

Annual Report and Financial Statements 2020



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This report has been produced electronically and you can click on the headings in the contents list above to navigate directly to the sections of particular interest – you do not need to scroll through every page. We recommend that you read the entire report in order to gain a fuller understanding of the organisation and its recent activity.

Members of the Company are invited to attend the AGM at 11am on Friday 10 September 2021, which will be held remotely. The notice calling the AGM will be sent in early August. It would be particularly helpful if questions are submitted in advance to the Company at mail@gpdf.org.uk by no later than 28 August 2021 to allow for a response to be provided at the meeting.

Strategic Report

Highlights of 2020

- › Progress in response to LMC priorities
- › Reduction in the level of Quota payment, including a further reduction to assist LMCs with Covid related issues
- › The number of non-contributing LMCs has reduced
- › 3 year funding agreement with the BMA
- › Revised Articles of Association
- › Improved Governance with Independent Remuneration and Investment Committees set up
- › Two new Independent Directors appointed
- › Subsidiary company 'LMC Support Limited' established

Financial Highlights

- › A grant with a total value of £3.7M over 3 years agreed with the BMA
- › The level of Quota reduced to 3 pence per patient, (now half of what it was 4 years ago)
- › Accumulated Funds have been used to enable reductions in Quota
- › Return on Investments improved following initial challenges related to the pandemic
- › Expenditure reduced by £1.3 M including; Research and Communication down over £240,000, Restructuring & Legal costs down almost £200,000, Administrative expenses down over £100,000

Update on 2021 activity

- › Some of the challenges facing LMCs and general practice have been highlighted with a project commissioned to obtain greater understanding of the future
- › A series of discussion sessions 'A conversation with GPDF' has been held with LMCs
- › The first project funded by LMC Support Limited is being developed
- › There will be elections to the GPDF Board in September
- › The Annual Conference of LMCs passed several motions requiring funding by GPDF. These are currently being explored and where appropriate discussed with the BMA

GPDF Strategy

The GPDF's principal aim is to support and promote the interests of LMCs and GPs throughout the UK. Over the next three years, the GPDF plans to

- › commission a thorough review of current representative structures to determine options to strengthen the relationship between GPs, LMCs, the BMA and its GPCs, and the GPDF. In doing so the GPDF will consult with LMCs, the BMA and its national committees in England, Scotland and Wales and other stakeholders, including GPs themselves;
- › strengthen the "voice" of LMCs and general practice by continuing to support GPs involved with the GPCs and continue to fund the annual LMC conferences;
- › support the ongoing development of LMCs and promote collaborative activities that results in benefit across multiple LMCs, and regions of the UK;
- › strive to harness the leadership within LMCs to promote the valuable contribution LMCs can make within the evolving NHS architecture;
- › support legal interventions which have national significance for LMCs and general practice; and,
- › continue to assess its people requirements and engage with members on future priorities.

The GPDF is committed to operating in an open and transparent manner by providing regular communication to LMCs on its activities.

Governance Brief overview of the GPDF

Why the GPDF exists

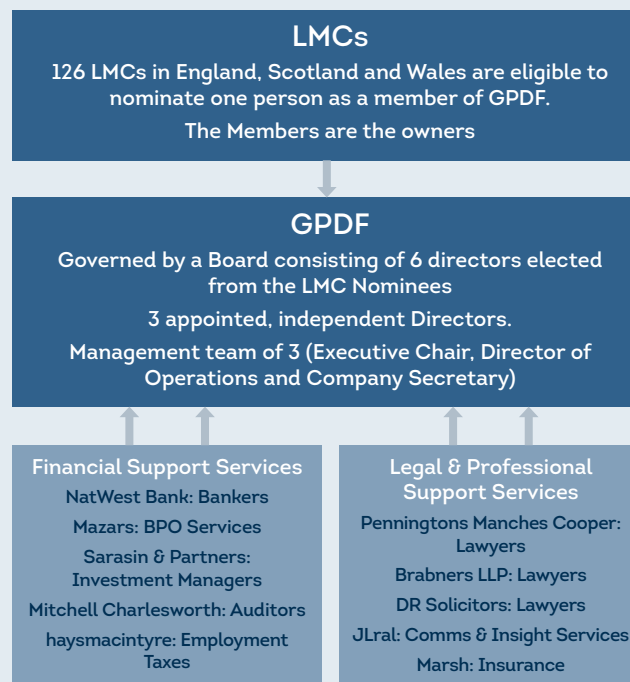
The GPDF exists to ensure national representation, influence and support for Local Medical Committees (LMCs), GPs and general practice.

What we do

We listen to and work with LMCs to: – Strengthen the ‘voice’ of LMCs and GPs at a nationally representative level through funding for meeting attendance and funding for LMC Conferences. We fund interventions in legal and other related matters that benefit LMCs and general practice with priority given to issues of ‘national importance’. We fund initiatives that support effective functioning of LMCs and general practice including event sponsorship. We engage in dialogue with LMCs, the General Practitioners Committee (GPC) of the BMA, and others to share knowledge and learning, and to promote unity across the profession. The GPDF will continue to advance the views of LMCs with the aim of supporting and influencing others on behalf of general practice. We will do this across all the organisations we engage with thereby supporting the best interests of the profession.

How the GPDF is managed

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 who are elected by their fellow Members (the Nominees of LMCs). A minority of Directors are appointed for their skills or experience in other sectors. Day to day management is provided by a Management team, headed by the Executive Chair, supported by the Director of Operations and the Company Secretary.



How the GPDF is funded

The GPDF funding is based on a calendar year and is on a mutual basis with voluntary contributions from 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 remitted on a ‘quota’ basis to the GPDF, based on the reported patient population for each LMC, which the GPDF seeks to confirm every three years. In this way, every GP and LMC contributes on the same basis for the mutual benefit and the collective good of general practice.

Our origins

The GPDF (formerly the General Practitioners Defence Fund Ltd) 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 have changed and evolved several times over the years but always with a common purpose which is to support the best interests of publicly funded general practitioners.

The GPDF’s Strategic aim

The GPDF’s principal aim is to support and promote the interests of LMCs and GPs.

This will evolve over the coming years as the GPDF continues to consult with LMCs, the BMA (and the latter’s national committees in England, Scotland and Wales), and with other professional bodies, whilst recognising the changing policies of Governments and NHS in each of the devolved administrations.

In the meantime, the GPDF will strengthen the “voice” of both LMCs and general practice by continuing to support GPs involved with the GPCs, and, for the foreseeable future, continuing to fund the several annual LMC conferences. Furthermore, the GPDF will support legal interventions which have national significance to general practice, and where no other organisations have primary responsibility to fund the action. The Company will promote collaborative activity that results in benefit across multiple LMCs. The GPDF is committed to operating in an open and transparent manner by providing regular communication to LMCs on its activities.

Subject to the potentially negative consequences of COVID-19 and the reorganisation of the NHS principally in England, the intention over the medium term, is to limit significant fluctuations in the annual quota payable by LMCs.

Chair's Statement

As we entered 2020 few would have predicted the impact the Covid-19 pandemic would have on all of our lives, and particularly on our Health Service. We have all had to navigate our way through challenges which would have been unimaginable in 2019.

I should like to put on record the Board's thanks for the incredible contribution which General Practitioners and the entire health service community has made in assisting the country during this most difficult of times.

Another year of progress

I am pleased to report another year of progress by GPDF as we continue to evolve with our focus clearly on supporting LMCs, GPs and the whole of general practice.



Continued reductions to level of quota payment

We started 2020 with the quota set at 4 pence per registered patient. However, in recognition of the challenges faced by the impact of COVID-19 we reduced the level still further to 3 pence per patient. Combined with the return of around £1m to LMCs in late 2019 we have very clearly responded to the comments and criticism made previously regarding the level of quota payment and it now stands at around half of what it was four years ago.

3-year funding agreement with the BMA

During 2020 the GPDF and the BMA committed to working together to seek a longer-term funding agreement for the proper representation of general practitioners. In October 2020, we agreed a deal that will provide funding for GPC UK for a 3-year period to June 2023. The deal will provide the BMA with additional funding towards the representational work of the GPCs with enhanced daily payments to the elected members, thereby supporting national negotiation and ongoing support to LMCs in the form of guidance and advice by the BMA.

Revised Articles of Association

The GPDF's Articles of Association were revised during 2020 and more than 75% of the members voted to adopt them. The key adjustments included:

- › The ability to suspend nominees
- › Reducing the number of Directors from 11 to 10
- › Ensuring avoidance of possible conflicts of interest with GPC (or similar bodies)
- › Facilitating attendance at more than one location for General Meetings
- › Amending the name to 'GPDF Limited'
- › Rewriting the Articles in Plain English to make them easier to navigate and read

Governance

Independent Remuneration Committee

In the interests of transparency and accountability, in the summer of 2020 we established a Remuneration Committee chaired by Joel Griffin who is supported by Simon Barrett the CEO of the Humberside Group of LMCs and David Humphreys, the Chair of Wigan LMC. None of the Directors of the Company sits on the committee which has responsibility for recommending to the Board the levels of remuneration for Directors and management.

I should like to express my thanks to everyone who took part in the confidential benchmarking project undertaken by this committee which related to levels of remuneration within LMCs.

Investment Committee

Later in 2020 we established the Investment Committee which is chaired by Jane Tozer with Bill Butler and Gurmit Mahay as members.

The Committee's primary function is to oversee the Company's investment portfolio on behalf of the Board. Later in this report you will find further information about this Committee and a description of the GPDF's ethical investment policy as well as the portfolio manager's investment review for 2020.

Audit Committee

To assist the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of internal control, in 2021 we established the Audit Committee, chaired by Bill Butler with Keith McIntyre and Ashok Rayani as members.

Chair's Statement Continued

Appointment and election of Directors in 2020

We were delighted to welcome Jane Tozer as the Senior Independent Director, and Bill Butler, another independent Director to our Board in 2020 and I can confirm that they have brought a wealth of experience and knowledge to our meetings. In addition, existing Directors Dr Keith McIntyre (Scotland, and Nominee for Lanarkshire LMC), Dr Ashok Rayani (Wales, and Nominee for Morgannwg LMC), and Dr Paul Roblin (England, and Nominee for Oxfordshire LMC) were re-elected unopposed at the AGM in September 2020.

Covid-19 legal guidance (email advice line)

In response to the many legal questions raised in the early stages of the pandemic, an arrangement was made with Penningtons Manches Cooper LLP to set up an 'email advice line'. This provided the opportunity for LMCs to ask questions regarding commercial, contractual and employment issues arising as a result of the pandemic.

LMC Support Limited

LMC Support Limited, a wholly owned subsidiary company, was formed in late 2020 to take forward LMC-led initiatives, such as the project now currently underway led by Peter Higgins (Lancashire & Cumbria LMCs) and Michael Wright (Nottinghamshire LMC).

Over time, it is hoped that other initiatives will be developed for the benefit of LMCs and the GP profession. We all need to be seen to celebrate the achievements of LMCs and the contributions they make on behalf of all their constituent GPs and practices.

The collective need for contribution by all LMCs

During 2020, our dialogue continued with the very small number of LMCs that chose not to contribute their share of the annual quota to the common fund managed by the GPDF. We sought to respond to their concerns and comments, and I am pleased to report that we were successful in further reducing this number.

We remain keen to see every LMC contribute its share of the quota for the mutual benefit of all, but by the Spring of 2021 the Board of the GPDF was left with no alternative but to suspend the membership of the nominee of Manchester LMC and the nominee of Rochdale and Bury LMC in accordance with Article 6.9. The written resolution to that effect and circulated to the members of the GPDF, received the support of the majority of members.

Having notified the two nominees of the result of the written resolution I have again written to their LMCs to suggest a meeting and I am hopeful that we can reach a successful outcome before long.

Some challenges for the future

While this annual report summarises our activity in 2020, it would be remiss of me not to take this opportunity to also look to the future.

Starting in March 2021 we undertook a series of informal online meetings 'A conversation with GPDF' to enable thoughts, views, priorities, and concerns to be discussed openly between representatives of LMCs and the Board and the management team of the GPDF. Each of these sessions was fully booked and was extremely valuable to us and my thanks to all who took part. We intend to offer similar meetings in the future to help the GPDF and LMCs understand each other better.

This is a continuation of a longer-term engagement which the GPDF is having with LMCs in part to consider our future purpose. Some may see the GPDF as simply a collection agent, with little need for a company or Board of Directors, such that LMCs could simply pay directly for representation, conferences, legal and other support. Personally, I believe we are more than a collection agent, and that we are protecting the role and independence of LMCs that support every GP in the UK.

I strongly believe that GPDF should become more visible and influential as a LMC/GP-centric think tank, achieved by commissioning and publishing position papers on far-reaching topics relevant to the profession. This will include, for example, scoping what the evolving NHS landscape means for general practice and the implications for LMCs, such as the critically important questions – "Will the contractor model of general practice survive?", "Is the future a fully salaried service?", "Will we have a model of general practice that encourages partnership at scale with fewer partners and mostly salaried GPs?", "Will LMCs be needed or viable?", "Is there an existential crisis or could this be a period of real opportunity?" We will be exploring these issues in the coming months and further thoughts are outlined on page 7.

Chair's Statement Continued

GPDF's national profile enables it to commission projects of the scale and scope that individual LMCs or a group of LMCs might be unable or choose not to commission.

Leadership is sometimes about raising difficult subjects for analysis and debate, so I hope you will reflect on the following questions and give us your views and comments in due course.

- Do LMCs need to change?
- What is a successful LMC?
- How do we judge success?
- What benchmarks are used if any?
- What about equality of opportunity within LMCs including diversity and contractual status?
- What standard of service should constituent GPs expect from their LMCs?
- Are larger LMCs or consortia able to offer more than smaller LMCs or is this a fallacy?
- How do we encourage and support cross boundary collaboration?
- Do we need to?
- Can or should every LMC offer every service?
- Are we reinventing the wheel in over a hundred separate organisations?
- Do LMC Leaders near to retirement have a succession plan?
- Do we fear predation or possibly carry the baggage of old rivalries?
- How might things be different?

Could asking these questions help ALL LMCs to develop a respected and valued voice within the new proposed NHS architecture?

The GPDF does not have all the answers to these challenging questions, and it is not for any organisation to 'tell LMCs' how it should be. It is certainly not the GPDF's role to tell LMCs. It is for LMCs to shape their own destiny. The GPDF can however facilitate that conversation.

The GPDF is not in competition with any other organisation, but we do share a huge agenda with others including the BMA, the RCGP, and indeed Commissioners and other NHS organisations in England, Scotland and Wales.

This is not simply about what the GPDF can do for GPs and their LMCs, but what we can develop together in partnership, and these topics and others will be raised in discussions and research activity.

I fully accept there will be some individuals who resent this subject being aired but I welcome constructive criticism and challenge. I am however disinclined to entertain a barren landscape, devoid of ideas, or a lack of proposed solutions.

I understand the challenges, so let us develop the solutions together. The current and indeed the future Leaders of LMCs know who they are, so please let us hear ideas from the innovators.

Election of Directors – leaders for the future

There will be elections to the Board at the AGM in September. I hope that those standing will reflect the diversity and mix of the general practice community.

In conclusion

We have travelled a considerable way in the last 3 years, but there is a considerable journey ahead of us still.

I would like to thank my GPDF and LMC colleagues and external partners who have supported me. I look forward to continuing that journey with you.

Dr Douglas (Dougy) A Moederle-Lumb
Executive Chair, GPDF

Table of attendance

	Meetings	Attended
GPDF - Board meeting attendances		
Douglas (Dougy) Moederle-Lumb	7	7
William Butler *	5	5
Julia Densom	7	7
Colin Kelman	7	7
Gurmit Mahay	7	4
Keith McIntyre	7	5
Robert (Bob) Morley	7	6
Ashok Rayani	7	6
Paul Roblin	7	6
Jane Tozer *	5	3

* William Butler and Jane Tozer were appointed directors on 1 July 2021

The Future Landscape

The February White Paper ***“Integration and Innovation: working together to improve health and social care for all”*** is a seismic disruption to the health care “landscape” within which we have all operated over the last decade. Primary care, GPs and LMCs are especially affected. The abolition of CCGs, accompanied by the statutory recognition of the more distant ICSs, imply that existing relationships will be broken, that new ones will have to be forged, and that the ‘voice’ of the GP will be diluted. Furthermore, the increased power of the Secretary of State, combined with proposed changes to competition law as it applies to health care, could open the door to new business models that might put the traditional partnership in jeopardy.

The White Paper contains little detail, and so over the coming months, when the gaps are being filled in, it is essential that our voice is heard – and listened to – and that the positions of primary care, GPs and LMCs are not only protected but also, as far as possible, enhanced.

In accordance with GPDF’s mission of becoming more visible and influential as a GP-centric think tank, we have initiated a study of the likely impact and consequences of the White Paper, and how GPs and LMCs can best counter any threats, whilst taking advantage of any opportunities.

We envisage that the results of this study will be available in written form, and also presented at a series of workshops to be run around the country, at which local communities of LMCs and GPs can explore questions of immediate relevance and importance such as:

What are the key consequences for LMCs on the abolition of CCGs, and the concentration of decision-making and funding within ICSs? And how might LMCs best respond?

Government policy is clearly “encouraging” closer collaboration amongst all health and social care providers.

What does “collaboration” actually mean for LMCs, GPs and general practice?

How can “collaborations” be most effective to ensure an active voice for LMCs, GPs and general practice?

What new business models for our branch of primary care might be possible?

How might LMCs effectively support existing practices take best advantage of any opportunities?

The GPDF Board



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

A GP Principal for 25 years and a GP Appraiser for 18 of them, Dougy developed his original single-handed practice into a multi-practice business serving 30,000 patients. He was the CEO of YORLMC (Bradford & Airedale and North Yorkshire LMCs) for 12 years before becoming Chair of its Board; he has been a Trustee of The Cameron Fund (the GPs own charity) for the last 6 years. During his career he has been a member of GPC, a GMC Associate, an expert witness to the Courts and, for 10 years, he chaired the Yorkshire & Humber Alliance of LMCs. Dougy was first elected a Director in 2015 and will retire by rotation at the AGM in September 2021 and is eligible for re-election.



Dr Colin Kelman
 Nominee for Salford and Trafford LMC

Colin has been in General practice since 1983 and has been Senior Partner since 2003. He was previously the Chair and Honorary Secretary of Salford and Trafford LMC. Colin is a Non- Executive Director of Mastercall Out of Hospital Healthcare, an award-winning Social Enterprise, providing a range of 'out of hospital' healthcare services across the North West of England. Colin was elected a Director of the GPDF in 2018 and will retire by rotation at the AGM in September 2021 and is eligible for re-election.



Bill Butler
 Independent Director

Bill is a member of CIPFA and a member of its Regulatory Panel. Bill's association with healthcare began with the Audit Commission where he was Acting Director of Health before joining the new Healthcare Commission as Finance Director when it began its work as the NHS regulator. In 2006 he joined the Gambling Commission as Director of Corporate Services and was then CEO at the Security Industry Authority. Bill is a non-executive director and chair of the audit & risk committee of the Gangmasters & Labour Abuse Authority. Since 2018, he has been a non-executive lay member of the board of The Law Society for England and Wales where he chairs the finance & investment committee and sits on the group audit committee. He has recently become chair of The Security Institute's education charity. Bill is a member of the GPDF's Investment Committee and the chair of its recently constituted Audit Committee.



Dr Gurmit Mahay
 Nominee for Wolverhampton LMC

Medical Secretary of Wolverhampton LMC for the last 17 years, Gurmit is also chair of the Black Country Division of the BMA, and chair of the West Midlands LMCs' Liaison Group. He was admitted a solicitor by the Law Society in 2003 and, in addition to practising as a GP, he has his own independent law practice. Gurmit is Chairman of the Election Board at the Guru Ravidass Temple in Wolverhampton. He has been a Director of the GPDF since 2018 and will retire by rotation at the AGM in September 2021 and is eligible for re-election. Gurmit is a member of the GPDF's Investment Committee.



Julia Densem
 Independent Director

Julia is a registered dentist and a barrister. In 2000 she left clinical practice and took up a role as a consultant with the Medical Protection Society (MPS) and then as an employee until retiring in 2016. During that time, she studied for the Bar and holds an MA in Medical Ethics and Law and an LLM in Professional Legal Practice. Julia was appointed an independent Director in 2013 and then chair of LMC Support Limited in the autumn of 2020.



Dr Keith McIntyre
 Nominee for Lanarkshire LMC

Keith first became a member of Glasgow LMC in 1994 before transferring to Lanarkshire LMC in 2012, where he is now the chair. He is a member of SGPC, and a Clinical Director of the GP out-of-hours services (OOH) in Greater Glasgow and Clyde. Keith was first elected a Director in 2017 and then re-elected to the Board in September 2020. Keith is a member of the GPDF's Audit Committee.



Dr Bob Morley Nominee for Birmingham LMC

A Director of the GPDF since 2012, Bob has held a variety of roles, including, chair of Midlands Medical Partnership and Midlands Medical LLP as well as chair of Badger Midlands Medical Ltd. He was executive secretary of Birmingham LMC from 2004 to 2020 and is currently its director of professional support. He was a Council Member of the BMA for 4 years, during which time he served on its Oversight and Finance Committee. Bob has been a member of GPC since 2006 and was chair of its Contracts and Regulation Subcommittee (now a Policy Group) between 2013 and 2019. Bob is a director of LMC Support Limited, and he will retire from the Board of GPDF at the conclusion of the AGM in September.



Dr Ashok Rayani Nominee for Morgganwg LMC

An elected member since 1984, Ashok has been the Chair and Medical Secretary of Morgganwg LMC. He remains active in general practice as a Partner and latterly as a “sessional” GP supporting local practices struggling to find GP cover. He previously led a prison medical team and supported an out-of-hours co-operative. Ashok has been a Health Board GP in the out-of-hours service, a GP trainer and undergraduate tutor. Re-elected to the Board in September 2020, Ashok is a member of the GPDF’s Audit Committee.



Dr Paul Roblin Nominee for Oxfordshire LMC

Paul served as CEO of BBOLMC for 14 years until he retired in 2018. Until 2004 he had been the Executive Partner at Summertown Health Centre in Oxford for 20 years and after withdrawing from the partnership, he was a Locum GP for a further 13 years. Paul was first elected to the Board in 2017 then re-elected in September 2020 but retired as a director in June 2021. He is a director of LMC Support Limited.



Jane Tozer Senior Independent Director

Jane has been a non-executive Director and audit or remuneration committee chair of numerous companies, mostly in the technology and finance sectors. She is also the Senior Independent Director of Ventus 2 VCT plc and a Trustee of the Galapagos Conservation Trust. She has previously been a NED of Asthma UK, the Pensions Disability and Carers’ Service, and a departmental audit committee member of the Department for Work and Pensions and the Ministry of Justice. On graduating from Cambridge with a double first in mathematics Jane joined IBM, after which she was Chief Executive of Softwright Systems, a software development company which she co-founded and ran until its sale to a US quoted company. Jane chairs the Company’s Investment Committee.

Non-Board Members

Joel Griffin Independent chair of the Remuneration Committee

Joel is the Reward Director for Rolls-Royce Plc with responsibility for reward policy for the company’s globally diverse employees. He supports the Rolls-Royce Board’s Remuneration Committee and has considerable experience of governance arrangements for a variety of organisations, including public corporations, small subsidiaries and pension trusts.

Dr John Canning Director of Operations

Currently Director of Operations, John has given over 20 years’ service to the GPDF including as chair and treasurer. He was Secretary of Cleveland LMC for many years. During the time that he was a member of GPC UK, John also chaired the Annual Conference of LMCs for three years. He retired from medical practice in December 2020.

Hugh Christie Company Secretary

Prior to appointment as the GPDF Company Secretary in 2003, Hugh was a partner in PricewaterhouseCoopers London, and in a predecessor firm he had been managing partner of offices in Turin, Glasgow, and Moscow. Before joining the GPDF, he had also been the interim Director of Finance at the GMC. He is a member of the Institute of Chartered Accountants of Scotland.

Independent Remuneration Committee: Report

The committee was formally established in September 2020 following recruitment of the independent chair and a selection process for 2 LMC members, with two meetings held before the end of the year. The first priority was to understand the GPDF's activity and governance structure, then to develop appropriate terms of reference, which were agreed by the Board and are published on the GPDF website.

The terms of reference reflect the independent structure of the committee and ensure alignment with the UK corporate governance code of practice.

The current focus of the committee is to review the current payments made to Board members and the remuneration arrangements for the management team. We will report on the outcome of this activity in due course.

The committee wish to ensure that the GPDF's payment levels are appropriate, aligned to its strategy and to its stakeholder environment. As the most significant stakeholders are the LMCs, the committee sought a greater understanding of LMC payment/reward arrangements. All LMCs were invited to participate in a confidential remuneration survey during January 2021 and our thanks to those LMCs who took part. The results have been shared with the participants on an anonymised basis, and the information highlights that a wide range of different LMC operating models and compensation arrangements exist, making direct comparisons and benchmarking challenging. The LMC survey will be one of a number of inputs considered as the committee continues the review of the GPDF remuneration policies. The committee believe that the benchmarking survey is an important step towards greater transparency of remuneration across the LMC community and plan to repeat this annually. It is hoped that the level of participation will increase and help LMCs and the GPDF build a clearer understanding of the management structures and remuneration arrangements in the sector.

Joel Griffin
Independent Chair,
GPDF Remuneration Committee.

Investment Committee Report

The Investment Committee, which met for the first time in January 2021, is chaired by Jane Tozer; its other members are Bill Butler and Gurmit Mahay.

The primary function of the committee is to have oversight of the Company's investment portfolio on behalf of the Board. It will monitor the Company's investments to assess the appropriateness of the investment strategy and monitor performance to ensure that returns are within acceptable limits. It will report to the Board at regular intervals on investment performance in comparison to relevant benchmarks (which are explained later in the Investment Review) and it will make recommendations to the Board on investment policy and strategy, all in the best interests of the GPDF.

- ▶ The committee will meet at least twice a year or when directed by the Board, and it will keep under review the long-term performance of Sarasin LLP as investment portfolio managers. It will review the structure and asset allocation of the investment portfolio to ensure alignment with business requirements and the GPDF's ethical investment policy.
- ▶ That policy requires there to be no direct investment in tobacco or arms companies, although companies that derive less than 5% of their sales from tobacco or arms are permitted. For indirect investments (Unit and Investment Trusts) the policy is the same, and Sarasin will check regularly in order to avoid investment in a fund in which a tobacco or arms company features in the top ten of stocks held.
- ▶ In February 2021 the committee reviewed the level of the GPDF's accumulated funds and proposed an accumulated funds policy, which was approved by the board in March 2021.
- ▶ The committee met most recently in May 2021.

Jane Tozer
Senior Independent Director
Chair GPDF Investment Committee

GPDF Accumulated Funds Policy

The GPDF's purpose is to support LMCs by listening and supporting them and influencing third parties and it needs to retain sufficient funds to support all LMCs throughout Great Britain. Our policy ensures funding requirements can be consistent over time and that our work is protected from the risk of disruption at short notice due, for example, to a call on funds to support significant, unbudgeted opportunities or to mitigate the impact of changes in legislation and fluctuations in stock market values.

The policy also recognises the GPDF's continuing commitments to the BMA and support of national conferences, and it will allow investment in projects to support LMCs. Finally, it will allow the GPDF to maintain its level of activity notwithstanding an extended temporary reduction in the per capita quota.

General reserve

GPDF's funds have accumulated over many years and reserves are therefore held against various eventualities including, for example, restructuring or winding up the GPDF.

A provision of 20% has been made to accommodate downward fluctuations in the market value of investments, such as happened in early 2020 because of the pandemic.

Future commitments

The GPDF has a three-year commitment to the BMA for the period ending 30 June 2023 for grant funding totalling £3.7m, largely to support the BMA's executive teams and members of the GPCs. In light of the impending reorganisation of the NHS and the decision to implement Integrated Care Systems in England, the GPDF may be called upon to provide additional support to the profession. The 2021 UK LMC Conference passed several motions which the GPDF has been asked to address, including a thorough review of the current representative structure particularly seeking the views of LMCs. The funding consequences of responding to this and other motions are being evaluated because it is likely that the costs involved will not be inexpensive. Whilst not a formal commitment, but as part of its support to LMCs for national representation, the Company funds the LMC national conferences and the LMC Secretaries' conference. It is likely that there will be a number of Special Conferences in the next two years because of NHSE actions and the NHS UK reorganisation.

Company Information

Directors who served in 2020

D Moederle-Lumb - Chair

J Densem

C Kelman

G Mahay

K McIntyre

R Morley

A Rayani

P Roblin

W Butler - (Appointed 1 July 2020)

J Tozer - (Appointed 1 July 2020)

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

Mitchell Charlesworth LLP
5 Temple Square
Temple Street
Liverpool, L2 5RH



Directors' Report

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The Company acts to support and promote the interests of local medical committees and general medical practitioners in the United Kingdom and will continue to do so in the foreseeable future. The members of the Company are the nominees of Local Medical Committees.

Directors

The directors who held office during the year and up to the date of signature of the financial statements are shown on the preceding page.

Results

The results of the Company show an operating surplus of £31,048 (2019: deficit £513,956) before investment gains.

The surplus after investment gains and taxation is £1,379,584 (2019: surplus of £1,843,241). The surplus was after accounting for realised gains of £833,546 (2019 £503,852) and unrealised gains of £799,990 (2019 £2,282,594).

The closing balance on the accumulated fund now stands at £18,520,135 (2019: £17,140,551), of which £18,831,471 (2019: £17,617,060) represents fixed asset investments held at fair value, in relation to which there is a deferred tax liability of £1,085,000 (2019: £800,000).

Auditor

In accordance with the Company's articles, a resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor of the Company will be put at the next Annual General Meeting.

Statement of Directors' responsibilities

The directors are responsible for preparing the annual 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;
- › 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 auditor

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.

Principal risk and uncertainties

Risks are identified 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 Company has been tasked with commissioning a thorough review of how general medical practitioners and local medical committees throughout the UK can be better represented and supported, including by the general practitioners committees of the BMA; the Company is in the process of evaluating the scope, financial commitment, and duration of such a review.

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

Change of company name

With effect from 5 May 2020 the name of the Company was changed from General Practitioners Defence Fund Limited to GPDF Limited.

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

By order of the board

J H Christie, Secretary
2 June 2021

Independent Auditor's Report

Opinion

We have audited the financial statements of GPDF Limited (the 'Company') for the year ended 31 December 2020 which comprise the income and expenditure account, the statement of financial position 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 2020 and of its surplus 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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.

Independent Auditor's Report Continued

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.

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.

- › We identified areas of laws and regulations that could reasonably be expected to have a material effect on the accounts from our experience in the sector and knowledge of the company, as well as through discussions. The most significant of these was deemed to be compliance with laws and regulations that directly affect the accounts including financial reporting legislation and taxation legislation.
- › We considered opportunities and incentives that may exist within the organisation and identified the posting of unusual journals, accounting estimates and timing of recognition of income as key areas for testing.
- › In common with all audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override.
- › We established an understanding of the control environment, and the segregation of duties exercised to assist with the design of our audit testing.
- › Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the accounts, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 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.

Paul Durrance (Senior Statutory Auditor)

For and on behalf of Mitchell Charlesworth LLP
9 June 2021

Chartered Accountants Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Income and Expenditure

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Income			
Voluntary quota contributions		2,083,855	2,748,834
Interest on short term deposits		747	3,087
Bank interest and other interest received		1,162	1,376
Other revenue		–	32,150
		2,085,764	2,785,447
Less expenditure			
Grant to the BMA		1,379,000	1,385,250
Conferences and annual report to representatives of LMCs	3	159,261	332,579
Fares and subsistence		18,308	121,000
Director and staff costs		451,059	427,240
LMC development, support and PCNs		35,250	244,906
Research and communication with LMCs		116,489	361,319
Restructuring- including negotiations with the BMA		124,400	321,375
Administrative expenses	4	305,880	416,022
Provisions released		(265,000)	–
Audit fee		19,224	19,224
Donation to the Cameron Fund		10,000	5,000
		2,353,871	3,633,915
Listed investment income		299,155	334,512
Surplus/ (deficit) before net investment gains, investment provisions and exceptional items		31,048	(513,957)
Realised gains on financial instruments held at fair value		833,546	503,852
Unrealised gains/(losses) on financial instruments held at fair value		799,990	2,282,594
		1,664,584	2,272,490
Surplus/(deficit) before taxation			
Taxation			
- Prior year (under)/ over provision		–	(29,249)
- Deferred taxation		(285,000)	(400,000)
Surplus/(deficit) for the financial year		1,379,584	1,843,241

Statement of Financial Position (Balance Sheet)

	Notes	2020 £	£	2019 £	£
Non-current assets					
Investments	6		18,831,471		17,617,060
Current assets					
Trade and other receivables	8	496,558		748,416	
Cash and cash equivalents		569,327		483,172	
		1,065,885		1,231,588	
Current liabilities	9	(292,221)		(908,097)	
Net current assets			773,664		323,491
Total assets less current liabilities			19,605,135		17,940,551
Provisions for liabilities	10		(1,085,000)		(800,000)
Net assets			18,520,135		17,140,551
Accumulated funds - reserves					
Income and expenditure account			18,520,135		17,140,551

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 2 June 2021 and are signed on its behalf by:

D Moederle-Lumb - Chair

Director

Company Registration No. 01508388

Notes to the Financial Statements

For the year ended
31 December 2020

1 Accounting policies

Company information

GPDF 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 under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, and having due regard to the impact of COVID-19 on the entities operations, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Income and expenditure

Voluntary quota 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 is a basic financial asset and includes deposits held at call with banks.

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

1 Accounting policies

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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

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

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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.

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

1 Accounting policies

1.6 Taxation

The tax currently payable is based on taxable income for the year. 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 end 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 reserves, in which case the deferred tax is also dealt with in reserves. 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 employees' services are received.

1.8 Retirement benefits

Payments to the Company defined contribution retirement scheme are charged as an expense as they fall due.

1.9 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 Employees

The average monthly number of persons (including directors) employed by the Company during the year was 12 (2019 - 11).

Amounts paid to directors of the Company who served during the year are listed in note 15.

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

3 Financial arrangements with the British Medical Association

BMA grant

The Company concluded an Agreement with the BMA in January 2018 such that with effect from 1 July 2018 most of the activity previously funded by the GPDF, which in the main included honoraria and other costs, which the BMA ordinarily incurred on behalf of its other Branches of Practice, became the sole responsibility of the BMA. It was then agreed that the Company would fund most of the cost of conferences with the BMA's contribution limited to assisting with their organisation and funding the costs of their committee members attending conferences.

In January and again in October 2019 the parties concluded agreements concerning a Grant of £1,375,000 payable by the GPDF to the BMA for each of the years ended 30 June 2019 and 2020. The purpose of these Grants was to top up honoraria payments, but not locum fees or expenses, to members of the General Practitioners Committees (GPCs) of the BMA entitled to claim honoraria for attendance or work on behalf of the BMA, and remuneration for the ten Executive team members of the GPCs.

Subsequently, in September 2020, the GPDF and the BMA concluded negotiations concerning financial arrangements payable by the GPDF to the BMA for the three years ending 30 June 2023, amounting to £3,730,000 in aggregate. As disclosed in Note 12 below, at 31 December 2020, the company was committed to pay £3,042,500 to the BMA for the period ending 30 June 2023.

4

Analysis of administrative expenses

	2020 £	2019 £
Legal services	217,333	208,793
Accountancy services	48,211	73,181
Tax services	23,560	32,482
Other administrative expenses	16,776	101,566
	305,880	416,022

5

Subsidiaries

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

The company also owns the one issued ordinary share of £1 in LMC Support Limited (LSL) which was incorporated in November 2020 for the purpose of designing and developing different projects to support local medical committees; the Company has a nominal share capital of £1,000 and remains dormant.

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

6

Investments

	2020	2019
	£	£
Investments measured at fair value	18,831,471	17,617,060

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

Movements in investments

Investments other than loans £

Cost or valuation

At 1 January 2020	17,617,060
Additions	1,313,099
Valuation changes	799,990
Disposals	(898,678)
	<hr/>
At 31 December 2020	18,831,471
	<hr/>
Carrying amount	
At 31 December 2020	18,831,471
	<hr/>
At 31 December 2019	17,617,060
	<hr/>

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

7	Financial instruments	2020 £	2019 £
	Carrying amount of financial assets		
	Instruments measured at fair value through surplus or deficit	18,831,471	17,617,060
8	Trade and other receivables	2020 £	2019 £
	Amounts falling due within one year:		
	Quotas due from LMCs	465,855	733,796
	Other receivables	30,703	14,620
		496,558	748,416
9	Current liabilities	2020 £	2019 £
	Trade payables	78,081	464,146
	Other payables	141,216	40,227
	Accruals and deferred income	72,924	403,724
		292,221	908,097

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

10 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 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	–	(1,255)
Tax losses	(46,400)	(71,254)
Investment revaluations	1,131,400	976,553
Other short term timing differences	–	(104,044)
	1,085,000	800,000
Movements in the year:		2020 £
Liability at 1 January 2020		800,000
Charge to profit or loss		285,000
Liability at 31 December 2020		1,085,000

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

11 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 Articles, 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.

On the winding up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall be paid or distributed to the Members, save that if any Quota Payments remain unremitted from a Member's LMC (whether for the current or any previous financial year) at the time at which the Company is wound up or dissolved, the amount of the assets or property to be paid or distributed to that Member on the winding up or dissolution of the Company shall be reduced by the amount of Quota Payments which remain unremitted from that Member's LMC at that date. Each Member who receives assets or property as a result of the winding up or dissolution of the Company shall hold such assets and property on trust for and apply such assets or property for the benefit of the LMC which appointed him or her. LMC's without a nominee will not share in any distribution upon winding up of the company.

12 Financial commitments

BMA grant

At 31 December 2020, the Company was committed to pay £3,042,500 to the BMA for the period ending 30 June 2023.

13 Operating lease commitments

At 31 December 2020, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £Nil (2019: £9,108).

2020	2019
£	£
—	9,108
<hr/>	<hr/>

14 Related party transactions

There were no transactions with related parties during the current or previous year which require disclosure.

Notes to the Financial Statements

Continued

For the year ended
31 December 2020

15 Directors' transactions

Payments to directors who served during the year

Directors	Salary £	Expenses £	2020 Total £	2019 Total £
J Densem	19,500	208	19,708	21,560
C Kelman	10,000	2,030	12,030	13,618
G Mahay	10,000	373	10,373	14,349
K McIntyre	10,000	-	10,000	11,949
D Moederle-Lumb	106,200	5,377	111,577	123,492
R Morley	10,000	569	10,569	12,103
A Rayani	10,000	1,280	11,280	11,585
P Roblin	10,000	753	10,753	11,612
W Butler	9,750	-	9,750	-
J Tozer	11,767	-	11,767	-

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.

16 Ultimate Controlling party

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.

Investment Review 2020

by Sarasin & Partners

Investment Objective

The key objective is to achieve growth in capital and income, ahead of inflation over the longer-term (i.e. 7yrs plus), with an overall total return target of CPI+4%, net of fees, over rolling 5yr periods. As a consequence of the above objectives, the Directors expect the investment portfolio to retain a significant exposure to 'real' return assets, namely equities, and to a lesser degree commercial property.

Ethical/ESG Policy

No direct investment to be made in tobacco or arms companies. Companies that derive less than 5% of their sales from tobacco or arms are however permitted. For indirect investments (Unit and Investment Trusts) the policy is such that the GPDF would wish to avoid investment in a fund in which a tobacco or arms company featured in the top ten of stocks held.

Other restrictions

As this is a corporate portfolio capital gains tax is payable on the net profit. The Directors have provided guidance on the permitted level of realised profits the portfolio can establish, with any excess requiring Board approval.

Allocation

Set out below is the strategic asset allocation policy and the portfolio's exposure, as at 31st Dec 2020.

	GPDF Ltd Policy Benchmark (%)	Tactical Asset Allocation (%)
UK Fixed Income	5.0	1.6
Corporate Bonds	3.0	5.3
Index Linked	2.0	1.8
Total Bonds	10.0	8.7
Global Equities (GBP hedged)	30.0	31.9
Global Equities	50.0	48.4
Total Global Equities	80.0	80.3
Commercial Property	5.0	2.1
Alternatives	5.0	6.0
Cash	0.0	2.8
Total	100.0	100.0
Sterling exposure	51.9	54.6

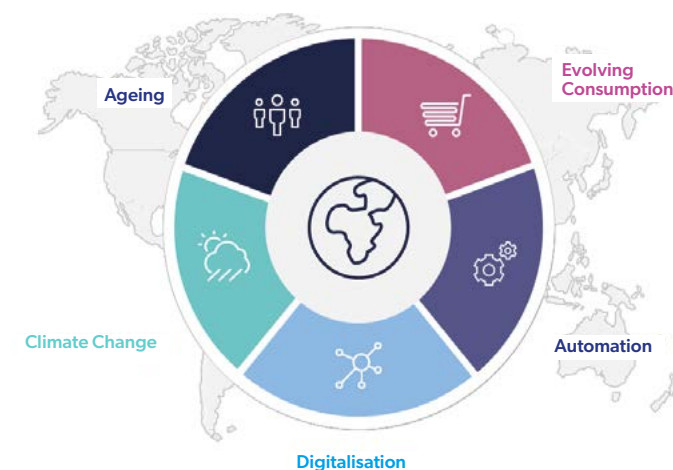
Approach to investment

Sarasin & Partners is well known for an active and responsible approach to investment and the principles of stewardship are embedded at the heart of our investment process. We consider ourselves stewards of our clients' assets, a mind-set that is guided by a commitment to think like owners of the companies in which we invest, rather than simply holders of the shares.

Global thematic equity selection

Where and how a company operates matters more than where it is listed. Our global thematic process knows no geographical bounds and simply seeks to identify the most attractive global companies before their appeal becomes the consensus.

Idea generation

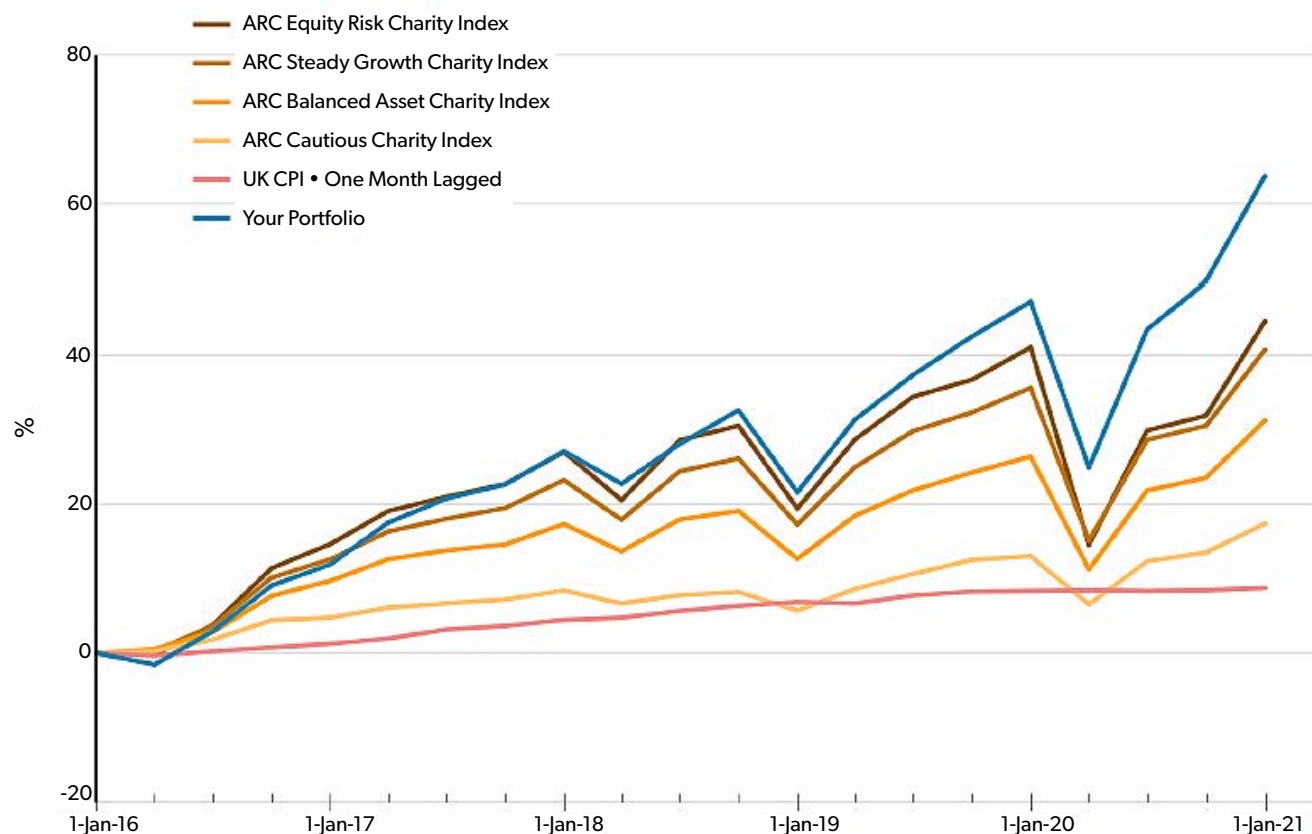


5 mega-themes structure our thinking and process around the long-term development of society. They are expected to remain fairly static.

Idea generation process is mostly driven by continuous analysis of trends within underlying **sub-themes** (typically 4-7 per mega-theme).

Uncovering companies best placed to benefit from long-term themes, and deliver sustainable, long-term growth.

Long term investment performance (at 31 December 2020)



Performance to 31-Dec-20	1 Year	3 Years Annualised	5 Years Annualised
Portfolio	11.3%	8.8%	10.4%
Inflation (UK CPI - One Month Lagged)	0.4%	1.3%	1.7%
Portfolio Benchmark	12.1%	8.8%	11.3%
Peer Group	3.8%	4.5%	7.1%

Portfolio benchmark (from 24-Dec-18): ICE BofAML Sterling Corporate (3%), ICE BofAML UK Gilts All Stocks (5%), ICE BofAML UK Inflation Linked Gilt Index (2%), MSCI AC World (Local Currency) (GBP) (30%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI All Countries World Daily (Net Total Return) (50%), UK cash LIBOR 1 Month (Total Return) (5%). Portfolio return is net of all fees, whereas the composite benchmark is not.

Peer Group: The WM Charity Index was discontinued from March 2016. The peer group performance data used is the ARC Steady Growth Charity Index (further details within the Glossary) which could include an ARC estimate for the most recent period. Performance is calculated 'net' of Sarasin's investment management fees, using Bid prices. This takes into account receipts to and withdrawals from the portfolio during the period, and their dates. Prices are sourced from Bloomberg.

GPDF Ltd Investment Manager: Oliver Bates, Partner

Oliver joined Sarasin & Partners in September 2008 having previously spent his 20-year fund management career at HSBC (formerly James Capel & Co) where he was Head of Charities. In addition to specialising in the management of charity portfolios, he leads on the subject of Social Impact Investments, and is responsible for the Sarasin Sustainability Report. Oliver chairs the Sarasin Employee Forum, and has been a trustee of I CAN, a specialist speech and language charity for children with communication difficulties, as well as the Prostate Cancer Research Centre. He is an Associate of the Securities Institute, and is on the Board of the Charity Investors' Group (CIG).

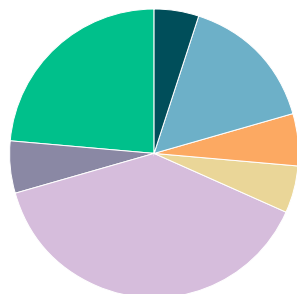
Allocation of Investments

Portfolio Value as at 31st December 2019: £17,807,643

Asset Allocation	£
Fixed Income	1,368,018
Equities	14,216,050
Property	541,358
Alternative Investments	1,039,539
Liquid Assets	642,678
Total	17,807,644

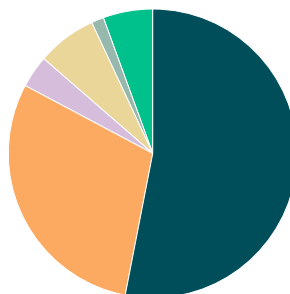
Geographic Allocation - Portfolio

North America	38.9%
UK	23.4%
Europe	15.6%
Global	5.8%
Pacific	5.8%
Japan	5.3%
Emerging Markets	5.0%



Currency Allocation - Portfolio

Sterling	53.3%
US Dollar	29.6%
Euro	6.8%
Other	5.4%
Japanese Yen	3.5%
Swiss Franc	1.4%



Investment Performance	Portfolio	Benchmark
Quarter to 31 December 2019	3.3%	2.6%
Calendar Year 2019	21.0%	19.6%
Calendar Year 2018	-4.3%	-4.0%
Calendar Year 2017	13.6%	12.6%

Portfolio benchmark (from 24-Dec-18): ICE BofAML Sterling Corporate (3%), ICE BofAML UK Gilts All Stocks (5%), ICE BofAML UK Inflation Linked Gilt Index (2%), MSCI AC World (Local Currency) (GBP) (30%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI All Countries World Daily (Net Total Return) (50%), UK cash LIBOR 1 Month (Total Return) (5%).

Performance is calculated 'net' of Sarasin's investment management fees, using Bid prices. This takes into account receipts to and withdrawals from the portfolio during the period, and their dates. Prices are sourced from Bloomberg.

The report 'looks-through' to the underlying investments within the Sarasin funds in order to show the portfolio's overall allocation.

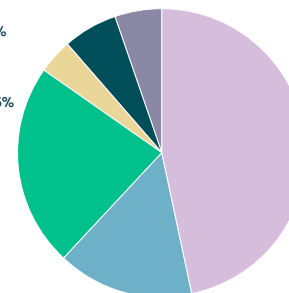
Where a portfolio holds Sarasin Unit Trusts or OEIC Funds, we use a close of business unit price to enable more accurate performance comparison with the portfolio benchmark.

Portfolio Value as at 31st December 2020: £19,001,728

Asset Allocation	£
Fixed Income	1,657,517
Equities	15,261,018
Property	395,713
Alternative Investments	1,147,877
Liquid Assets	539,603
Total	19,001,728

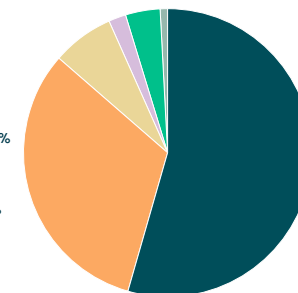
Geographic Allocation - Portfolio

North America	44.1%
Europe Ex-UK	14.5%
United Kingdom	21.5%
Japan	3.8%
Emerging Markets	5.5%
Pacific Basin Ex-Japan	4.8%



Currency Allocation - Portfolio

Sterling	54.6%
US Dollar	32%
Euro	6.9%
Japanese Yen	2.1%
Other	3.8%
Swiss Franc	0.7%



Investment Performance	Portfolio	Benchmark
Quarter to 31st December 2020	9.4%	8.2%
Calendar Year 2020	11.3%	12.1%
Calendar Year 2019	21.0%	19.6%
Calendar Year 2018	-4.3%	-4.0%
Calendar Year 2017	13.6%	12.6%

Portfolio benchmark (from 24-Dec-18): ICE BofAML Sterling Corporate (3%), ICE BofAML UK Gilts All Stocks (5%), ICE BofAML UK Inflation Linked Gilt Index (2%), MSCI AC World (Local Currency) (GBP) (30%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI All Countries World Daily (Net Total Return) (50%), UK cash LIBOR 1 Month (Total Return) (5%).

Performance is calculated 'net' of Sarasin's investment management fees, using Bid prices. This takes into account receipts to and withdrawals from the portfolio during the period, and their dates. Prices are sourced from Bloomberg.

The report 'looks-through' to the underlying investments within the Sarasin funds in order to show the portfolio's overall allocation.

Where a portfolio holds Sarasin Unit Trusts or OEIC Funds, we use a close of business unit price to enable more accurate performance comparison with the portfolio benchmark.

Annual Report and Financial Statements 2020

