



**GPDF** Listening  
Supporting  
Influencing

**Annual Report &  
Financial Statements**  
2021

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## Overview

### Highlights of 2021

- › Continued progress in response to LMC priorities
- › The level of Quota payment was maintained at 3 pence per patient (half what it was 5 years ago)
- › Extensive Strategy development with clarity of GPDF's 'purpose', 'vision' and 'mission' (published in March 2022)
- › Extensive work on the Review of Representative Structures (published May 2022)
- › Initial consultation related to a National Association of LMCs
- › Initial development of the Rebuild General Practice Campaign
- › Roll out of the 'Evolving LMC Landscape' project

### Financial Highlights

- › The grant to the BMA continued in line with the 3-year agreement
- › Accumulated Funds were used to enable the reduction in Quota to be maintained
- › Investments showed a positive gain in the year ended 31 December 2021, however recent market volatility has had a negative impact
- › Support to LMC projects increased substantially to over £0.25M
- › Further reduction in Restructuring/Legal costs, Research and Communication costs and administrative expenses.
- › Reductions in costs related to Conferences due to virtual formats

### Update on 2022 activity

- › GPDF Strategy has been developed and can be viewed on the website
- › The Review of Representative Structures conducted by Ijeoma Omambala QC was completed in May 2022 and is available on the website
- › There has been further consultation in relation to a potential National Association of LMCs
- › The Rebuild General Practice campaign (jointly funded with the BMA) has been highly active

**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.**

All current Members of the Company are invited to attend the AGM on Friday 9 September 2022 at 11am which will be a virtual meeting. It would be particularly helpful if questions are submitted in advance to the Company at [mail@gpdf.org.uk](mailto:mail@gpdf.org.uk) and by no later than 31 August 2022 to allow for a response to be provided at the meeting.

# Chair's Statement



## It has been a busy year!

I continue to be very pleased with the progress that GPDF has made in recent years, and I believe the organisation has evolved in line with the wishes of the majority of LMCs.

My thanks to all who have taken part in meetings, workshops, and consultations during the year, which have ensured that we have been informed by the views and opinions from LMCs.

**GPDF is YOUR organisation**, with nominees from LMCs and the majority of the Board elected by LMCs. To the very best of our ability, we will continue to 'Listen, Support and Influence' for the benefit of LMCs and GPs.

## The level of quota payment has not changed

During 2020, in recognition of the challenges faced by the impact of COVID-19 we reduced the quota level to 3 pence per patient. No change was made to this in 2021 and it remains at around half of what it was five years ago.

## Strategy and priorities

We have met several key priorities during the year, the highlights of which were

- > the development of a clear strategic plan for the GPDF
- > the review of representation which we were asked to commission
- > the LMC 'Evolving Landscape' workshops
- > the development and then delivery in 2022 of a joint PR campaign in support of general practice, and
- > researching the demand and support for a National Association of LMCs.

During 2021 the GPDF Board completed a robust strategy development process, to encapsulate and articulate our strategic intent which sets out a more active role to provide LMCs with a greater level of support.

Our **purpose** keeps us focused on why we exist,

- > our **vision** aligns us with our ultimate goal,
- > and our **mission** sets out how we will accomplish it.

**Our purpose** - the reason we exist as an organisation is... *To advance the interests of LMCs in England, Scotland & Wales and through them the GPs they support.*

This new statement is a subtle change from our previous statement, and we believe it shows more intent, and more ambition to be pro-active.

**Our vision** - a description of what we think success will look like is... *For every LMC and GP to be heard, respected and represented within the health care system.*

To help us move closer to our vision, we developed a mission statement that provides an everyday focus in the short to medium term.

**Our mission is...** *To be more visible and influential as a fund for critical interventions, development programmes and voluntary collaborations amongst quota-paying LMCs, helping to deliver better outcomes for everyone.*

I believe these are 3 powerful statements that together, clearly summarise our intent. Also central to this strategic declaration is our commitment to Equality, Diversity and Inclusion. As such, we've introduced a simple and direct statement that acts as a constant reminder of our responsibilities in this area: **GPDF supports equality, diversity and inclusion in all its activities.**

For our strategy the Board identified 6 specific goals for GPDF. These are the things we need to do to deliver our mission. Five of these are sharply focused on serving LMCs whilst one is an underpinning foundation, focused on the effectiveness of our internal operations.

- > To strengthen the voice of LMCs, their GPs and GPDF, at a nationally representative level.
- > To collect, assess and share information amongst LMCs.
- > To support an increase in the level of training and development of all LMCs.
- > To support and intervene on matters of national importance to LMCs and their GPs.
- > To promote a sense of unity amongst the LMC community.

And our sixth goal is about governance - To manage GPDF effectively, efficiently, economically and transparently.

Aligned to each of these goals, we have a comprehensive list of specific projects and tasks that we intend to undertake. It's a long list and we have not been able to do everything simultaneously, so we have prioritized tasks to make sure we focus our efforts appropriately.

# Chair's Statement Continued

## Review of Representative structures

At the Annual Conference of Representatives of UK LMCs in May 2021, we were asked to commission a review of representative structures. Our initial challenge was deciding the parameters of the review; what aspects should be included or not. Over several months we held discussions with a broad cross section of individuals from LMCs in order to identify a consensus and clarify how this potentially extensive task should be approached. But rather than sharpen the focus and narrow the scope of the planned review, these discussions highlighted the significant variation in opinions held by the individuals, and the lack of consensus on what should be investigated. In determining how best to proceed with defining the scope of the review we gave serious consideration to all of the comments and issues raised and their implications.

Towards the end of 2021, the GPDF Board further considered how best to proceed, and given the range of opinions expressed, the

Board concluded that the only way to satisfy the challenge was to conduct a broad and detailed review throughout Great Britain to allow GPs of all status and categories, the opportunity to participate.

Our initial approach was to engage with several of the UK's top Consultancies, including a number with previous experience in the Health sector, to establish their level of interest in tendering for the project. However, there was a reluctance amongst these organisations to become involved. We sought legal advice and subsequently commissioned Ijeoma Omambala QC, to lead the independent review supported by consultation specialists and a legal support team, to enable her to deliver her report ahead of the Conference in May 2022. This fulfilled the task GPDF had been given and the Conference has been provided with a series of options to consider. It will be for LMCs and Conference Agenda Committees to decide, but we anticipate that these matters will be discussed at the England and Scotland Conferences later in 2022 and the Wales Conference in 2023.

## Rebuild General Practice

The joint PR Campaign in early 2022 in support of general practice has been a major success in helping to reorientate the negative media coverage, and the lack of understanding of the issues amongst politicians, the media, and the general public in relation to the realities of the challenges facing GPs.

It was generally recognised that towards the end of 2021 general practice suffered unfairly at the hands of certain sections of the media with ill-informed and simplistic, often negative, views in the press, echoed on websites and on social media.

In conjunction with the BMA, we jointly funded a campaign, not in support of the BMA or GPDF but a campaign in support of general practice.

The development work for this started in the autumn of 2021 with the appointment of the PR company BB Partners. Many will recall the highly successful launch event on 21 March 2022 and the significantly more positive media coverage which was achieved. The campaign continued to build through social media, press releases, video content amongst other things until the end of June 2022.

The ultimate aim of this extensive PR campaign was to reframe the media and general public's understanding of general practice across England, Scotland, and Wales. The focus of this activity was to give a GP perspective relative to the issues of the general practice Workforce, the incredible Workload and ultimately the impact these have on the wellness of all those working in general practice.

There were three workstreams to the programme of activity:

- a) **A Media based campaign** including a series of high-level briefing meetings with all the key media editors and health correspondents of the National Press, News Websites and Broadcasters. These meetings were arranged to allow front-line GPs to engage directly with the media in order to give their perspective of the reality of general practice.
- b) A specific workstream which related to '**LMC Engagement**' was fully funded by GPDF (and not by BMA). This gave every LMC in England, Scotland, and Wales the resources and guidance to be able to engage with local media in their area and provide campaign resources to their GPs. Template press releases and a general media training guide were included as well as digital material – all in a bespoke 'tool-kit' specifically for LMCs to use.
- c) The third element which is being funded by the BMA on behalf of GPC England relates to a programme of **Political engagement** with Government Ministers and MPs and officials focused specifically to England.

The overarching aim of this work was to achieve a better understanding of the work and role of general practice, the challenges it faces, and to create a better environment for general practice in the minds of the public, and we consider that this has been achieved.

# Chair's Statement Continued

## National Association of Local Medical Committees

We have been active looking at the possible creation of a **National Association of LMCs (NALMCs)**.

Our consultation on this subject started with an initial survey of LMCs' views in late 2021, followed by a series of workshops in early 2022. This greatly assisted in bringing clarity to the scope of what a NALMCs could be expected to do, and indeed what it is not expected to do. Following an update provided at the LMC Secretaries' Conference in March 2022, a further broad consultation was held with the results of this shared in advance of the UK Conference of LMCs in May 2022. At the conference a themed debate on the subject was held with a broad range of views and opinions expressed.

It will be for LMCs in each nation to decide if they wish a single GB-wide National Association or separate Associations for England, Scotland, and Wales. GPDF plans to develop costed options, which is hoped will assist LMCs in making a determination on this issue.

## The 'evolving landscape' for LMCs

Many of you will be aware of the 'evolving LMC landscape' project that GPDF commissioned, and you may have attended one of the sessions facilitated by the experienced strategist and author Dennis Sherwood.

Using 'systems thinking' these workshops have been very popular with many LMCs, thus enabling them to look at the wider context of where LMCs fit within the broader health landscape and the influences upon them.

## Review of GPDF Management structure

A review of GPDF management team, staffing requirements and the refinement of a succession plan will take place in the coming months to ensure that the appropriate structure is in place to deliver the Board's strategy.

## The collective need for contribution by all LMCs

We remain keen to see every LMC contribute its share of the quota for the mutual benefit of all. Unfortunately, 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 of the Company's Articles of Association, an action supported by the majority of LMCs.

I very much hope that these LMCs will reach an agreement with GPDF regarding their previous non-remittances, at which time the suspension would be lifted immediately.

## Dr Gurmit Mahay

Due to ill health Dr Gurmit Mahay retired as a Director on 10 June 2022. I should like to record my sincere thanks to Gurmit for his contribution to GPDF over several years and I wish him well for a full and speedy recovery.

At the AGM in September, there will be an election to fill the vacancy on the Board for the remainder of Gurmit's term in office, namely one year.

## New Independent Director

Following an extensive search and selection process, Daryl Fielding, who brings additional skills and experience which will benefit the organisation, was appointed an Independent Director on 1 August 2022. She replaces Julia Densem, who, in accordance with the Company's Articles of Association retired from the Board on 30 June, after 9 years' service. I wish to thank Julia for her valuable contribution to the development of the GPDF during those years.

## Concluding remarks

I believe that the strategy approved by the Board and the projects we have undertaken are the right things for GPDF to focus on at this time. We will, of course, review our priorities on a regular basis, to make sure we are delivering on our strategy and to ensure that these priorities align with the wishes of the LMCs we support.

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

*Dougy*

**Dr Douglas A Moederle-Lumb**  
Chair, GPDF Limited

## Table of attendance

GPDF - Board meeting attendances	Meetings	Attended
D Moederle-Lumb	13	13
W Butler	13	13
J Densom	13	13
C Kelman	13	12
G Mahay	13	11
K McIntyre	13	9
R Morley *	9	5
Z Norris*	4	4
A Rayani	13	12
P Roblin *	6	6
J Tozer	13	12

\*P Roblin retired June 2021; R Morley retired September 2021; Z Norris elected September 2021

# The GPDF Board



**Dr Douglas (Dougy) 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 7 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 appointed Chair with executive authority in 2017. He will retire as a Director by rotation at the AGM in September 2024.



**Dr Gurmit Mahay**  
Nominee for Wolverhampton LMC  
(Retired due to ill health, June 2022)

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 practicing as a GP, he has an independent law practice. Gurmit is Chairman of the Election Board at the Guru Ravidass Temple in Wolverhampton. He has been a Director of GPDF since 2018. Gurmit is a member of GPDF's Investment Committee.



**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 was a non-executive director and chair of the audit & risk committee of the Gangmasters & Labour Abuse Authority for seven years. 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. Bill is chair of the GPDF audit committee and a member of the investment committee.



**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. Keith has been a GP in Cambuslang since 1993. He continues as a clinical advisor to the General Optical Council. 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.



**Julia Densem**  
Independent Director

Julia was appointed an independent Director in 2013 and then chair of LMC Support Limited in the autumn of 2020. In accordance with the Company's Articles of Association and having completed nine years as a Director of GPDF, Julia retired from the Board and as chair of LSL Support Limited on 30 June 2022.



**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 Northwest of England. Colin was re-elected a Director at the AGM in September 2021.

# The GPDF Board



## Dr Zoe Norris

Nominee for Hull & East Yorkshire LMC

Zoe is a GP in the East Riding of Yorkshire. She was appointed Medical Director for Humberside LMCs in 2019 and was Chair of the Sessional Committee of GPC UK for the preceding three years. She is an elected member of the LMC England conference agenda committee, and a partner in The Medical Chambers. She is a clinical lecturer for NB Medical Hot Topics education courses, and a GP appraiser. Zoe has extensive experience in medical politics and social media. She is passionate about equity, diversity, and inclusion in primary care. She was elected a Director at the AGM in September 2021.



## Dr Ashok Rayani

Nominee for Morgganwg LMC

An elected member since 1984, Ashok has previously been the Chair and Medical Secretary of Morgganwg LMC. Although partially retired, he remains active in general practice as a Partner, and he supports other local practices and the out-of-hours service. He was instrumental in establishing an out-of-hours cooperative and was its CEO until it was taken in-house by the health board. Ashok led a prison medical team, and he has been a GP trainer and undergraduate tutor. Re-elected to the Board in September 2020, Ashok is a member of the GPDF's Audit Committee.



## Jane Tozer

Senior Independent Director

Jane has been the Senior Independent Director or non-executive Director and audit or remuneration committee chair of many commercial companies, several of them in the technology and finance sectors. She is also a Trustee of the Galapagos Conservation Trust. Jane 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.

## 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 in offices in Turin, Glasgow and Moscow. Before joining the GPDF, he had also been interim Director of Finance at the GMC. He is a member of the Institute of Chartered Accountants of Scotland.

# New Independent Director



## Daryl Fielding

New Independent Director

Daryl Fielding combines board roles with a part time role as a charity CEO. She is a Trustee of The British Heart Foundation and Pelican Cancer Foundation and a NED at the Association of Chartered and Certified Accountants. She is CEO of The Marketing Academy Foundation, which she started, a Registered Charity enabling career starts for young adults from disadvantaged backgrounds. Her career includes executive director roles at Vodafone, Mondelez, Independent Newspapers and Ogilvy Advertising. She is the author of The Brand Book, a definitive guide to brands and she is a keynote speaker on brands, marketing and diversity and inclusion.

# Investment Committee Report

## Investment Committee Report

The Investment Committee is chaired by Jane Tozer and the other members of the committee are Bill Butler and Gurmit Mahay; they, together with Jane Tozer, attended all three meetings of the committee in 2021.

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

The committee meets at least twice a year or when directed by the Board and keeps under review the long-term performance of Sarasin LLP as investment portfolio managers. It reviews the structure and asset allocation of the investment portfolio to ensure alignment with business requirements and the GPDF's ethical investment policy.

## GPDF Ethical Investment policy

The Company's Ethical Investment Policy is to have no direct investment in tobacco or arms companies. Companies that derive less than 5% of their revenue from the manufacture of tobacco (or related operations) or armaments are however permitted. For indirect investments (in

Unit and Investment Trusts) the policy is that the GPDF wishes to avoid investment in a fund in which a tobacco or an arms company features in the top ten of stocks held. Sarasin check and report back to us regularly (every six months) that the funds we hold do comply.

The GPDF Investment Committee expects its fund managers to pursue a responsible approach to the management of its investments. The Committee monitors the investment portfolio's progress to achieving this goal in an efficient way.

Our chosen investment managers go beyond this, in their responsible investment approach.

## Responsible Investing

This GPDF Ethical Investment policy should be seen in the context of Sarasin's overall approach to responsible investing, with particular consideration given to Environmental, Social, and Governance (ESG) factors. Sarasin's investment philosophy is to integrate stewardship into their fund management operations, and they report to us at every Investment Committee meeting with an ESG / Stewardship update, covering their work on:

- > Avoiding companies involved in ethically unacceptable practices
- > Assessing and scoring all companies for their ESG performance
- > Choosing stocks for investment on a combination of financial measures and their ESG rating
- > Actively engaging with management of investee companies, as a shareholder, to press for improvements in their ESG and Corporate Governance performance where appropriate

We also require Sarasin to provide us with an annual report on the ESG credentials of the investments that Sarasin and Partners hold on our behalf. This report should demonstrate the active role that Sarasin and Partners play in engaging with companies to drive positive change as stewards of GPDF's funds, for example by identifying engagements with underlying companies. Engagements should address material ESG risk with the report evidencing tools Sarasin and Partners have used (voting, policy engagement with regulators and policy makers, thought leadership, public censure) to promote change. The objective of this work is to encourage sustainable business practices and create a portfolio aligned with GPDF's values.

This work is audited by an annual submission to United Nations Principles for Responsible Investments (UNPRI), or the Financial Reporting Council (FRC) as part of the UK Stewardship Code test, with an update provided to the Committee of the outcome of this submission.

Further information is available in the Stewardship section of Sarasin's website ([Stewardship & ESG - Sarasin & Partners UK \(sarasinandpartners.com\)](https://www.sarasinandpartners.com)) where they publish the current policies that guide their Stewardship work, and regular evidence of the engagements and how they are rated.

The committee met most recently in May 2022.

## Jane Tozer

Senior Independent Director  
Chair GPDF Investment Committee

# Audit & Risk Committee Report

The Board agreed the terms of reference for the Audit & Risk Committee at its meeting in June 2021. The terms of reference require the Committee to assist the Board, "in discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal controls and to monitor the effectiveness, performance and objectivity of the external auditors". The terms of reference for the Committee allow it to make independent enquiry into relevant areas of GPDF's activities.

The Committee is chaired by Bill Butler and its other members are Keith Macintyre and Ashok Rayani.

The Committee, together with the external auditors, met for the first time on 19 August 2021 and considered the Annual Report and Financial Statements for the year ended 31 December 2020. The Committee met again on 18 May and 13 June 2022 to consider the Annual Report and Financial Statements for the year ended 31 December 2021 and to discuss with the external auditors matters arising from the annual audit.

As part of its ongoing activities, and together with the Investment Committee, the Committee will consider the AAF report issued by Sarasin's auditors in connection with Sarasin's internal controls, their design and effectiveness. The AAF report is a copy of the Service Provider's report prepared by its accountants in accordance with the "Technical Release AAF 01/06" on assurance reports on the internal controls of service organisations made available to third parties and issued by the Institute of Chartered Accountants in England and Wales.

The Committee Chair reported on the Committee's considerations to the Board.

## Bill Butler

Chair  
Audit & Risk Committee



# GPDF Accumulated Funds Policy

## Introduction

The GPDF exists to ensure representation, influence and support for Local Medical Committees, GPs and general practice throughout Great Britain. To do this effectively, it needs to retain sufficient funds to ensure it can meet its commitments and remain financially secure. This policy ensures funding requirements can be consistent over time, that we can meet our known liabilities 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. In particular, the policy:

- > Recognises the GPDF's continuing commitments to the BMA and support of national conferences,
- > Allows continued investment in projects to support LMCs; for example, research is ongoing into the need for an Association of LMCs at a UK national or country level.
- > Allows the GPDF to maintain its level of activity notwithstanding the extended temporary reduction in the per capita quota for 2022.

## General reserve

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

The GPDF will maintain a general reserve equivalent to twelve months operational expenditure (excluding any operational expenditure for which specific provision is made).

A provision of 25% has been made to accommodate possible downward fluctuations in the market value of investments, given the potential impact on global prices caused by the war in the Ukraine and tension in the Far East, and further compounded by inflation in the UK, predicted to rise to a rate of around 10 per cent per annum.

## Future commitments and likely calls on funds

The GPDF has a three-year commitment to the BMA for the period ending 30 June 2023, largely to support the BMA's executive teams and members of the GPCs. It is expected that discussions with the BMA will begin in autumn 2022 to determine the parameters of any future agreement.

Also, in light of the reorganisation of the NHS and the implementation of Integrated Care Systems in England, the GPDF may be called upon to provide additional support to the profession.

As part of its support to LMCs for national representation, the Company funds the LMC national conferences and the LMC Secretaries' conference, and it is likely that there will be several Special Conferences in the next two years because of actions taken by all three governments in Great Britain in relation to GP contracts.

# Report of the Independent Remuneration Committee

The Independent Remuneration Committee (the Committee), which met on seven occasions during 2021, is chaired by Joel Griffin; its other members are David Humphreys, Chair of Wigan LMC and Simon Barrett, Chief Executive of Humberside LMCs.

This is the second report of the Committee, whose focus was to complete a review of the current fees for the Directors and the remuneration arrangements for the management team.

We were very mindful of the need to ensure that the GPDF's reward arrangements are aligned to its strategy, are sensitive to its stakeholder environment and reflect the current marketplace. As our most significant stakeholders are the LMCs, we spent time to acquire a level of insight into their own reward arrangements. We invited LMCs to participate in a confidential remuneration survey during January 2021 and we plan to repeat this process annually with the anonymised results shared with all participants. Whilst LMC survey data contributed to our review process there is a wide range of different LMC operating models and compensation arrangements which make reward comparisons and benchmarking challenging. However, over time, we expect this situation to evolve and greater levels of participation in the survey will also provide greater clarity of over the 'market' for governance and leadership roles in this sector.

## Review of GPDF Director remuneration

In addition to the data received from LMC survey participants, we reviewed the typical remuneration arrangements for directors within a range of membership organisations, non-profit organisations (including NHS Trusts) and small publicly listed companies. This is in line with the standard approach taken by remuneration committees. We also considered the range of potential backfill costs required by GPs for making themselves available to undertake a role as a director of GPDF, including lost income from the necessary time taken for the role. Finally, we also conducted a survey with the GPDF directors themselves to gather their input in respect of the current remuneration arrangements.

### Having completed our review, our conclusions were:

1. Director remuneration should continue to be set as a single annual allowance (as opposed to a daily rate) on grounds of simplicity and alignment with typical market practice.
2. Where Directors take on additional responsibilities supplements to the allowance should be paid.
3. The allowances paid for elected directors and independent directors (<https://www.gpdf.org.uk/library/gpdf-being-a-director/>) should continue to be considered separately. The market for each role is fundamentally different as the six elected directors are nominated by LMCs and are members of the GPDF, as is the Chair, and the three independent directors are selected following a recruitment process in order to

# Report of the Independent Remuneration Committee Continued

ensure that a strong, broad set of skills and experience is available to the Board. It is our view that independent director fees should be set by reference to the fees typically paid for non-executive directors to ensure that the GPDF can attract candidates with the desired level of skill and experience, and that the fees for elected directors should be broadly aligned to GP salaries, thus recognising that there is an 'opportunity cost' for individuals supporting the GPDF and not working in practice.

We agreed the following adjustments to Directors fees:

## Independent directors

A 2.6% increase in the annual allowance from £19,500 to £20,000, which the Committee considered is reasonable to enable the GPDF to continue to attract a high calibre of independent non-executive director to fill the independent roles on the Board.

## Elected directors

A 5% increase in the annual allowance from £10,000 to £10,500, which aligns with an assumption that directors would generally be expected to contribute around 14 full days per year to their duties at an implied daily rate of £750.

## Supplements

- > £4,000 for the Senior Independent Director role
- > £2,000 for the audit committee chair
- > £2,000 for the investment sub-committee chair

This is common practice within organisations to reflect the added workload expected from the individuals who undertake these additional duties.

## Remuneration of the Chair with Executive Authority

The Committee considered an updated role profile for the Chair and, with input from the Senior Independent Director, took time to understand the strategic objectives of the GPDF Board and the level of expectation of this role. The Committee concluded that this role is effectively full time and has been so for some time.

During the course of 2021, the management team refreshed the GPDF's strategy (<https://www.gpdf.org.uk/gpdf-strategy-2022/>) and it was approved by the Board at the end of the year. The mission and purpose of the GPDF was reviewed and some ambitious objectives were agreed by the Board, including some substantial pieces of activity within a complex stakeholder environment. We considered it essential that the remuneration structure aligned to the delivery of the GPDF strategy and recognised the increased level of activity and expectation on the Chair and his senior management team. We also considered the

recent benchmarking survey of LMC remuneration for executive leadership roles.

On the Committee's recommendation, the Board approved an increase to the Chair's remuneration from £105,900 to £140,000.

In addition, the Chair will be eligible to receive a incentive award of £15,000 payable in the fourth quarter of 2023, subject to completion of specific objectives agreed by the Board. These objectives are fully aligned with the delivery of the GPDF strategy.

## Remuneration for the Management team

The Remuneration Committee is charged to review and agree the arrangements for the members of the GPDF management team and specifically the two people who report to Chair but who are not Directors of the Company. Consequently, disclosure of their individual remuneration arrangements in the Annual Report is not required. Nevertheless, we can confirm that:

- > the Committee fully reviewed the role profiles, activities and key responsibilities undertaken with input from the Chair and the Senior Independent Director.
- > Similar to the Chair's position, it was apparent that the contracted part time structure of these roles did not reflect the reality of how they have operated in practice for some time.

- > We consider that the level of activity and responsibility of these roles is expected to increase in 2022 to enable the updated GPDF strategy to be achieved, and
- > The level of remuneration was benchmarked against similar functional roles in external organisations.

Following this review adjustments to base pay and contractual working hours were agreed as was an incentive arrangement to ensure alignment across all of the management team.

All of these adjustments took effect from 1 October 2021. These measures taken together will ensure that a stable resource is in place to deliver against the ambitions of the GPDF's strategy.

The next review of remuneration will take place in October 2022 and will include consideration of the inflationary pressures that are well publicised.

Finally, on behalf of the Committee, I should like to thank the Board and the management team for their support during the year and their contribution to the continuing financial stability of the Company.

### Joel Griffin

Chair,  
GPDF Remuneration Committee

# Company Information

## Directors who served in 2021

D Moederle-Lumb - Chair

J Densem - (Resigned 30 June 2022)

C Kelman

G Mahay - (Retired 10 June 2022)

K McIntyre

R Morley - (Resigned 10 September 2021)

A Rayani

P Roblin - (Resigned 2 June 2021)

W Butler

J Tozer

Z Norris - (Appointed 10 September 2021)

**Secretary** J H Christie

Company number 01508388 (England and Wales)

### Registered office

c/o Mazars LLP  
30 Old Bailey  
London, EC4M 7JZ

### Auditors

Mitchell Charlesworth (Audit) Limited  
5 Temple Square  
Temple Street  
Liverpool, L2 5RH



**GPDF** Listening  
Supporting  
Influencing

## Annual Report & Financial Statements 2021

# Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2021.

## Principal activities

The Company acts to support and promote the interests of Local Medical Committees and General Medical Practitioners in Great Britain 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 were as follows:

**D Moederle-Lumb** - Chair

**J Densem** (Resigned 30 June 2022)

**C Kelman**

**G Mahay** (Retired 10 June 2022)

**K McIntyre**

**R Morley** (Resigned 10 September 2021)

**A Rayani**

**P Roblin** (Resigned 2 June 2021)

**W Butler**

**J Tozer**

**Z Norris** (Appointed 10 September 2021)

## Results

The results of the Company show an operating deficit of £293,869 (2020: surplus £31,048) before investment gains.

The surplus after investment gains and taxation is £1,223,272 (2020: surplus of £1,379,584).

The surplus was after accounting for realised gains of £55,536 (2020: £833,546) and unrealised gains of £2,196,599 (2020: £799,990).

The closing balance on the accumulated fund now stands at £19,743,407 (2020: £18,520,135), of which £19,558,413 (2020: £18,831,471) represents fixed asset investments held at fair value, in relation to which there is a deferred tax liability of £1,700,000 (2020: £1,085,000).

At the Annual Conference of Representatives of UK LMCs in May 2021, the Company was tasked with commissioning a thorough review of how General Medical Practitioners Committees (GPCs) and Local Medical Committees (LMCs) throughout the UK can be better represented and supported, including by the GPCs of the BMA.

The Company commissioned Ijeoma Omambala QC to undertake the review and her report was published at the time of the Annual Conference of Representatives of UK LMCs in May 2022. The Report may lead to proposals for the reform of the GPDF's current arrangements with LMCs and the GPCs.

## Auditor

In accordance with the Company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited 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.

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  
6 July 2022

# Independent Auditors report

## Opinion

We have audited the financial statements of GPDF Limited (the 'Company') for the year ended 31 December 2021 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 2021 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.

## 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.

# Independent Auditors report continued

## 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- (i) The presentation of the income and expenditure statement, (ii) the accounting policy for revenue recognition (iii)

understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

## Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of board meetings, including those of the audit committee, investment committee and remuneration committee, and reviewing correspondence with relevant authorities where matters identified were significant;

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 & on behalf of Mitchell Charlesworth (Audit) Limited - 6 July 2022

**Chartered Accountants / Statutory Auditor**  
3rd Floor, 5 Temple Square, Temple Street,  
Liverpool, Merseyside, L2 5RH

# Income and Expenditure

## For the year ended 31 December 2021

	Notes	2021 £	2020 £
<b>Income</b>			
Voluntary quota contributions		1,946,375	2,083,855
Other revenue		363	1,909
		<b>1,946,738</b>	<b>2,085,764</b>
<b>Less expenditure</b>			
Grant to the BMA	4	1,307,500	1,379,000
Conferences and annual report to representatives of LMCs		71,444	159,261
Fares and subsistence		4,127	18,308
Director and staff costs		504,723	451,059
LMC support	5	273,469	35,250
Research and communication with LMCs		87,798	116,489
Restructuring- including negotiations with the BMA		-	124,400
Administrative expenses	6	226,561	305,880
Provisions released		-	(265,000)
Audit fee		19,520	19,224
Donation to the Cameron Fund		10,000	10,000
		<b>2,505,142</b>	<b>2,353,871</b>
Listed investment income		264,535	299,155
<b>Surplus/ (deficit) before net investment gains, investment provisions and exceptional items</b>		<b>(293,869)</b>	<b>31,048</b>
Realised gains on financial instruments held at fair value		55,536	833,546
Unrealised gains/(losses) on financial instruments held at fair value		2,196,599	799,990
		<b>1,958,266</b>	<b>1,664,584</b>
<b>Surplus/(deficit) before taxation</b>			
Taxation			
- Corporation tax		(119,994)	-
- Deferred taxation		(615,000)	(285,000)
<b>Surplus for the financial year</b>		<b>1,223,272</b>	<b>1,379,584</b>

# Statement of Financial Position (Balance Sheet)

	Notes	2021 £	£	2020 £	£
<b>Non-current assets</b>					
Investments	8		19,558,413		18,831,471
<b>Current assets</b>					
Trade and other receivables	10	371,577		496,558	
Cash and cash equivalents		1,862,655		569,327	
		2,234,232		1,065,885	
<b>Current liabilities</b>	11	(349,238)		(292,221)	
<b>Net current assets</b>			1,884,994		773,664
<b>Total assets less current liabilities</b>			21,443,407		19,605,135
<b>Provisions for liabilities</b>	12		(1,700,000)		(1,085,000)
<b>Net assets</b>			19,743,407		18,520,135
<b>Accumulated funds - reserves</b>					
Income and expenditure account			19,743,407		18,520,135

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 July 2022 and are signed on its behalf by:

**D Moederle-Lumb - Chair**

Director



# Notes to the Financial Statements

For the year ended  
31 December 2021

## 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 LLP, 30 Old Bailey, London, EC4M 7JZ.

### 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, 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 2021

## 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 2021

## 1 Accounting policies

### 1.6 Taxation

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. In calculating the deferred tax balance, the rate which will be enacted at the time the liability is likely to unwind is used, being 25%. 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 taxable 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 employee's services are received.

### 1.8 Retirement benefits

Payments to the Company's 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.

# Notes to the Financial Statements

Continued

For the year ended  
31 December 2021

## 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 3 Employees

The average monthly number of persons (including directors) employed by the Company during the year was 12 (2020 - 12).

Amounts paid to directors of the Company who served during the year are listed in note 16.

## 4 Financial arrangements with the British Medical Association

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. The purpose of these Grants is 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 Executive team members of the GPCs.

As disclosed in Note 14 below, at 31 December 2021, the company was committed to pay £1,735,000 to the BMA for the period ending 30 June 2023.

# Notes to the Financial Statements

Continued

For the year ended  
31 December 2021

5	<b>Analysis of LMC support expenses</b>	<b>2021</b>	<b>2020</b>
		£	£
	Landscape project	91,893	3,000
	Review of representation	131,810	-
	LMC Development	49,768	22,156
	PCN Activity and advice	-	4,495
	Workshops	-	2,875
	PCN Activity and advice	-	2,724
		<u>273,471</u>	<u>35,250</u>
6	<b>Analysis of administrative expenses</b>	<b>2021</b>	<b>2020</b>
		£	£
	Legal services	90,274	217,333
	Accountancy services	48,714	48,211
	Tax services	6,058	23,560
	Other administrative expenses	81,515	16,776
		<u>226,561</u>	<u>305,880</u>

## 7 Subsidiaries

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

The company also owns the one issued ordinary share of £1 in LMC Support Limited (LSL), a dormant company, with a nominal share capital of £1,000.

The company is the sole subscriber to National Association of Local Medical Committees Limited, a company limited by guarantee, which was formed in July 2021.

# Notes to the Financial Statements

Continued

For the year ended  
31 December 2021

<b>8</b>	<b>Investments</b>	<b>2021</b>	<b>2020</b>
		£	£
	<b>Investments measured at fair value</b>	<b>19,558,413</b>	<b>18,831,471</b>

The value of investments at 31 December 2021 is determined by reference to market values and any gain or loss on the movement is taken to the income and expenditure account. In December 2021 £1,500,000 was withdrawn from the investment portfolio and is shown in cash and cash equivalents on the balance sheet.

<b>Movements in investments</b>	<b>Investments other than loans</b>
	£
<b>Cost or valuation</b>	
At 1 January 2021	18,831,471
Additions	3,216,567
Valuation changes	2,252,135
Disposals	(4,741,760)
	<hr/>
At 31 December 2021	19,558,413

<b>9</b>	<b>Financial instruments</b>	<b>2021</b>	<b>2020</b>
		£	£
	<b>Carrying amount of financial assets</b>	<b>19,553,413</b>	<b>18,831,471</b>

# Notes to the Financial Statements

Continued

For the year ended  
31 December 2021

<b>10</b>	<b>Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
		£	£
	<b>Amounts falling due within one year:</b>		
	Quotas expected from LMCs	353,513	465,855
	Other receivables	18,064	30,703
		<b>371,577</b>	<b>496,558</b>
<b>11</b>	<b>Current liabilities</b>	<b>2021</b>	<b>2020</b>
		£	£
	Trade payables	25,382	78,081
	Corporation tax	119,994	-
	Other payables	156,538	141,216
	Accruals and deferred income	47,324	72,924
		<b>349,238</b>	<b>292,221</b>

# Notes to the Financial Statements

Continued

For the year ended  
31 December 2021

## 12 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:

	<b>Liabilities</b> 2021 £	<b>Liabilities</b> 2020 £
<b>Balances:</b>		
Tax losses	(10,680)	(46,400)
Investment revaluations	1,710,680	1,131,400
	<b>1,700,000</b>	<b>1,085,000</b>
 <b>Movements in the year:</b>		<b>2021</b> £
Liability at 1 January 2021		1,085,000
Charge to profit or loss		615,000
Liability at 31 December 2021		<b>1,700,000</b>



# Notes to the Financial Statements

Continued

For the year ended  
31 December 2021

## 13 **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 them. LMCs without a nominee will not share in any distribution upon winding up of the company.

## 14 **Financial commitments, guarantees and contingent liabilities**

The financial arrangements with the BMA are described in Note 4 and at 31 December 2021, the Company was committed to pay £1,735,000 to the BMA for the period ending 30 June 2023.

## 15 **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 2021

## 16 Directors' transactions

### Payments to directors who served during the year

Directors	Salary £	Expenses £	2021 Total £	2020 Total £
J Densem	31,712	-	31,712	19,708
C Kelman	10,125	89	10,214	12,030
G Mahay	10,125	-	10,125	10,373
K McIntyre	10,125	849	10,974	10,000
D Moederle-Lumb	114,650	2,700	117,350	111,577
R Morley	6,941	-	6,941	10,569
A Rayani	10,125	586	10,711	11,280
P Roblin	7,105	299	7,404	10,753
W Butler	20,125	122	20,247	9,750
J Tozer	21,125	89	21,214	11,767
Z Norris	3,200	51	3,251	-

Included in the above are payments to the directors of a subsidiary undertaking, LMC Support Limited, as that entity did not trade during the year.

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 the Company's business.

## 17 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 2021

## 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.

## GPFD 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

Set out below is the strategic asset allocation policy and the portfolio's exposure, as at 31st Dec 2021.

	GPFD Ltd Policy Benchmark (%)	Tactical Asset Allocation (%)
UK Fixed Income	5.0	1.0
Corporate Bonds	3.0	3.4
Index Linked	2.0	1.9
<b>Total Bonds</b>	<b>10.0</b>	<b>6.2</b>
Global Equities (GBP hedged)	30.0	33.4
Global Equities	50.0	48.0
<b>Total Global Equities</b>	<b>80.0</b>	<b>81.4</b>
<b>Commercial Property</b>	<b>5.0</b>	<b>3.4</b>
<b>Alternatives</b>	<b>5.0</b>	<b>6.8</b>
<b>Cash</b>	<b>-</b>	<b>2.1</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Sterling exposure</b>	<b>51.8</b>	<b>51.1</b>

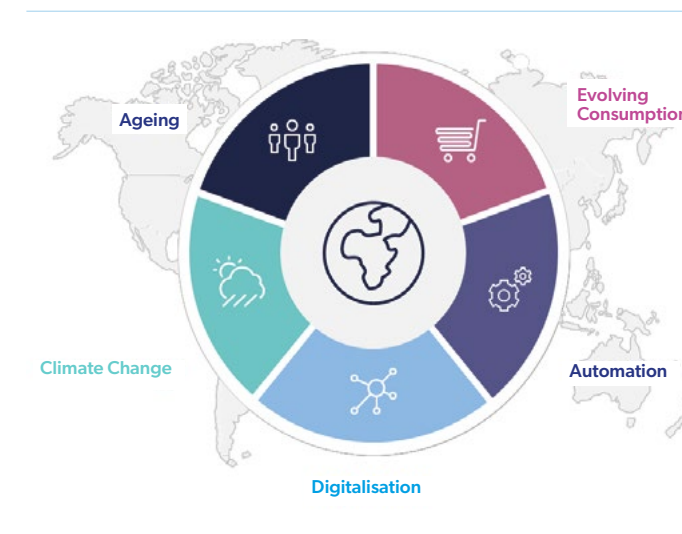
## Approach to investment

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

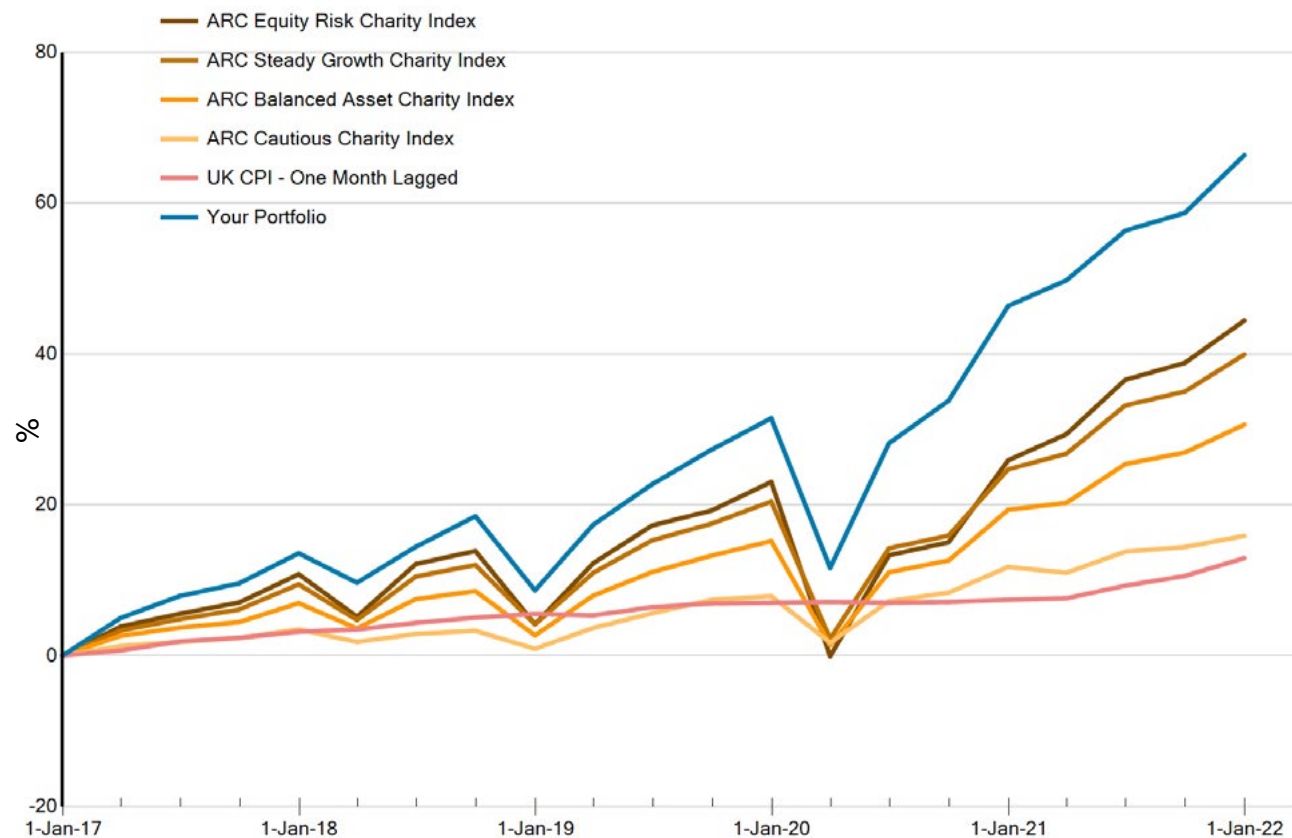


**5 mega-themes** structure our thinking and process around the long-term development of society. They are expected to remain fairly static.

Ideas 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 2021)



	1 Year	3 Years Annualised	5 Years Annualised
<b>Performance to 31-Dec-21</b>			
Portfolio	13.7%	15.3%	10.7%
Inflation (UK CPI - One Month Lagged)	5.1%	2.3%	2.5%
Portfolio Benchmark	16.4%	16.0%	11.0%
Peer Group	12.2%	10.3%	6.9%
<b>Volatility</b>			
Portfolio	7.8%	11.8%	10.3%
Portfolio Benchmark	6.4%	11.1%	9.7%

Portfolio benchmark (from 1-Jul-21): 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%), 2% per annum above SONIA (alternative assets) (5%).

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.

All volatility figures measure the standard deviation of the monthly returns over the period and are annualised for periods over 1

year. This is not the only method of calculating volatility and other methods may produce different results.

## Change in investment value

Change in portfolio value- 20 June 2022

Sarasin & Partners LLP are required by MiFID2 regulations to advise GPDF Limited if the value of investments drop by 10% or more since they last reported.

Portfolio Name	Last Valuation Date	Previous Value	Current Value	% Drop
GPDF Limited	2022-03-31	£19,692,352.25	£17,483,587.22	11.2

# Governance Brief overview of GPDF

## Why GPDF exists

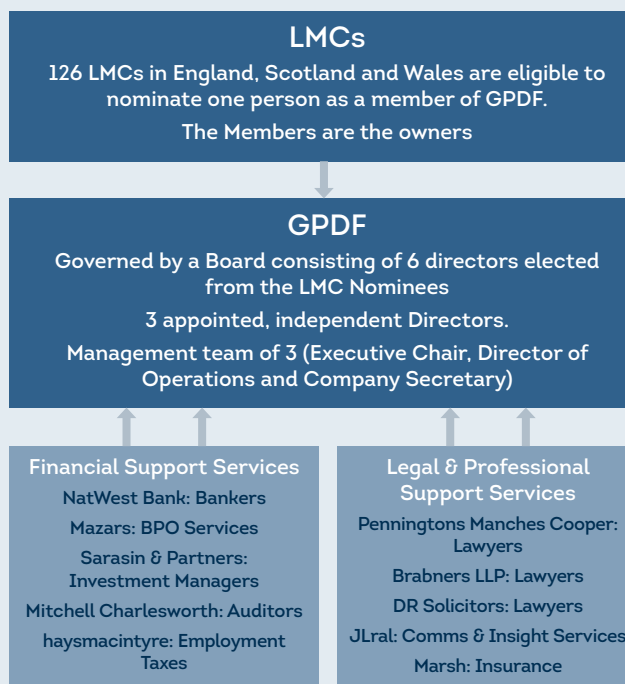
GPDF exists to ensure national representation, influence and support for Local Medical Committees (LMCs), GPs and general practice.

## 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. 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 GPDF is managed

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 GPDF is funded

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 GPDF, based on the reported patient population for each LMC, which 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

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.

## GPDF’s Strategic aim

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

This will evolve over the coming years as 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, 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, 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. 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.