LMCs, could increase efficiency or innovation;
- Activity to foster collaboration between LMCs, to strengthen the LMC sector generally;
- Projects over and above the normal business activity undertaken by LMCs.

There will be two opportunities to apply for funding in any 12-month period – in July (for award in October) and then in January of the following year (for award in March).

The GPDF Board



1 Dr Douglas (Doug) A Moederle-Lumb
Executive Chair, Nominee for North Yorkshire

2 Julia Densem
Director – Non-Medical

3 Dr Colin Kelman
Director – Nominee for Salford and Trafford

4 Dr Gurmit Mahay
Director – Nominee for Wolverhampton

5 Dr Keith McIntyre
Director – Nominee for Lanarkshire

6 Dr Robert Morley
Director – Nominee for Birmingham

7 Dr Ashok Rayani
Director – Nominee for Morgannwg

8 Dr Paul Roblin
Director – Nominee for Oxfordshire

9 Vicky Wright
Director – Non-Medical

Management Team (not members of the Board)

10 Dr John Canning
Director of Operations

11 Hugh Christie
Company Secretary

Company Information

GENERAL PRACTITIONERS DEFENCE FUND LIMITED

Directors

J Densem
R L Morley
V Wright
D Moederle-Lumb
K McIntyre
A Rayani
P Roblin
C Kelman
G Mahay

Secretary

J H Christie

Company number

01508388 (England and Wales)

Registered office

C/O Mazars
Tower Bridge House
St. Katharine's Way
London
E1W 1DD

Auditors

Goodman Jones LLP
29–30 Fitzroy Square
London
W1T 6LQ

Directors' Report

For the year ended 31 December 2018

The Directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The Company acts to protect the interests of general medical practitioners rendering services in the United Kingdom under the National Health Service and will continue to do so in the foreseeable future. The members of the Company are the nominees of Local Medical Committees.

The results of the Company show a deficit after taxation of £638,651 (2017: surplus of £1,931,564). The closing balance on the accumulated fund now stands at £15,297,311 (2017: £15,935,962), of which £14,626,236 (2017: £14,292,028) represents fixed asset investments held at fair value and which have a related deferred tax liability on them of approximately £471,143 (2017: £708,216).

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Densem	
R L Morley	
V Wright	
P Holden	(Resigned 1 December 2018)
A McDevitt	(Resigned 12 February 2018)
D Moederle-Lumb	
K McIntyre	
A Rayani	
P Roblin	
R Vautrey	(Resigned 12 February 2018)
C Kelman	(Appointed 14 September 2018)
G Mahay	(Appointed 14 September 2018)

Principal risk and uncertainties

Risks are monitored by the board of Directors and appropriate processes are put in place to monitor and mitigate them.

The Company's portfolio of investments is subject to some valuation risk as a result of volatility in share prices.

The Directors are confident that the Company has sufficient resources to meet its future obligations.

Auditors

A resolution to re-appoint Goodman Jones LLP as auditors of the Company will be proposed at the next annual general meeting.

Directors' Report

For the year ended 31 December 2018

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the surplus or deficit of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the board

Signed by J H Christie on 6 June 2019

J H Christie
Secretary

Independent Auditor's Report

To the members of General Practitioners Defence Fund Limited

Opinion

We have audited the financial statements of General Practitioners Defence Fund Limited (the 'Company') for the year ended 31 December 2018 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the members of General Practitioners Defence Fund Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Directors

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

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

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.

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

Independent Auditor's Report

To the members of General Practitioners Defence Fund Limited

Use of our report

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

Signed by Graeme Bursack on 6 June 2019

Graeme Bursack

**Senior Statutory Auditor
for and on behalf of Goodman Jones LLP**

Chartered Accountants

Statutory Auditor

29–30 Fitzroy Square
London
W1T 6LQ

Income and Expenditure Account

For the year ended 31 December 2018

Income	Notes	2018 £	2017 £
Voluntary levy contributions		3,691,858	3,798,143
Listed investment income		321,883	298,471
Interest on short term deposits		1,950	1,027
Bank interest and other interest received		6,479	–
Other revenue		9,159	–
BMA contributions	4	300,000	1,393,263
		4,331,329	5,490,904
Less expenditure			
Conferences and annual report to representatives of LMCs		333,945	623,921
Committee fares and subsistence		433,200	716,464
Honoraria paid to committee members		1,596,287	2,273,519
Staff costs		217,210	369,392
Bank and finance charges		19,861	74,888
Research and communications with LMCs		285,250	24,662
Restructuring		537,724	269,962
Administration expenses		256,156	253,760
Audit fee		33,000	31,000
Electoral Reform Society		–	14,242
Donation to the Cameron Fund		5,000	–
Grant to the BMA		687,500	–
		4,405,133	4,651,810
Surplus/(Deficit) before net investment gains, investment provisions and exceptional items		(73,804)	839,094
Realised gains on financial instruments held at Fair Value		93,370	565,449
Change in year to year value of financial instruments		(1,094,292)	952,021
Surplus/(Deficit) before taxation		(1,074,726)	2,356,564
Taxation – prior years		161,075	–
- current year	5	–	(255,000)
- deferred tax provision (charged)/released		275,000	(170,000)
Surplus/(Deficit) for the year		(638,651)	1,931,564

Balance Sheet

As at 31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Investments	6		14,626,236		14,292,028
Current assets					
Debtors	7	1,083,141		1,943,324	
Cash at bank and in hand		1,488,106		1,632,099	
		2,571,247		3,575,423	
Creditors: amounts falling due within one year	8	(1,500,172)		(1,256,489)	
Net current assets			1,071,075		2,318,934
Total assets less current liabilities			15,697,311		16,610,962
Provisions for liabilities	9		(400,000)		(675,000)
Net assets			15,297,311		15,935,962
Members' funds					
Income and expenditure account			15,297,311		15,935,962

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of Directors and authorised for issue on 6 June 2019 and are signed on its behalf by:

Douglas Moederle-Lumb
Director

Company Registration No. 01508388

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

Company information

General Practitioners Defence Fund Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is C/O Mazars, Tower Bridge House, St. Katharine's Way, London, E1W 1DD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out within these notes.

1.2 Going concern

The attached financial statements have been prepared on the going concern basis which the Directors consider is appropriate based on LMCs continuing to support the Company financially and meet the annual voluntary levy demanded of them.

1.3 Income and expenditure

Voluntary levy contributions, net of provisions, are taken to income in the year to which they relate. Amounts received by the balance sheet date in respect of future years are deferred. Investment income, interest received and other income are included in the financial statements on an accruals basis.

Expenses are included in the financial statements as they become due and include VAT where applicable as the Company cannot reclaim it.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income and expenditure account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities are recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Taxation

Current tax is the tax payable (or repayable) on taxable income (or deficit) arising in the period. Taxable income differs from the income reported in the income and expenditure account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income and expenditure account, except when it relates to items charged or credited directly to the members' funds, in which case the deferred tax is also dealt

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

with in the members' funds. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.8 Companies Act 2006

Due to the special nature of its operations the Directors are of the opinion that the formats of the income and expenditure account prescribed by the Act are not relevant to the Company.

2 Operating (deficit)/surplus

Operating (deficit)/surplus for the year is stated after charging:

Fees payable to the Company's auditor for the audit of the Company's financial statements:

2018 £	2017 £
33,000	31,000

3 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was 14 (2017–19).

Amounts paid during 2018 to Directors of the Company who served during the year are listed in note 14.

4 Financial arrangements with the British Medical Association ("BMA")

The Company initially entered into an agreement with the BMA in 2011 for the latter to make an annual contribution for honoraria and other costs, including the cost of conferences and meetings of various sub-committees, sustained by the Company which the BMA ordinarily incurred on behalf of its other Branches of Practice.

Renegotiation of that agreement was concluded in January 2018, and thereafter the BMA settled its historical liability of £1,393,263 covering various accounting periods ended 31 December 2017; in 2018, in accordance with the amended agreement, the BMA paid a contribution of £300,000 for the six months ended 30 June 2018. Under the terms of the January 2018 Agreement, with effect from 1 July 2018 most of the activity previously funded by the GPDF became the sole responsibility of the BMA although it was agreed that the Company would continue to fund most of the cost of conferences with the BMA's contribution limited to assisting with their organisation; the BMA is solely responsible for funding the costs of their committee members attending conferences.

In January 2019, the GPDF and the BMA concluded negotiations concerning financial arrangements payable by the GPDF to the BMA (the Grant) for a transitional period ending 30 June 2019. The purpose of the Grant of £1,375,000 is to top up honoraria payments,

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

but not locum fees or expenses, to members of the General Practitioners Committees of the BMA entitled to claim honoraria for attendance or work on behalf of the BMA, and remuneration to the ten Executive Team members during the transitional period. On 1 July 2018, these ten employees were transferred to the BMA in accordance with the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006, although the BMA has disputed that TUPE applied.

Subsequently, the GPDF and the BMA resumed negotiations with the view to extending payment of a Grant for a further period of time.

5 Taxation

The Company has tax losses of £nil (2017: £nil) available to be carried forward against future taxable income.

6 Fixed asset investments

	2018 £	2017 £
Investments	14,626,236	14,292,028

The value of investments is determined by reference to market value and any gain or loss on the movement is taken to the income and expenditure account.

	Investments other than loans £
Cost or valuation	
At 1 January 2018	14,292,028
Additions	4,634,639
Valuation changes	(877,784)
Disposals	(3,422,647)
At 31 December 2018	14,626,236
Historic Cost	
At 31 December 2018	10,934,270
At 31 December 2017	9,501,795

The Company owns two issued ordinary shares of £1 each in GPDF Limited (formerly Factorasset Ltd), a dormant Company registered in England & Wales with a nominal share capital of £1,000; the Company remains dormant.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

7 Debtors

Amounts falling due within one year:

	2018 £	2017 £
Levies due from LMCs	920,881	1,216,925
Corporation tax recoverable	150,000	–
Sums due from the BMA	–	695,000
Other debtors, prepayments and accrued income	12,260	31,399
	1,083,141	1,943,324

8 Creditors

Amounts falling due within one year

	2018 £	2017 £
Trade creditors	206,575	77,897
Corporation tax	–	255,000
Other creditors	55,939	136,434
Accruals and deferred income	1,237,658	787,158
	1,500,172	1,256,489

9 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	(1,530)	(1,866)
Investment revaluations	471,143	708,216
Other short term timing differences	(69,613)	(31,350)
	400,000	675,000

Movements in the year:

	2018 £
Liability at 1 January 2018	675,000
Credit to profit and loss	(275,000)
Liability at 31 December 2018	400,000

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

10 Members' liability

The Company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the Company on winding up such amounts as may be required not exceeding £1.

The Company's reserves are non-distributable because, as set out in its Memorandum of Association, the income and property of the Company is to be applied solely towards the promotion of its objects, and the Company may not pay or transfer, directly or indirectly, any dividend or bonus.

In the event of the Company being dissolved or wound up its Memorandum of Association requires any remaining assets to be distributed to other bodies with purposes similar to its own. They may not be paid or distributed to the Company's members at the time.

11 Operating lease commitments

At the reporting date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
21,266	–

12 Related party transactions

There were no transactions with related parties during the year which require to be disclosed (2017: none).

13 Ultimate controlling party

In January 2018, a Special Resolution was passed so that from 28 June 2018 any members of the Company that were members by virtue of being a voting member of the GPC ceased to be members of the Company. Membership of the Company is limited to nominees of LMCs, with each LMC entitled to nominate one natural person as a member of the Company at any one time. There is no ultimate controlling party.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

14 Payments to Directors who served during the year

Directors		Honoraria £	Locum Fees £	Expenses £	2018 Total £	2017 Total £
Beck	G	–	–	–	–	6,300
Densem	J	19,333	–	894	20,227	19,000
Holden	P	18,638	–	11,813	30,451	23,735
Kay	S	–	–	–	–	10,928
Kelman	C	3,964	–	2,258	6,222	–
Mahay	G	2,646	–	1,797	4,443	–
McDevitt	A	17,698	460	2,095	20,254	113,409
McIntyre	K	7,350	–	2,447	9,797	1,978
Moederle-Lumb	D	97,066	–	25,195	122,261	21,215
Morley	R	19,950	–	6,977	26,927	32,844
Nagpaul	C	–	–	295	295	92,481
Rayani	A	6,038	–	1,559	7,596	1,493
Roblin	P	12,542	–	385	12,927	2,143
Vautrey	R	30,508	–	3,303	33,811	87,737
Wright	V	19,500	–	301	19,801	19,801

Honoraria include amounts payable under contract as well as any amounts paid during the year to individuals who ceased to act as a member of a negotiating team. National Insurance Contributions payable by the Company are not aggregated with the amounts disclosed.

Amounts disclosed as Expenses represent the direct reimbursement of costs (principally travel, subsistence and accommodation) incurred by an individual whilst travelling on business on behalf of the GPC or the Company.

