

Promises kept



The Medical and Dental Defence Union of Scotland

Head office:
206 St Vincent Street
Glasgow G2 5SG

London office:
1 Pemberton Row
London EC4A 3BG

t: **0333 043 4444**

0333 043 0000 Membership Services Department:

f: **0141 228 1208**

e: info@mddus.com

www.mddus.com

Contents

| | | |
|---|---|-----------|
| 1 | Chair and Chief Executive foreword | 02 |
| 2 | Strategic report | 08 |
| 3 | Finance Director's report | 26 |
| 4 | Directors' report | 30 |
| 5 | Audit and Risk Committee report | 41 |
| 6 | Independent auditor's report | 44 |
| 7 | Financial statements for 2024 | 48 |
| | Notes to the accounts | 52 |
| | MDDUS Board and honorary fellows | 67 |
| | Our management | 68 |
| | External professional advisers | 68 |



**We prioritise
the things that
matter most to
our members**

Chair and Chief Executive foreword

1



“ Our customer promises build on the Company’s foundations first set in 1902, reinforcing our long-term commitment to being on our members’ side – on good days and in tough times

Welcome

3

Over the last 12 months, MDDUS has prioritised the things that matter most to our members.

Amid political change and intense policy and financial pressure across all aspects of health, we stood firm in our guiding purpose: to support and protect healthcare professionals.

As our membership grew by 4%, we drew on insights from doctors, dentists and allied healthcare professionals to understand their needs and concerns better.

This thorough questioning and listening exercise has evolved into our 'four customer promises' – a charter that guides us in delivering excellence in every aspect of the services our members value.

Our customer promises build on the Company's foundations first set in 1902, reinforcing our long-term commitment to being on our members' side – on good days and in tough times. This framework sets a new standard for service excellence, making sure our members get the right support, exactly when they need it, from someone who truly understands.

Every one of our colleagues plays a role in delivering our customer promises – from our dental and medical teams offering crucial first-line support to members in need, to our customer services team handling queries quickly and consistently.

We're confident these promises will lead to further meaningful improvements to the service we provide to our members in the coming months and years.



Professor Iain Cameron
Chair

Working hard for you in 2024

In 2024 our members faced urgent pressures and relied on us for real-time support and expert guidance.

Across our legal, dental, and medical teams, colleagues worked hard to support members dealing with complex professional challenges. Our medical and dental teams provided a round-the-clock service, 365 days a year. Together they dedicated 2,650 hours to calls with doctors and dentists, equivalent to 378 working days, highlighting the sustained pressures members face.

As well as making a positive difference for members now, we're always thinking of those we'll support in the years to come. To our delight, this member-focused ethos was recognised by a prestigious Princess Royal Training Award sitting alongside a further accolade as Employer/Workplace of the Year at the HR Network Awards. It has been satisfying to see our colleagues' efforts rewarded.

We made significant strides in evaluating and evolving our product range for a changing health landscape. We expanded our Continuing Professional Development (CPD) programme, positioning it as one of the most forward-thinking training offerings for healthcare professionals.

New digital technologies and AI are revolutionising healthcare – but they're also introducing vulnerabilities that can expose healthcare professionals to risks and legal challenges. In 2024, we gave members expert guidance on digital risk management, supporting them to make the most of technological advancements without compromising on privacy or facing unnecessary legal exposure. We've also protected your data by ensuring we are defended against cyber attacks. We successfully gained the Cyber Essentials certificate of assurance, the government-backed, industry-supported scheme to help organisations protect themselves against common online threats.



Chris Kenny
Chief Executive

A wellbeing crisis

One of the biggest developments of the past 12 months has been a wider recognition of the importance of clinician wellbeing. For too many, the impact of working in a health service under exceptional stress is a significant challenge.

While the NHS has moved beyond the emergency conditions of the pandemic, Covid-19's legacy is an ongoing wellbeing crisis among doctors and dentists.

Our own polling highlighted that many of our members still face significant challenges due to sustained pressures within the health service. Seven in ten GPs told us they experienced compassion fatigue – the struggle to empathise with patients because they're worn out from caring for them.

When family doctors say they're emotionally and physically exhausted to the point it affects the quality of their care, it's clear we urgently need meaningful solutions.

In response to these rising concerns about stress and burnout, we continued to tackle the problem directly. We offer our members and their teams a free and confidential support service to access professional counselling and wellbeing advice, as well as advocating their cause face to face with ministers and policy makers, and in the media.

In 2025, we'll continue to advocate for the wellbeing of the healthcare workforce to remain a priority for all UK governments.

Influencing policy change

We played a critical role in advocating for our members on ethical and safety issues in 2024, while influencing policy and legislative developments across the UK.

In the summer, we published our 'Five asks of a new government' as the UK prepared to go to the polls. Later in the year, we shared the results of our annual 'attitudes' survey of our members. Through high-profile national media exposure, we highlighted to governments the extent of the wellbeing crisis affecting doctors and dentists. We've welcomed the small steps that have been taken and continue to press for long-term, fully funded action as part of wider workforce strategies.

Regulatory advocacy

As is often the case, a new government brought bold commitments for the health sector but also introduced a post-election drag on key reforms. The Department of Health and Social Care (DHSC) postponed putting the Long-Term Plan for NHS England in place pending consultation and review.

Yet we had significant success in regulatory advocacy. Our work with the General Medical Council (GMC) led to it reversing its decision to use a single case examiner for Fitness to Practise (FtP) hearings, restoring the standard of two examiners. Our discussions with the General Dental Council (GDC) led to a more flexible approach to in-person hearings, acknowledging that remote hearings aren't always appropriate. We also welcomed the GDC's commitment to monitor the outcomes of both hearing formats.

Support on complex cases

Beyond policy influence, we gave members critical support across a range of complex cases, including:

- › High Court trials
- › High-profile and intricate GMC and GDC proceedings
- › Judicial Reviews
- › Appeals from lower courts and tribunals, and
- › Public inquiries such as the Covid Inquiry and the Scottish Hospitals Inquiry.

But despite repeated calls for professional healthcare regulatory reform – including from us – the UK government still overlooked it, and it's at risk of being lost altogether. We need urgent action to make sure this long-overdue issue is addressed.

Our Board

A significant factor in our successes in 2024 was the support and guidance of our non-executive directors. In 2024, we appointed Ian Craig and Andrew McKee, who both bring additional financial services expertise to our Board. Dr Rebecca Sadler is now chairing our Audit and Risk Committee, succeeding Margaret McPhail, whose contribution to MDDUS was recognised in our 2023 report.

Taken as a whole, the Board's overarching view of our strategy — including our four customer promises — has been vital in our ambition to achieve growth and, in turn, to support and defend as many healthcare professionals as we can.

The Board's support during the final phase of developing the Code of Practice, which we and other medical defence organisations (MDOs) have signed up to, was important in reaching agreement on the Code with the DHSC.

Moving forward

As with any annual report, we reflect here on the year gone by. What matters now is how we move forward in 2025 and beyond with our four customer promises, guided by the feedback and experiences of our members, which remain at the heart of everything we do.



We played a critical role in advocating for our members on ethical and safety issues in 2024, while influencing policy and legislative developments across the UK

Promises kept

You're more than a membership number to MDDUS. You matter to us, and we'll always act with your best interests in mind. Your priorities are ours, and that's why we're making these four promises.

1 We're your confidence inspiring ally

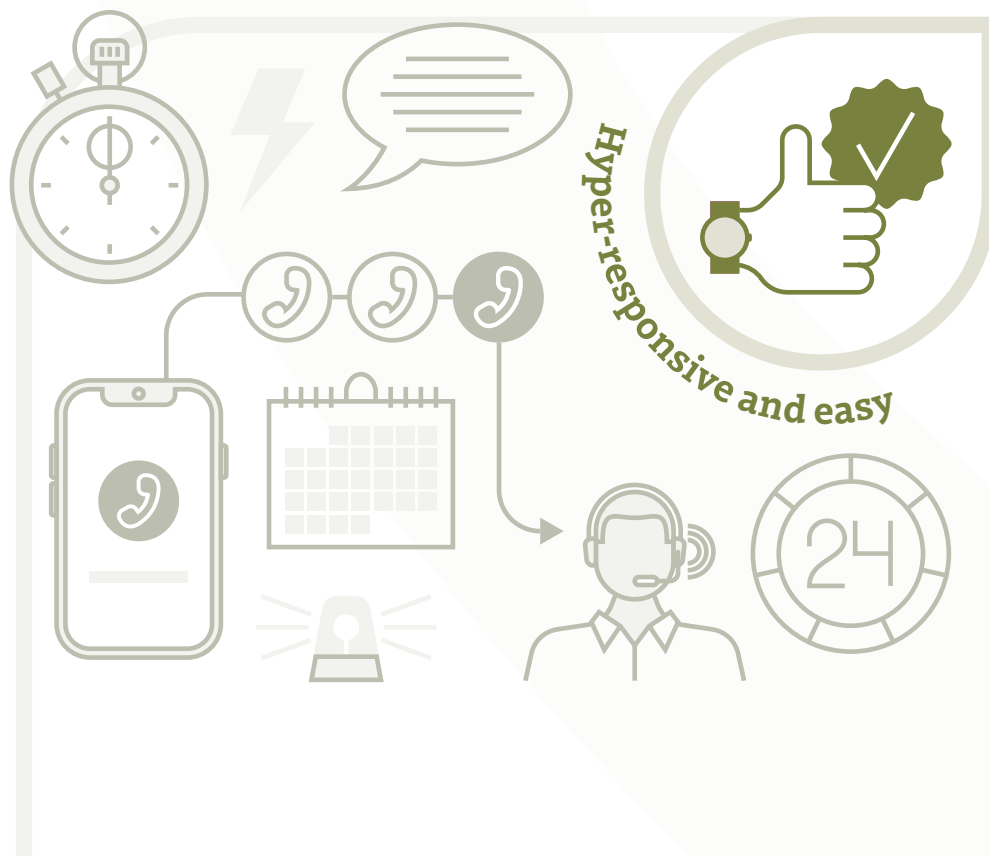
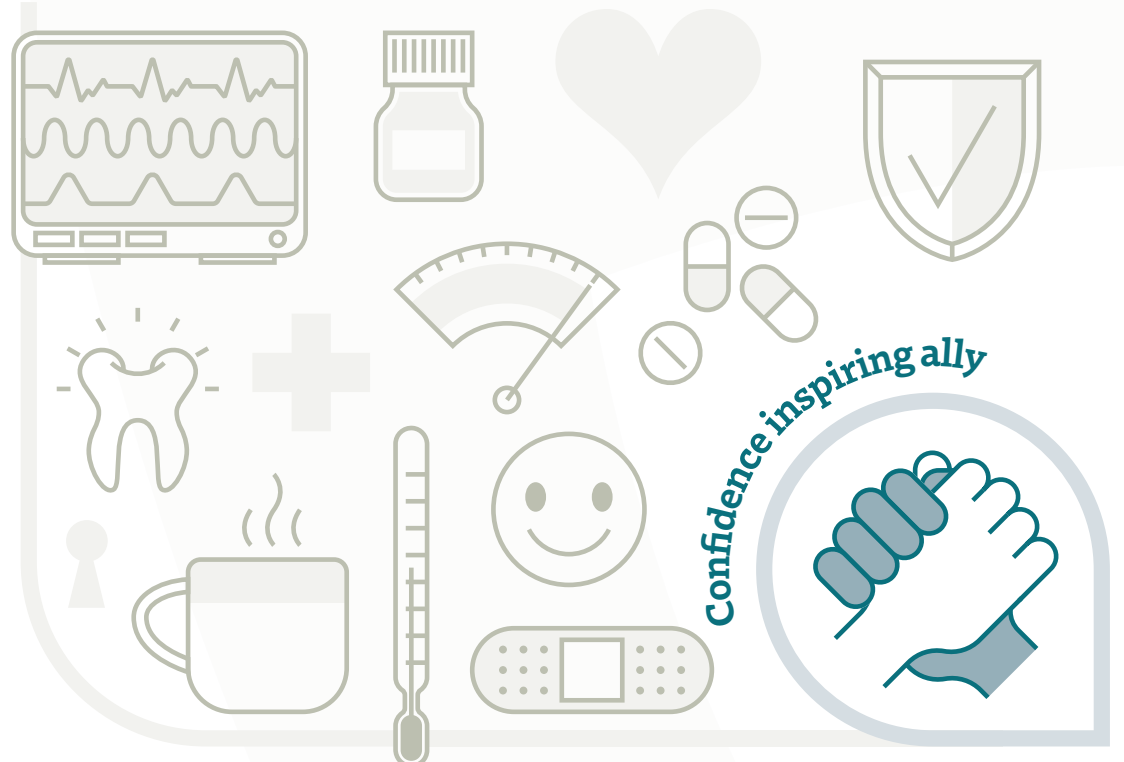
When you call us, you'll speak to a professional in your field – doctors will speak to doctors, dentists to dentists, with our in-house legal experts to hand whenever needed.

Every one of our experts understands the challenges you face, and we're all on your side.

2 We're hyper responsive and easy to deal with

We are here for our members 24/7, 365 days – and when you call, you'll get through to us straight away. You can call as often as you need, with no impact on your membership.

But we're not stopping there: we're always finding ways to make it simpler for you to get the help you need.



3 We're leading experts in our field

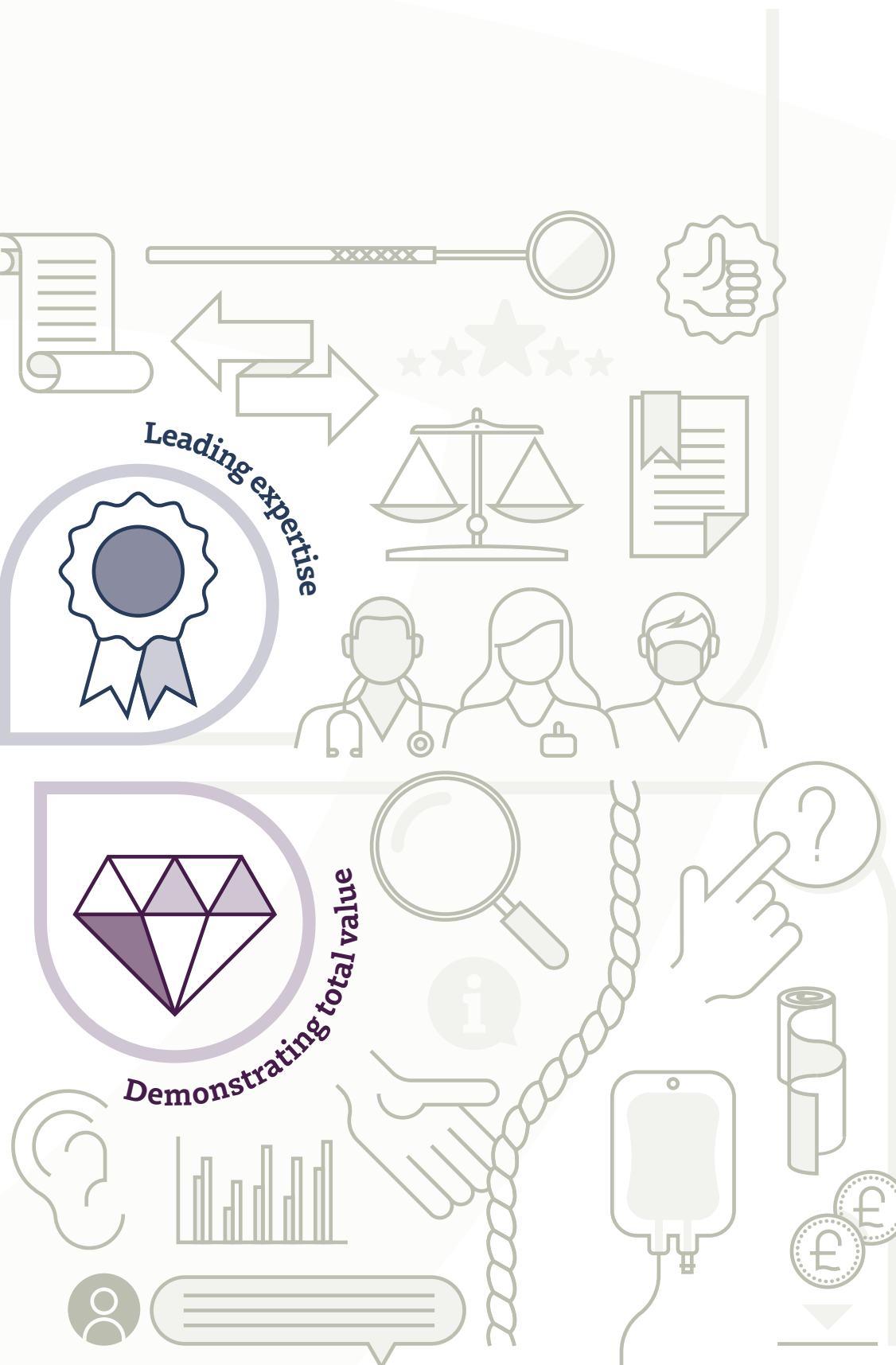
When you call us, you can trust you're talking to someone who understands your profession, inside out.

Our clinicians and lawyers have walked with our members through the hardest moments of their professional lives. Our CPD training is often described by them as the best they've been on, with 98% of attendees agreeing they'd recommend our courses to others.

4 We offer total value

Alongside our expert legal advice, our wraparound service offers support, encouragement, and kindness at a fair price.


If you're worried or you have a query, we're here for you. When you need us, we'll go as far as we can to help – no matter what.



Strategic report

2





Our members are at the very heart of everything we do. On good days and in tough times, we are on their side. We work as one team, collaborating between Glasgow and London to deliver seamless professional services for our members. Our medical, dental and legal teams are leaders in their specialist fields. They are trusted experts in handling complex and challenging issues right across the spectrum of jeopardies doctors and dentists may face.

Their work is complemented by our Training, Continuous Professional Development (CPD) and Risk team who offer an array of expertly tailored courses designed to help members to practise safely.

Above all, our greatest value to members lies in this: we are not merely advisers, but trusted experts and a dependable ally.

Medical

As ever, we placed our members firmly at the heart of our work in 2024 by understanding their challenges and proactively addressing their evolving needs.

At our core, we offer a 'doctors for doctors' service. But we recognise that doctors' needs go beyond their clinical specialties.

That's why we expanded our team by appointing a diverse range of advisers to mirror our membership. We've added skills and recent experience in both primary and secondary care to our already wide range of expertise. This growth helped us understand our members' unique challenges better and offer practical, focused and robust support.

We dedicated significant effort to redeveloping our training programme and internal systems, and we were proud when our work was recognised with a Princess Royal Training Award. These improvements show that we are consistently bringing members the highest level of medico-legal advice.

Fast access and a friendly ear

In 2024, as our members' demands grew, we made sure they had rapid access to tailored advice through their preferred channels.

We revamped our telephone advice line so that more than 95% of members seeking medico-legal advice were connected directly with an expert adviser. We also expanded our online content to meet the increased demand for self-directed resources.

While we improved access to our services, we also dedicated extra time to listen when members reached out.

Many members reported feeling less anxious after being able to share their concerns with a sympathetic ear, and others appreciated receiving expert medico-legal advice tailored to their situations – often from advisers who have walked in their shoes.

We have never set call time targets because we're here to listen to our members – however long that takes.

Care for members' wellbeing

In 2024, we received significantly more written queries than in 2023, and saw an increase in members seeking support with regulatory and disciplinary issues.

We understand the psychological toll these situations take. During advice calls, advisers referred 27% more members to our independent support service to access professional counselling and wellbeing advice, than in 2023.

Although this expert, unlimited support from licensed practitioners is essential, our members deserve fair and comprehensive care. That's why we also partnered with external stakeholders, including the General Medical Council (GMC) and Royal Colleges, to address these issues and develop working solutions.

Medical data




Total number of new **cases** in 2023 and **2024**

6,606 | **7,355** 



Total number of **advice calls** in 2023 and **2024**

8,509 | **7,799** 



Time spent (total hours) on **advice calls** between April-Dec in 2024

1,632

Time spent (hours) on **all case types** in 2023 and **2024**

12,920 | **14,324** 



Total number of **Ombudsman cases** (PHSO, SPSO and others) in 2023 and **2024**

94 | **85** 

Total number of **regulatory and medical discipline** cases in 2023 and **2024**

311 | **372** 

Total number of **medical case assigned to legal** in 2023 and **2024**

285 | **327** 



We offer our members and their teams a **free and confidential support service** to access professional counselling and wellbeing advice in 2023 and **2024**

399 | **505** 

We have never set call time targets because we're here to listen to our members – however long that takes



95%

of members seeking medico-legal advice were **connected directly with an expert adviser.**



Dr John Holden, Chief Medical Officer/Responsible Officer, and **Dr Naeem Nazem**, Head of Medical



Hyper responsive and easy: we're always there for you
You're squeezed for time, and finding a moment to call can be tricky. That's why our professionally trained advisers are there for you 24 hours a day, 365 days a year.

Dental

In 2024 we found ourselves asked more frequently to help members facing the most difficult of times.



Over the past 12 months, we expanded our team by **welcoming six additional dentists.**

We were proud to not only offer advice but also, like our medical colleagues, be available when members need someone to listen and empathise



Dr Keiran Bhakta, Dental Adviser

Dental data



Total number of new **cases** in 2023 and **2024** ↑11.5% increase

2,926 | 3,262



Total number of **advice calls** in 2023 and **2024** ↓8.7% decrease

4,271 | 3,898



Time spent (total hours) on **advice calls** between April-Dec in 2024

1,018

Time spent (hours) on **all case types** in 2023 and **2024** ↑33% increase

6,624 | 8,807



Total number of **GDC cases** in 2023 and **2024** ↓13% decrease

166 | 145

Total number of **dental case assigned to legal** in 2023 and **2024** ↓11% decrease

422 | 377



We offer our members and their teams a **free and confidential support service** to access professional counselling and wellbeing advice in 2023 and **2024**

38 | 137 ↑261% increase

The hard truth is that most callers were initially upset and worried—either because they'd received a complaint, or a patient had subjected them or their staff to verbal abuse. As the year went on, it became clear that much of our time would be spent advising members on dealing with unacceptable behaviour towards staff.

This reality was echoed in numerous stories shared on online dental forums. Throughout the year, we supported members in deregistering patients and stood by them even when these actions attracted criticism, as we firmly believe our members deserve to work in safe, supportive environments.

There in tough times

Our members also faced personal challenges that impacted their lives.

We were proud to not only offer advice but also, like our medical colleagues, to be available when members need someone to listen and empathise. Although some of these calls were among the most distressing, we were able to give support and refer members to our independent support service to access professional counselling and wellbeing advice.

Our team ethos is to make sure that our first communication with any member – even when giving difficult news – is as empathetic and understanding as possible.

While we can't ignore the tough realities some members face, we can assure them that we're on their side and, as all the team have practised dentistry and have often experienced similar challenges, we can empathise and provide real-life experience and support.

Support behind the scenes

Our support went beyond defending members after they'd received a GDC letter. Behind the scenes, we met the GDC every quarter to raise concerns about member welfare, remote hearings, and recent judgements.

Regulatory issues continued to cause stress for our members and, anecdotally, hinder the development of younger practitioners. We hear the effect of decisions taken by the GDC and the impact these have on our members' confidence and desire to remain in the profession. We kept advocating for improvement in the Fitness to Practise process and contributed to work on reform of Scope of Practice and the GDC Standards. Although some progress has been made, much more remains to be done.

Going further to help

Waiting for a response can be stressful, which is why, thanks to our improved telephone system, we now answer calls directly.

Over the past 12 months, we expanded our team by welcoming six additional dentists. We also developed a clear career pathway and structure to make sure our members always receive advice from a well-trained dental team and encourage more dentists to embark on what is a rewarding and vital service to our fellow colleagues.

Legal

“The service I have received together with the emotional support has been second to none – I will never leave this organisation despite the constant requests from other providers.

Feedback on Tristan Sayer
Joint Deputy Head of Legal

“I cannot praise the MDDUS team enough. You have been incredibly supportive through what could have been a very stressful time for me as a clinician. I was also very reassured that you were willing to fight what was a tenuous claim at best, rather than taking the easy option of a ‘cheap’ settlement. Good to know that what is ‘right’ is not always outweighed by what is commercially cheapest / easiest. Communication has been excellent throughout and I am very grateful for your expertise and support.

Feedback on Louise McKinnon
Lawyer

Our in-house specialist lawyers are trained in all case types, making sure that the member journey stays smooth even when one case evolves into another (for example, from an inquest to a claim or GMC case).

Our team is also Samaritan trained, which supports them to manage both the legal and emotional aspects of each case.

In 2024, we worked closely with our advisory colleagues, making sure that a doctor or a dentist and a lawyer worked together at every stage of a member's case.

Members needed consistent support from the moment a case was raised until its resolution, so we guided them personally through every stage of the process.

Throughout the year, the team participated in an extensive CPD programme covering all areas of law relevant to our work. Recent training included new GMC regulations, Medical Practitioners Tribunal Service (MPTS) sanctions bandings, and Vicarious Liability/Non Delegable Duty claims for dentists.

This commitment makes sure our legal team stays up to date with new case law, guidance, and statutory requirements, demonstrating genuine expertise in healthcare law.

Advocacy and shaping policy

Our team also played an active role in shaping policy and regulation. We took part in workshops with the GMC and the Professional Standards Authority on the new physician associates (PAs) and anaesthesia associates (AAs) regulation, giving both written and verbal feedback on the proposed rules, standards and guidance.

The GMC's public consultation report quoted our input widely. We strongly advocated that two case examiners, rather than one, should make disposals of cases with an accepted outcome. We were pleased to see this recommendation adopted.

We met the MPTS at both working and chair/chief executive level and provided written feedback on their revised Sanctions Bandings. In these discussions, we emphasised the need for consistency and enhanced training for Tribunal members, ensuring they can make informed decisions.

Although we stressed the importance of transparent, explainable decisions, we were concerned that the framework might lead to rigidity. Our discussions with the MPTS reassured us that the guidance still leaves room for interpretation.

Finally, we liaised with other MDOs and the DHSC, taking the lead in developing the MDO Voluntary Code of Practice, in particular the wholly new Independent Complaints Review Service. This initiative reassures members that the discretionary model continues to safeguard their interests. It holds both us and our two main competitors to account for achieving the highest standards of governance and decision making.

Members needed consistent support from the moment a case was raised until its resolution, so we guided them personally through every stage of the process



“ I have been questioning myself ‘do I actually need indemnity insurance’ until I faced a situation recently when I sought MDDUS advice and support. Now I believe that joining MDDUS is one of the best decisions I ever made.

Feedback on Sarah Murdoch
Lawyer

We make sure that a **doctor or a dentist and a lawyer** work together at every stage of a member's case.



Adam Lotter, Joint Deputy Head of Legal
Sara Foster, Joint Head of Legal Services
Maria Kai, Trainee Solicitor

Training and CPD

Training and CPD are central to our purpose to support healthcare professionals. We offered wide-ranging programmes designed by our in-house experts to meet the evolving needs of our members.

Our CPD programme brought together interactive workshops, online modules, and practical case studies to cover essential topics such as regulatory changes, risk management, and medico-legal best practices.

We equipped our members with up-to-date knowledge and skills so they can navigate complex challenges and keep up their high standards of patient care.





RESPONDING TO MEMBERS' NEEDS

9.4 We created our **'Avoiding delayed diagnosis of oral cancer'** course (including verifiable CPD) after our analysis identified a pattern of claims in this area. When we spot trends like this, it's our priority to inform members and help them manage possible risks. The webinar we produced achieved extremely positive feedback, with a speakerscore of 9.4/10.

Feedback

'The content was incredibly informative, and the delivery was clear and easy to follow.'

'This was my first MDDUS webinar and I thought it was excellent. Easy to join and the content, speaker and engagement on the topic was all first class. Well done, MDDUS.'



Member requests for training



Members ask us to bring our expertise directly to their teams and to offer bespoke risk training to their own teams and at events they organise. Results from this are below:



Those commissioning training locally scored the ease of booking score over **9/10** (where one is difficult and 10 is easy). Our aim is to try and make it as easy as possible to access bespoke training to help teams improve safety and reduce risk.



100% of those commissioning training locally agreed that the quality of our training met their expectations. Additionally, 100% said our content was relevant to their needs, and 100% would approach us for training in the future.

“ Absolutely wonderful – targeted appropriately to experienced trainers and had good discussion around pitfalls and common concerns with trainee education/supervision.

GP course organiser, Glasgow

“ Excellent speaker, appropriate topics, delivered in a relevant and succinct manner.

Dental surgeon course organiser, Manchester

Customer services

We know our members are busy. When they contact our customer service team, we make the process simple so they can have peace of mind, knowing they can count on us anytime.

“As a new Practice Manager at a GP practice I have had many reasons to call MDDUS over the past 12 months. Your company is incredibly professional, easy to get hold of, extremely knowledgeable in all areas and will answer my queries in plain English. Your company has impressed me every time I have reason to contact you. Thank you.



3.4%
increase

We received **32,780**
calls in 2024 which is
an increase on 2023.

Claire Clark,
Head of Customer Services

One of our key priorities has been to better understand and anticipate when our members need us most. To meet this aim, we expanded our team by adding talented new colleagues who bring a wide range of skills and energy to complement our experienced staff.

We received 32,780 calls in 2024 which is an increase of 3.4 % on 2023, and responded to those calls on average within 28 seconds. That's a 22% reduction on 2023's response time because we recognise that getting through to our experienced team as quickly as possible makes life easier for our members.

We also responded to 93% of emails within two working days, vastly improving on service levels in 2023.

Member feedback is a top priority for us

In 2024, we received more than double the amount of feedback as in 2023, achieving a Net Promoter Score of +71 and a customer satisfaction rate of 93%. We are very proud of these results, with many members recognising the excellent service our experienced colleagues offered them.

Each team member takes pride in resolving enquiries to a high standard and responding quickly. We continue to invest in their training and development to give them the tools and confidence to grow in their roles.

This investment includes increased one-to-one time with line managers to review performance and member feedback, a new telephone system that speeds up call responses, and more formal training through online learning and structured workshops.

Listening to members' voices

Our Voice of the Customer Forum continued to promote our ethos of member centricity and brought the whole organisation together to focus on the member journey.

In 2024 the forum made several recommendations based on member feedback including improvements to our system to help colleagues capture data more effectively, and use this to personalise the service they offer.

Employment law and HR support

There were significant changes to employment law in 2024 and our members who have employees can access support from us on employment and HR matters.

Our HR and Employment team continued to bring peace of mind and reassurance to our members on the phone and via email, helping them stay compliant with changes and manage complex employment issues.

We provided information and training on the new sexual harassment duty, including an updated policy, and risk assessment tools to comply with legislation. We refreshed our HR and Employment offering including improvements to our template document library.

We also ran webinars, helping members to stay compliant with employment law changes and to manage absences effectively. These received overwhelmingly positive feedback, with an average 9.15 out of 10 speaker score and 8.3 out of 10 risk impact score. Our advisers helped with 620 total employment cases in 2024. Total employment calls handled in 2024 (April to December) was 893.

One of our key priorities has been to better understand and anticipate when our members need us most

“The lady I spoke to on the phone was lovely. She had a gentle and professional manner and helped with all my queries. She was knowledgeable and succinct but also chatted in general about my circumstances and put me at my ease. I was left with the impression that I was the most important customer for her that day, and it really helped me, as I've been quite unwell of late. Bravo team MDDUS. You are the best indemnity provider ever.”

We're proud to have great colleagues and capable managers who together have created a supportive and engaging workplace

People

Our approach is guided by our people strategy, reflecting our commitment to creating a workplace that empowers colleagues to deliver our four customer promises.

Our inspiring workplace culture was recognised at the HR Network Awards 2024, where we were named Employer/Workplace of the Year. The competition was intense, involving a detailed written application and an on-site visit where judges interviewed colleagues to understand what it's really like to work here. It was a chance for them to see how our values, practices, and culture resonate across our organisation.

We were also finalists at the HR Network Awards in the Health and Wellbeing category. This specifically recognised our proactive mental health awareness activities, such as our team of trained mental health first aiders, and our broader efforts to create a safe and inclusive working environment.

What our colleagues say

We carried out a pulse survey of our colleagues in September 2024, which achieved an 80% response rate. The survey found that:

- 89% know and understand our current goals and objectives
- 83% say that all colleagues are treated fairly with us
- 81% believe that managers of all levels actively promote and support a culture of equality, diversity, and inclusion
- 86% feel like a valued member of their team
- 89% plan to be with us in 12 months' time.

We're proud to have great colleagues and capable managers who together have created a supportive and engaging workplace. The results also showed the importance of health and wellbeing, and in 2025, we'll introduce a wellbeing strategy that covers physical, mental, and financial health.

The results of our staff survey feedback gifted us an opportunity to improve how we connect and communicate across the organisation. We appointed a strategic internal communications manager, to focus on colleague engagement.

This helped us encourage colleagues to participate in the first phase of embedding our four customer promises. Regular internal messaging gave them advice and information on how to reflect the promises each day in their work for our members.

“In a noisy world, sometimes those that need to talk the most are not heard. A smile. A little humour. Giving someone the opportunity to speak. These are a few things that mental health first aiders can do that give colleagues space or confidence to talk about their mental health.

Dr Gregory Dollman, medicolegal adviser and mental health first aider



Johanne Roberts, Head of Corporate Services
Debra Wilson, Head of HR
Lisa Walker, Strategic Internal Communications Manager

Shaping an inclusive environment

Our dedication to diversity and inclusion (D&I) is – and will remain – central to our culture. From initiatives such as Neurodiversity Awareness Week and Black History Month to our diversity data survey, we're shaping an inclusive environment where everyone can thrive and learn about important social issues.

Colleagues like Harpal Kang, a customer service adviser, shared how the D&I group provides a platform to make a difference: "As someone from a South Asian and LGBTQ+ background, I'm happy to share my culture and experiences so more people can learn."

Similarly, Eabha Carroll, a trainee underwriter, highlighted the impact of being a D&I representative: "It's interesting to hear feedback from across the business. We strive to implement changes and take on colleagues' feedback."

Our belief in the importance of ongoing learning and development underpins everything we do. By recruiting and retaining the best talent, we make sure our members interact with knowledgeable, experienced staff who offer expert advice and guidance.

This focus on attracting, supporting and retaining top talent by making us a great place to work means we have the best people possible as trusted allies for our members.



Our **inspiring workplace culture** was recognised at the HR Network Awards 2024, where we were named **Employer/Workplace of the Year**

Corporate services

Corporate services isn't just about keeping facilities running smoothly: it's about creating a workplace environment where every colleague feels supported to do their jobs and inspired to make a difference for members.

This year, that sense of purpose came to life through our corporate social responsibility framework, promoted in October 2024. The framework focuses on four pillars: customers, colleagues, climate, and community, and reflects our belief that positive change starts with us.

How our colleagues gave back in 2024

One of the most inspiring aspects of this framework is the way it encourages us to give back. Through our employer-supported volunteering, each colleague receives a paid day off in addition to their annual leave to contribute to causes they care about.

In 2024, 26 of us used this opportunity to step away from our day jobs and make a tangible difference in our communities.

For medical adviser Roopinder Brar, the Woking Food Bank was a chance to see the immediate impact of her efforts as she packed and distributed food parcels to those in need.

Meanwhile, members of the legal team joined the Clyde & Co Stoke Mandeville experience day in support of WheelPower. Emma Parfitt, Deputy CEO and General Counsel said: "It was a fantastic day, where we had the opportunity to try wheelchair tennis, basketball, rugby and more. The event raised funds to support grassroots wheelchair sport, and we're proud to have contributed to such a valuable cause."

Some colleagues from our London office spent their day at the Remus Memorial Horse Sanctuary in Essex helping to care for donkeys and horses who had been abused or neglected.

And our IT Director Elaine Whitefoot supported an event at her local Boys' Brigade. Elaine said: "Without the employer-supported volunteering time, I would have found it difficult to support this event – there were only three of us helping so my time was greatly appreciated."

Collectively, our charity contributions in 2024 amounted to £27,071, including payroll giving (£23,663), charity matching (£1,700), and event donations (£1,708).

“It was a fantastic day, where we had the opportunity to try wheelchair tennis, basketball, rugby and more. The event raised funds to support grassroots wheelchair sport, and we're proud to have contributed to such a valuable cause.

Emma Parfitt, Deputy CEO and General Counsel



Collectively, our
charity contributions
in 2024 amounted to

£27,071



Johanne Roberts,
Head of Corporate Services

“ Without the employer-supported volunteering time, I would have found it difficult to support this event, there were only three of us helping so my time was greatly appreciated.

Elaine Whitefoot, IT Director

Our climate commitment

Our commitment to sustainability continued in 2024. Through our climate change strategy, we've set ambitious goals to reduce emissions and achieve net zero. October was dedicated to engaging colleagues in this mission, encouraging us all to play our part in creating a sustainable future.

By 2028 we aim to:

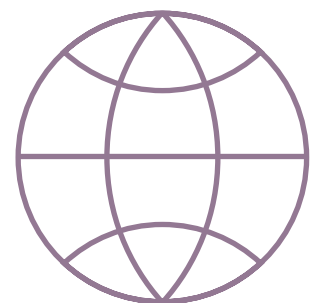
- › reduce Scope 1 and 2 emissions by 70%
- › set our net zero date for our Scope 1, 2 and 3 emissions.

By 2030 we aim to:

- › reduce investments emissions (Scopes 1 and 2) by 50%

By 2035 we aim to:

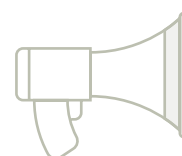
- › achieve net zero for Scopes 1 and 2.





Section 172(1)

| Stakeholder group | Why they matter to us | How we engage |
|---|--|---|
| Members | We are on our members' side. Their needs and concerns are of paramount importance to us. Understanding these is what enables us to deliver on our strategy to help and support as many healthcare professionals as possible. | Relevant information can be found on pages 3, 5, 6, 7, 10, 13, 14 and 19. |
| Colleagues | We mean it when we say our colleagues are our greatest asset. We support them through our colleague value proposition – the choice of benefits we offer each member of the team. Our colleague experience is important to us as we believe it underpins a great member and customer experience with MDDUS. | Relevant information can be found on pages 20–22. |
| Partners and suppliers | Working with professional partners (e.g. specialist legal practitioners, professional associations) is part of our strategy to deliver core services to our members. We require the relationships with these partners and suppliers to be strong, effective and efficient to create value for money to our total membership and customer base. | Relevant information can be found on pages 4, 5, 10, 13, 14, 15, 37 and 38. |
| Society | For us, society is the combination of the communities we represent and engage with, and the places we work in and call home. Our corporate social responsibility (CSR) work takes a prominent place in our overall strategy and is important to us to maintain our relevancy in our market and as part of our commitment to business transparency and ethical practice. | Relevant information can be found on pages 3, 5, 21, 23, 36 and 37. |
| Regulators Policy makers Governments | Policies and regulatory changes introduced by governments may pose a challenge or threat to our members and our business. By working closely with government, regulators and other policy makers we are able to influence the development of their thinking. It further enables us to make sure our products reflect evolving policy and offer support where it is needed to our members so they are able to respond. Relationships with other bodies, such as Royal Colleges, are also important. | Relevant information can be found on pages 3, 5, 10, 15 and 37. |



Finance Director's report

3

“ Our membership base has continued to grow, meaning we are achieving our strategic objective to help the maximum number of healthcare professionals through sustained and sustainable growth

Introduction

27

MDDUS is a mutual. This means our financial priority is not about maximising shareholder dividends, but rather maintaining a secure financial platform so that our members can be confident we have the resources to support them whenever the need may arise, both now and into the future. I am pleased to report that we recorded a modest surplus after tax in 2024 of £15.9m (2023: £46.1m).

Given the background we faced of rising costs, increases in claims provisions and a continued effort to keep any price increases as low as possible to support our members, this was a good result. Our investments delivered a return of £26.5m (2023: £56.6m) which, whilst down on 2023, was nevertheless a helpful contribution.

Subscriptions and other income

Our membership base has continued to grow, meaning we are achieving our strategic objective to help the maximum number of healthcare professionals through sustained and sustainable growth. Member subscriptions and other income grew by 3.1% to £77.7m (2023: £75.4m) and this was despite our deliberately suppressing price increases to help our members at a time of high inflation and even reducing our prices in some areas.

Claims cost

Claims costs in 2024 were £42.2m, lower than in 2023 (£60.7m). Our medico-legal and dento-legal teams continue to deliver good outcomes for our members. We have an increasing number of qualified doctors and dentists supporting and advising members alongside our in-house legal team, ensuring both a better understanding of each case and a better and more empathetic service for our members.

Our advisory and professional support legal costs were £12.3m for the year, higher than in 2023 (£7.0m), reflecting the increasing needs of our members. We continue to seek to manage claims in house wherever possible rather than relying on external advisors.

Provision for liabilities and charges

As well as the costs of claims and professional support activity incurred during the year, we must also make provision for the expected future costs of those claims and professional support cases that have been reported to us but which have not yet concluded. This provision was £176.4m as at 31 December 2024, a £26.3m increase compared to 2023 (£150.1m) due mainly to additional reserves on large cases and reductions in the interest rate assumptions we use to value our liabilities.

We have historically had a relatively small number of large cases. However, we have seen cases in recent years where the cost of the claim plus legal fees could exceed £10m. While rare, these cases demonstrate the importance to our members of having adequate and well-funded cover in place.





James Parker
Finance Director

We also keep track of the total projected cost of claims and professional support cases which relate to incidents that arose during a period for which we provided membership, but have not yet been reported to us, so-called 'incurred but not reported items' (IBNR). Our actuaries, taking account of past experience and expected future trends, estimated the appropriate value of the IBNR at the end of 2024 as £197.6m (2023: £196.0m). IBNR is not a liability on our balance sheet as, having not seen the individual cases involved, we have not yet been able to exercise our discretion in respect of them.

Our provisions increased in part due to falling bond yields, but this movement was mitigated by gains on assets in our 'matching fund', as explained below.

Investments

The nature of our business means that claims and professional support costs for any given period of membership can take some time to emerge. To ensure we have funds available to deal with these costs, we put aside a significant sum of money that we need to invest over a prolonged period. Claims can, in some cases, take many years to be reported to us. Although we deal with cases as efficiently as possible, for particularly complex ones it can take many years to navigate the legal processes required. We appreciate how stressful this can be for the members involved.

We apportion our investments into two funds: a 'matching fund' and a 'growth fund'. Our matching fund invests in high quality bonds and we allocate sufficient assets to this to cover our known provisions and liabilities plus the expected cost of our IBNR. This portfolio will generally grow in value as bond yields fall, and fall in value as bond yields rise, mitigating the effect of interest rate changes on our claims provisions, which will broadly move in the same way.

The remaining assets, other than some cash needed for day-to-day liquidity, are invested in our growth fund. The growth fund comprises a diverse mix of assets such as equities, bonds, multi-asset credit, private debt and property, with a range of investment managers adding further resilience via a range of different investment styles and asset selection.

Financial markets are often volatile and recent years have certainly shown this to be the case with both positive and negative results. We saw total investment income of £26.5m in 2024, less than the £56.6m we recorded in 2023, but a positive result nonetheless.

Taxation

Our activities have resulted in a tax charge for 2024 of £5.6m (2023: £1.3m). After adjusting for our 2024 results, we have £22.8m (2023: £36.8m) of unrelieved tax loss credits carried forward in 2025 to be set against surpluses in future years.

Net financial position

As at 31 December 2024, we had net assets of £558.6m, an increase of £15.9m on 2023 (£542.7m). Our financial position gives us the flexibility to continue to invest in and grow our business, help more healthcare professionals and deliver an excellent service to our members.

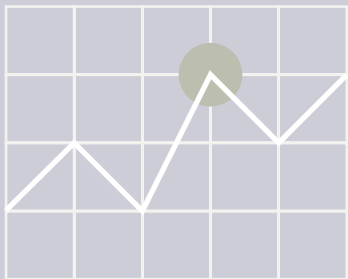
James Parker
Finance Director

04 July 2025



Directors' report

4



Overview

The Board of directors is committed to leading, controlling and directing MDDUS in accordance with a recognised corporate governance framework.

As a member of the Association of Financial Mutuals (AFM), the Board supports and applies the six principles of the AFM Corporate Governance Code ('the code'). In doing so, it considers:

- › the guidance supporting the code
- › our business model, management and mutual ownership status
- › the main statutory and fiduciary duties of a director.

This Directors' report reflects on each principle in turn, before moving to other matters relevant to the governance of MDDUS.

The Board is satisfied that the overall annual report is fair, balanced and understandable, and gives members the information they need to assess our position, performance, business model and strategy in 2024.

Principle one – Purpose and leadership

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

Purpose, culture and values

MDDUS is a 'mutual' organisation – this means it is owned by, and works for, its members. We have no shareholders and pay no dividends.

Our purpose is to support and protect healthcare professionals throughout their career.

This was re-affirmed by the Board at the end of 2022, alongside a supporting strategy of priorities for 2023 to 2027, following research, workshops and meetings involving members, colleagues and directors.

The Board agrees an annual business plan each year, which was used to inform and monitor performance against the strategy in 2024. The strategy and business plan were reviewed and updated regularly, including at an annual strategy 'away day' in September 2024, to respond to developments in our operating environment.

The delivery of our purpose, strategy and business plan is supported by the ethos and culture shared by our

colleagues. This includes our external and internal values, behaviours and customer promises. These are used also to evaluate colleagues' performance in their regular personal development reviews.

Fair treatment policy statement

We treat all members fairly, delivering a high-quality service that meets their reasonable expectations throughout their relationship with us and beyond. We treat all complaints fairly, reasonably and promptly, and seek to learn from them to improve our services.

The Board considered an annual report about member feedback and related process improvements in June 2024.

Our fair treatment policy statement is available on our website.

Principle two – Board composition

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

Any member can stand for appointment to the Board. Our rules – the Articles of Association ('the Articles') – allow non-executive directors to serve up to three terms, each of up to three years, with the possibility of extending beyond nine years in certain circumstances.

The membership of the Board is set out later in this report (p. 67 & 68) and biographies are available on our website.

At the year end, there were 10 non-executive directors and three executive directors: the Chief Executive, Finance Director, and Director of Professional Services and General Counsel. The Board included experience from diverse backgrounds and the fields of acute and primary care, dentistry, business development, financial services, public administration, actuarial science and corporate law. Five non-executive directors were clinician members of MDDUS. All non-executive directors were 'independent', having served nine years or less since their first appointment to the Board.

The Remuneration and Nominations Committee regularly reviews the Board succession plan and the related director experience and knowledge matrix.

Directors' report

32

As advised in our last report, Ian Craig and Andrew McKee were appointed to the Board in February 2024, following a search to find candidates with experience of, respectively, the customer journey and financial services/asset management. Their recommended re-appointment to the Board, for three-year terms, was agreed at the annual general meeting (AGM) in September 2024.

The AGM also agreed the re-appointment of Satya Bhattacharya, Marian Glen and Rebecca Sadler for three-year terms. Margaret McPhail stood down as Vice-Chair of the Board and, after nine years' service, as a director at the AGM. Ms McPhail was subsequently appointed an Honorary Fellow of MDDUS.

In light of our strategy, succession plan and experience and knowledge matrix, we have started the process to appoint a new general medical practitioner to the Board in 2025/26. Jason Leitch will stand down as a director, after nine years' service, at the AGM in September 2025.

Non-executive directors sign contracts for service, which include the time they are expected to devote to their role. New directors must participate in an induction programme, which includes meetings with the Chair, the executive directors, other senior executive colleagues, and a 'mentor' from the Board (generally the Senior Independent Director).

We also give new directors recent Board and committee papers, the strategic and business plans and relevant policies and guidance about the role of directors and 'good governance'. In addition, we aim to meet the individual and collective training needs of directors, including sessions recently about our competitor and operating market, regulatory claims management, data protection, ICT security, and investment products and risk.

Our directors have the opportunity to take part in regular webinars run by the AFM and other bodies, such as the Medical Professional Liability Association. Non-executive directors can also instruct independent professional advice that is necessary to discharge their responsibilities to MDDUS. Directors' and officers' liability insurance is reviewed and renewed annually.

In addition to agreeing pre-AGM appointments of non-executive directors, the Board appoints directors to the positions of Chair, Vice-Chair and Senior Independent Director. The role of Chair is separate to that of Chief Executive and the role profile for the former distinguishes clearly between leading the Board and the latter's executive responsibility for running the business. The role of the Senior Independent Director includes acting as a sounding board for the Chair and Chief Executive, working with the other non-executive directors to appraise the Chair and acting, if needed, as an intermediary between the Board and members.

Professor Cameron and Dr Bayley were re-appointed as, respectively, Chair and Senior Independent Director in

2023. Dr Bayley was appointed also as Vice-Chair in 2024. Both were independent on appointment and will be for their terms of office.

The Board, collectively, had no external commitments or interests that detracted from its ability to act effectively and objectively. This was reviewed regularly, including through use of a register of directors' interests and disclosures at meetings.

Principle three – Director responsibilities

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

The Board

The Articles explain that the business of MDDUS is managed by the Board. The MDDUS Governance Handbook sets out board and committee terms of reference, a schedule of matters reserved to the Board and role profiles for non-executive directors. This is reviewed annually against governance 'good practice' by the Company Secretary, senior executive and the Audit and Risk Committee, before being updated, as needed, by the Board. An extract from the Handbook is available on our website.

The Board has a forward business programme, which helps the Chair, Chief Executive and Company Secretary to shape the agenda for each meeting. A typical meeting will consider:

- ▶ emerging strategic, policy and significant operational matters
- ▶ performance against the strategy and business plan
- ▶ a management information pack
- ▶ minutes and verbal updates from meetings of its committees and subsidiary boards.

A pre-board group of the senior executive considers drafts of papers to be presented to the Board. All papers report on how they help to deliver against the business plan.

There were five meetings of the Board in 2024, in addition to the strategy 'away day', with an average attendance rate of 91%. The attendance rates of individual directors are in **Table 1**.

Board committees

There are three committees supporting the work of the Board: Audit and Risk, Investment, and Remuneration and Nominations.

The membership of these committees is set out later in this report (p. 67 & 68). All non-executive directors serve on at least one committee. Executive directors and the Company Secretary attend or are members of each committee.

There is a report from the **Audit and Risk Committee** later in this report (p. 41). Rebecca Sadler was appointed Chair of the Committee from the close of the AGM in September 2024. There were three meetings of the Committee in 2024, with an average attendance rate of 94%. The attendance rates of individual directors are in **Table 2**.

The **Investment Committee** is responsible for recommending to the Board the:

- strategic asset allocation of investments
- investment policy statement
- environmental, social and governance (ESG) investment beliefs statement.

The Committee is also responsible for appointing and overseeing the performance of the investment managers.

There were three meetings of the Committee in 2024, with an attendance rate of 100%. The attendance rates of individual directors are in **Table 3**.

The **Remuneration and Nominations Committee** is responsible for:

- agreeing and reviewing the remuneration and terms and conditions of service of the Chair and executive directors
- being consulted about the Group remuneration strategy
- leading an open and transparent process to identify and nominate candidates to fill vacancies on the Board, its committees and subsidiaries.

When nominating suitable candidates, the Committee considers the composition and size of the Board (including the skills, knowledge, experience and diversity of directors), the Group's governance framework and the current and potential needs of MDDUS. We aim to have a gender-balanced Board. However, diversity enables more effective discussions and better decision making, so it is defined by the Committee in its widest sense, to include gender, social and ethnic background, and cognitive and personal strengths. The Committee aims to long-list candidates in light of the succession planning needs of the Board and to develop the diversity of the Board across all areas. All nominations are based on merit.

The role profiles for non-executive directors and the Board's office holders are reviewed regularly and there is an induction programme for new directors.

Table 1 Director attendance at Board meetings in 2024

| Director | Meetings attended* |
|-----------------|--------------------|
| Bayley, J | 5 (5) |
| Bhattacharya, S | 4 (5) |
| Cameron, I** | 5 (5) |
| Craig, I | 3 (5) |
| Glen, M | 5 (5) |
| Kenny, C | 5 (5) |
| Leitch, J | 4 (5) |
| Macleod, V | 5 (5) |
| McKee, A | 5 (5) |
| McPhail, M | 3 (3) |
| Parfitt, E | 5 (5) |
| Parker, J | 5 (5) |
| Sadler, R | 5 (5) |
| Taylor, J | 4 (5) |

* The number of meetings the director was eligible to attend is in brackets ** Chair

Table 2 Director attendance at Audit and Risk Committee meetings in 2024

| Director | Meetings attended* |
|-----------------|--------------------|
| Bhattacharya, S | 2 (3) |
| Craig, I | 2 (2) |
| Glen, M | 3 (3) |
| Macleod, V | 2 (2) |
| McPhail, M** | 2 (2) |
| Sadler, R** | 3 (3) |
| Taylor, J | 2 (2) |

* The number of meetings the director was eligible to attend is in brackets ** Chair

Directors' report

34

Table 3 Director attendance at Investment Committee meetings in 2024

| Director | Meetings attended* |
|-------------|--------------------|
| Bayley, J | 3 (3) |
| Cameron, I | 3 (3) |
| Leitch, J | 3 (3) |
| McKee, A | 2 (2) |
| Parker, J | 3 (3) |
| Taylor, J** | 3 (3) |

* The number of meetings the director was eligible to attend is in brackets ** Chair

Table 4 Director attendance at Remuneration and Nominations Committee meetings in 2024

| Director | Meetings attended* |
|------------|--------------------|
| Bayley, J | 2 (3) |
| Cameron, I | 3 (3) |
| Glen, M** | 3 (3) |
| Leitch, J | 2 (3) |
| Macleod, V | 1 (1) |
| McPhail, M | 2 (2) |

* The number of meetings the director was eligible to attend is in brackets ** Chair

The Committee is also responsible for agreeing and reviewing the results of the processes to evaluate the contribution and effectiveness of the Board, its committees and subsidiaries, and individual non-executive directors.

Evaluation reviews for all non-executive directors in the Group, including the board chairs, took place in early 2024. These recognised, in particular, the value of having clinician members of MDDUS on our boards. They also informed the annual review of appointments to our committees and subsidiaries and the regular update and delivery of our director professional development programme.

Action plans from the external evaluations of the MDDUS and MDDUS Services boards were completed in 2023 and reviews of MDDUS Board committees will be completed in 2025.

There is a statement about our remuneration (pay and reward) practices later in this report (p. 36–37).

The Board Chair, Vice-Chair and Senior Independent Director are members of the Committee. There were three meetings of the Committee in 2024, with an average attendance rate of 87%. The attendance rates of individual directors are in **Table 4**.

Subsidiary companies

There is a board for each of the Group's four subsidiary companies.

The Board of **MDDUS Insurance Limited** (MIL) oversees our commercial insurance company, which is licensed by the Guernsey Financial Services Commission. There were four meetings of the MIL Board in 2024 and a separate strategy session.

The Board of **MDDUS Services Limited** (MSL) oversees our UK-based intermediary, which is authorised by the Financial Conduct Authority (FCA). There were four meetings of the MSL Board in 2024.

The Board of **MDDUS Property Limited** oversees the management and performance of the Group's investment property portfolio and includes an independent director with extensive experience in the commercial property sector. There were three meetings of the Board in 2024.

The Board of **MDDUS Education Limited** oversees the financial impact of a small number of revenue-raising educational and training activities. There was one meeting of the Board in 2024.

The financial statements of the subsidiary companies are incorporated in this Annual Report.

Principle four – Opportunity and risk

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

The Board carries out robust assessments of the main risks facing the Group, including those that would threaten our business model, future performance, solvency or liquidity.

Principally through the Audit and Risk Committee, but also through regular discussions, the Board looks for new opportunities to innovate and create value by setting the strategy and risk appetites. We do this following a thorough assessment of the organisation, and its strategic and operating environments.

Management is responsible for:

- identifying, assessing, managing and monitoring risk
- devising, operating and monitoring the system of internal controls
- progressing and managing the strategy and business plans.

The Board informs and gives oversight of the main risks facing the Group through the consideration of our risk framework and risk registers during the year, and by adopting voluntarily the Own Risk and Solvency Assessment (ORSA) process.

Work continues to refine the framework and process and to embed further the disciplines described in our annual ORSA report.

The main risks we face are:

Strategic risk

Our strategic risk environment continues to be influenced by national and international political developments, shifts in regulatory requirements and competitive markets.

The political environment was particularly active in 2024 – both at home and abroad – and this had wide-ranging impacts on the medical indemnity sector, the NHS, the wider clinical professions and our members. Heightened cyber risk threats and slowly improving, but sustained, inflationary and economic pressures, including investment uncertainty, also impacted the industry and the country as a whole.

Our products continue to be competitive despite challenges from both new and established firms. In

2024, we deepened our understanding of these markets, reviewed and refined our product sets and renewed our commitment to members by developing our customer promises. We also continued our operational and digital transformation journey to offer the best products and services in the sector.

Underwriting and pricing risk

This is the risk of loss due to claims and professional support experience being higher than expected in our pricing assumptions.

We mitigate this risk in three ways:

- with strong underwriting processes, rules and guidelines to assess and manage the level of risk posed by members, policyholders and those who apply for our products
- through robust case management of both individual cases and the business as a whole. We have stringent protocols to work out accurate case valuations, costs and claim settlements
- by developing and applying sophisticated actuarial pricing and reserving methodologies, we make sure our pricing is as accurate and reliable as possible. External actuaries peer review our pricing and reserving work, which is further assessed through the external audit process.

Operational risk

This is the risk of reputational and financial loss and service degradation arising from inadequate or failed internal processes, personnel or systems, or from external events. This includes operational, IT and continuity risks. At a more systemic level, it could refer to failure to adapt technology and working practices in light of experience and pressures or to make poor choices in doing so.

The risk registers for the Group, including specific registers for subsidiaries, are maintained throughout the business cycle. These include descriptions of key strategic, financial and operational risks, an assessment of their likelihood and impact, and the management actions to control the risks.

The executive reviews the registers regularly and the relevant board considers them biannually. The Audit and Risk Committee carries out a detailed review of the MDDUS registers before they are presented to the Board; the Committee also receives, and has an opportunity to comment on, the subsidiary registers.

The universally acknowledged risks around data and cyber security mean that information governance and cyber risk are areas of particular focus for the Committee and the Board. The cyber environment grows more challenging and we continue work to make sure our systems are robust and secure, including by raising awareness, educating users, testing and reporting.

Directors' report

36

We strengthened our cyber security in 2024 by working with key industry partners and further developing our tailored training, responsive to team and colleague need.

The Committee is responsible for reviewing our internal and financial controls and reporting to the Board. The system of control stems from the clear definition of matters reserved to the Board, its committees and the senior executive.

There is regular reporting of management information, and in particular financial and quality information, at all levels within the organisation, including the production of monthly departmental spend against budget and management accounts. This aims to make sure everyone is adhering to agreed budgets and strategic and departmental plans. The Board also receives reports and management information about large claims activity.

In addition, the Committee agrees annual internal audit and compliance monitoring plans. Through these, it gains assurance about the design and effectiveness of internal controls across the organisation.

Operational risk will remain a significant area of focus for us as we start a project to review and refine our risk framework, with best practice in mind.

Investment risk

This is the risk of loss or adverse change to our financial situation resulting, directly or indirectly, from changes in the level and volatility of market prices of our assets, liabilities and financial instruments.

To mitigate this risk, we have an investment policy setting out our investment strategy and objectives, and the processes for the management, monitoring and reporting of our investments. Our policy is to match our actuarial liabilities with suitable assets and to invest the remaining assets to achieve a higher return in line with the Board's risk appetite.

We remain committed to our responsibility as an investor to contributing to a more sustainable, greener and fairer society. We consistently challenge our investment managers to bring ESG considerations into the investment management processes.

The Investment Committee receives regular updates from our investment managers and separate, independent assessments about their performance from our investment advisors.

Public policy risk

This is the risk of the UK Government, the devolved administrations and/or statutory bodies intervening in the sector without a proper assessment of the impact on our members or failing to intervene where there is a clear case for action.

We seek to mitigate this risk by carrying out relevant thought leadership work on a range of issues to improve understanding of our sector. This informs our open and frank discussions with governments and other statutory stakeholders across the UK and Channel Islands. We also make sure our commercial approach is robust enough to respond effectively to the widest range of possible outcomes.

We continue to look for opportunities to support our members in response to the ongoing challenges in their working environments. We do this by carrying out research into member wellbeing and publicising these issues, and in the design of our services.

We aim to respond to these challenges proactively and pragmatically, making sure that members' needs are at the centre of our strategic and operational decision-making. We understand the high-pressure working environment of our members, and the unique challenges of working within healthcare.

Principle five – Remuneration

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

The executive Remuneration Review Group (RRG) sets the strategy and practice for the pay and reward of the majority of colleagues. In 2024, the RRG took an approach designed to make sure there was consistency across roles and to remain competitive with the external market. The RRG will use this approach again in 2025.

We review overall remuneration for colleagues on an annual basis and make sure that it exceeds the living wage at the lower end of salaries. Although we do not need to report our gender pay gap, as we do not meet the required number of employees, we remain committed to promoting equality, diversity and inclusion. Our pay gap based on net pay at the beginning of 2025 was 20.6% (2024: 24.6%).

Our colleague value proposition is important to us and an integral part of this is our benefits. Our voluntary benefits include the cycle to work scheme, buying and selling holidays, and dental and medical cash plans. In 2024, we introduced additional voluntary benefits, including check for cancer plans and menopause support. The promotion of these through benefits fairs at the office sites is always well received.

The Remuneration and Nominations Committee considered an annual report about colleague remuneration and benefits in March 2024. The Committee also agreed

the remuneration and terms and conditions of service for non-executive directors, executive directors and the other members of the RRG – the Chief Executive, Finance Director, Director of People and Corporate Services, Director of Professional Services and General Counsel, and the Group Director of Governance. The members of the RRG did not participate in the Committee's discussions about their own pay. The gap between the Chief Executive's salary and the lowest paid salary at the beginning of 2025 was 96.1% (2024: 96.4%). The Chief Executive to median colleague pay ratio was 11.2:1 (2024: 11.2:1).

We continue to benchmark salary and reward data with relevant industries and roles to make sure we are competitive in what we offer. Norman Broadbent PLC was commissioned in 2024 to complete a specific review of non-executive director remuneration, which will inform our approach to future awards.

From 2025, the Committee will be responsible for agreeing the remuneration of the Board Chair and members of the RRG, with the Board agreeing the remuneration of the other non-executive directors in light of a recommendation from the Chair. This will be informed in consultation with the Chief Executive and Director of People and Corporate Services. This makes sure that no individual director is involved in agreeing their own remuneration.

Principle six – Stakeholder relationships and engagement

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

As a mutual, not-for-profit organisation, MDDUS is owned by, and works for, its members. Our stakeholders include our colleagues, suppliers, the community and environment, and, of course, our mutual owners/members and other customers. A s172 report is included earlier in this report (p. 25).

Colleagues

We want our colleagues to develop with the organisation – the better their experience, the better they can support members. From their first day, to building competence in the role, and giving back to our communities, we support colleagues to deliver our purpose: to support and protect healthcare professionals throughout their career.

The wellbeing of our colleagues is of the utmost importance. In 2024, we further promoted our employee assistance programme. This gives all colleagues access to digital GP services as well as mental health support, physiotherapy, and life, money and wellbeing support.

There is information about colleague remuneration, including the colleague value proposition, earlier in this report (p. 36–37).

Suppliers

The Reporting on Payment Practices and Performance Regulations 2017 require us to submit payment practice reports every six months. These were completed in July 2024 and January 2025.

We also publish an annual Modern Slavery Statement (p. 38).

Community and environment

We engaged with a range of stakeholders during the year, always making sure our meetings were geared towards influencing positive change for our members.

Amongst others, we had regular meetings with the Royal College of General Practitioners, both our sector regulators (the General Dental and General Medical Councils), and organisations and academic practitioners representing ethnic minority and overseas-trained clinicians.

We engaged with politicians at Westminster and in the devolved administrations, highlighting issues of importance to our members and responding to consultations where changes may impact clinicians.

As part of our corporate social responsibility framework, we continued to promote our charitable giving and community work throughout the year, in addition to our focused 'Corporate Social Responsibility' month in October 2024. This is covered in more detail earlier in this report (p. 22).

In line with the goals of our climate change strategy, we have been working since 2021 to gain a better understanding of our carbon footprint. We have measured our greenhouse gas (GHG) emissions and established a baseline carbon footprint, ensuring that we take a science-based approach to setting ambitious but achievable targets.

This is progressing well, and at the end of 2024 we engaged a new sustainability consultancy to review our progress and work with us to create a detailed net zero transition plan. This work is ongoing to make sure that reducing emissions remains central to our business plan. The Board received an annual report on climate change and emissions in June 2024.

We have included a statement in support of our Streamlined Energy and Carbon Disclosure (SECR) (p. 39).

Mutual owners / members and other customers

A main aim of this annual report is to show how we delivered our purpose, values and business plan to members during 2024, with other stakeholders in mind.

This is subject to the overriding statutory duty of our directors to act in a way that they consider, in good faith, would be most likely to promote the success of MDDUS for the benefit of its members as a whole (section 172, Companies Act 2006).

Members are encouraged to support our 'good governance', for example, by:

- › standing for appointment to the Board
- › attending the AGM, in person or by proxy, to receive the annual report, appoint non-executive directors and the external auditor, and consider other resolutions.

The Notice of the AGM and related papers are published at the earliest opportunity, while keeping compliant with the non-executive director appointment process.

The Board welcomed the very strong approval of our new Articles at the AGM in September 2024. These will allow greater member input on the governance of MDDUS by enabling, as long as individual members consent, virtual or hybrid general meetings and electronic voting.

Our fair treatment policy statement is covered earlier in this report (p. 31).

Members and other stakeholders can send questions to us about the governance of MDDUS via secretary@mddus.com.

Modern slavery

The Board has a zero-tolerance approach towards slavery, servitude, forced or compulsory labour, human trafficking or exploitation.

The Board agreed its first modern slavery statement in 2017. Since then, the Group has developed and put in place actions to help us show compliance with the Modern Slavery Act 2015.

The Board statement for the financial year ending 31 December 2024 was agreed in February 2025 and is available on our website.

Streamlined Energy and Carbon Reporting (SECR) disclosure

This statement and **Table 5** is our SECR disclosure, as required by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Methodology

Our sustainability consultants, Sustainable Energy First, calculated the GHG emissions for which our Parent company, MDDUS, was responsible in the year to 31 December 2024. Our subsidiaries do not meet the criteria for SECR and have been excluded from this disclosure.

The emissions have been calculated using the guidance in the UK Government's Environmental Reporting Guidelines, 2019, and the methodology outlined in The GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Carbon emission factors have been obtained from the UK Government's GHG Conversion Factors for Company Reporting 2024.

An 'operational control' methodology has been adopted to outline the scope of carbon emissions reporting. Operational control refers to the ability of an organisation to direct the activities of a facility or operation. In the context of GHG reporting, a company is considered to have operational control over a facility if it has the authority to introduce and implement operating policies at that facility, regardless of ownership. This means the organisation is responsible for the GHG emissions from the 'operations it controls'.

This report includes the material carbon emissions, in line with the emissions categories, required to be reported under the SECR regulations.

Energy efficiency initiatives

We are committed to continually improving energy efficiency and reducing our environmental impact while operating as a responsible and sustainable business. Over the past year, to help reduce our carbon emissions, we have:

- › procured renewable electricity across all MDDUS sites
- › installed timers at point-of-use hot water boilers
- › carried out an ESG survey for MDDUS sites
- › engaged a new energy and sustainability consultancy with a view to establishing a net zero transition plan and working together over a three-year period to embed plan actions
- › increased recycling facilities at our Glasgow office
- › delivered internal communications and education around climate as part of embedding our corporate social responsibility framework
- › complied with our obligations in relation to the Energy Savings Opportunity Scheme.

Despite an increase in headcount and office use, our intensity ratio and Scope 2 emissions have stayed the same. Scope 3 emissions have increased with colleagues spending more time on the road supporting members.

Viability statement 2024

The directors' view of the viability of MDDUS, both as the Group and as the Parent company, is supported by its strong net assets position; its matching of notified liabilities, as well as potential incurred but not reported (IBNR) exposures, with cash and bonds; its position in relation to Solvency UK measures; and a strong internal risk management function. A comparison of notified and IBNR exposure with the available net assets has also been carried out with no issues noted. Loss ratios and combined operating ratios are monitored carefully.

Against that background, the directors confirm their reasonable expectation that MDDUS will continue to operate and meet its liabilities, as they fall due, over the period to 31 December 2027.

The directors have made this assessment with reference to MDDUS' current financial position and future prospects, its strategy, the market outlook, and its principal risks and the management of them.

The directors chose the period of three years from the balance sheet date, as this falls within our five-year strategic planning period and ensures consideration of how MDDUS and its operating environment will develop in the medium term, rather than merely how it is placed to respond to more immediate challenges.

In making their assessment, the directors have considered information provided to them, including current balance sheets and investment portfolios, financial projections, the underwriting strategy and risk registers. The financial projections are prepared allowing for the impact of the key risks faced by MDDUS, including changes in subscription income, falls in asset values, increases in claims inflation and regulatory changes.

The directors have given and continue to give due consideration to the impact on MDDUS of the current economic landscape and investment market volatility as well as geopolitical events.

Going concern

The financial statements are prepared on the going concern basis. In adopting the going concern basis, the directors consider that MDDUS, both as the Group and as the Parent company, has sufficient assets to continue in operation for a period of at least 12 months from the approval of the financial statements.

The current economic landscape and investment market volatility were explicitly considered by the Board in coming to this conclusion and in making the preceding

Table 5 Streamlined Energy and Carbon Reporting disclosure

| Reporting year | Current Reporting Year 1 January – 31 December 2024 | Previous Reporting Year 1 January – 31 December 2023 |
|---|--|---|
| Location | UK | |
| Emissions from the combustion of fuel and operation of facilities (Scope 1) (tCO ₂ e) | 0 | 0 |
| Emissions from purchase of electricity (Scope 2, location-based) (tCO ₂ e) | 25 | 25 |
| Emissions from fuel and energy related activities and business travel in employee-owned vehicles (Scope 3) (tCO ₂ e) | 14 | 11 |
| Total gross emissions based on the above (tCO ₂ e) | 39 | 36 |
| Energy consumption used to calculate Scope 1 emissions (kWh) | 0 | 0 |
| Energy consumed to determine our Scope 2 emissions (kWh) | 120,469 | 120,488 |
| Energy consumption used to calculate Scope 3 emissions (kWh) | 56,180 | 45,474 |
| Total energy consumption based on above (kWh) | 176,649 | 165,962 |
| Intensity ratio: tCO ₂ e (gross Scope 1, 2 + 3) per FTE | 0.18 | 0.18 |

Directors' report

40

viability statement. The Board considered the potential impact of a range of scenarios and the effect on MDDUS' solvency and liquidity of lower revenue, investment losses and increased outgoings during 2024. The Board also considered the impact of these scenarios on the financial position of MDDUS over the period to 31 December 2026 and the output of a reverse stress test to determine the conditions that would cause MDDUS to become insolvent.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with the 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 Group and Company and of the profit or loss of the Group and Company for that period.

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

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Matters covered in the Strategic report

In accordance with section 414C(11) of the Companies Act 2006, certain matters required to be detailed in the Directors' report are detailed in the Strategic report where the directors consider them to be of strategic importance to the Company.

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which MDDUS' auditor is unaware, and each director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.


Auditor

Following a tender exercise, Grant Thornton UK LLP will offer themselves for appointment as the new auditor at the AGM in September 2025.

On behalf of the Board

Chris Kenny
Chief Executive

04 July 2025



Audit and Risk Committee report

41

5



Overview

The Board is satisfied that the Audit and Risk Committee's membership continued to have the recent and relevant range of financial, risk, control and commercial expertise needed to carry out its responsibilities and to effectively challenge the executive.

Dr Sadler was appointed Chair of the Committee from the close of the AGM in September 2024. Her induction for that role included meetings with individuals in the senior executive and representatives from the external and internal auditors.

The Committee's responsibilities are set out in the MDDUS Governance Handbook. You can read an extract of this on our website. These responsibilities relate to:

- › the governance framework of the Group and developments in 'good practice'
- › financial and other internal controls, and accounting policies and frameworks
- › the annual report and financial statements, taking into account:
 - › the consolidated statements of income and retained earnings, balance sheets and cash flows
 - › the assumptions and methodologies used in calculating the actuarial provisions
 - › the requirements of the code
 - › the external auditor's report
- › the capital requirements and solvency positions of MDDUS and relevant subsidiaries
- › the pricing strategy, which the Board agreed in September 2024
- › the Group's risk management and internal control framework, including the risk management policy, risk appetite statement and risk registers
- › the annual ORSA process and report, and the equivalent process for MIL
- › business continuity planning and operational resilience
- › how colleagues can, in confidence, raise concerns about possible improprieties in financial or other matters
- › the effectiveness, independence and objectivity of the external auditor, recommending their (re-)appointment, and approving their terms of engagement and remuneration
- › the effectiveness and independence of the internal auditor, actuarial peer review firm/s and the internal risk and compliance function
- › the activity of the external and internal auditors, actuarial peer review firm/s and the internal risk and compliance function, and reviewing the executive's response to actions identified

- › the approach for procuring external professional advisors and services
- › the annual Professional Services teams' audits
- › budgeting and expense control in relation to the Group's activities.

The Committee highlights, in particular, its work during 2024 in relation to:

- › the review of the annual report and financial statements for the year ending 31 December 2023
- › the review of the ORSA report for the year ending 31 December 2023
- › the oversight and monitoring of our risk culture, generally and in light of recommendations from internal audits and compliance reviews
- › the external audit and tax services tender exercises
- › other issues, including:
 - › discussions with HMRC and HM Treasury about our mutual tax exemption
 - › the development of our new pricing strategy
 - › the governance of our actuarial arrangements, data protection and ICT security
 - › the review and update of our Articles.

The minutes of each Committee meeting, supported by verbal updates as needed, are presented to the Board.

External audit for the year ending 31 December 2024

The lead partner from BDO LLP attended all Committee meetings in 2024. He was also able to meet the Committee, in the absence of the executive, at each meeting.

The key accounting and audit risks were similar to those in previous years, including revenue recognition and the valuation of provisions and investment properties. The Committee was satisfied that these risks had been carefully and adequately addressed. The independence of BDO LLP was fully discussed.

The annual report and financial statements for the year ending 31 December 2024 were considered at the Committee meeting in 15 May 2025 and recommended to the Board in 4 July 2025.

Non-audit work that BDO LLP carried out was fully reported, discussed and agreed to be appropriately independent and proportionate. This work focused primarily on tax advisory matters.

Following our annual evaluation process, the Committee remained satisfied that BDO LLP offered the degree of objectivity and scrutiny that members need.

BDO LLP was appointed as external auditor in 2007 and the lead partner was engaged in 2015. After an external audit tender exercise in 2024, which received returns from five firms, Grant Thornton UK LLP was recommended for appointment as auditor for the year ending 31 December 2025. This was endorsed at the Board meeting in December 2024 and will be recommended to the AGM in September 2025.

Internal audit for the year ending 31 December 2024

Deloitte LLP provided a programme of risk-based audits spanning the work of MDDUS, which was agreed by the Committee.

The Committee:

- received regular internal audit reports
- reviewed outcomes
- discussed potential actions with the executive directors
- monitored the implementation of agreed actions.

The annual report from Deloitte LLP confirmed that it had, through its work, obtained assurance that the governance, risk and control framework within MDDUS was operating effectively in the areas audited.

Following our annual evaluation process, the Committee agreed that Deloitte LLP continued to give the level of service needed and value for money for our members.

Compliance assurance reviews for the year ending 31 December 2024

The Committee also agreed a programme of in-house assurance reviews of activities, processes and policies.

The Committee:

- received regular compliance reports
- reviewed outcomes
- discussed potential actions with the executive directors
- monitored the implementation of agreed actions.

Risk registers

Effective and pre-emptive risk management, over both the short and the long term, is essential to the continued success of MDDUS and its subsidiaries.

The framework and processes used to manage, assess and address risk for the Group are constantly updated and this remains a top priority.

As noted earlier, the strategic, financial and operational risk registers were reviewed regularly by the executive and considered biannually by the relevant board. The Committee carried out a detailed review of the MDDUS registers before they were presented to the Board. The Committee also received, and had the opportunity to comment on, the registers for subsidiary entities.

We will refresh the Group's risk management framework in 2025.

Dr Rebecca Sadler

Chair, Audit and Risk Committee

04 July 2025

Independent auditor's report

6

Independent auditor's report to the members of the Medical and Dental Defence Union of Scotland

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2024 and of the Group's surplus for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Medical and Dental Defence Union of Scotland ('the Parent company') and its subsidiaries ('the Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Income and Retained Earnings, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

- › adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us
- › the Parent company financial statements are not in agreement with the accounting records and returns
- › certain disclosures of Directors' remuneration specified by law are not made
- › we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- › our understanding of the Group and the industry in which it operates
- › discussion with management and those charged with governance
- › obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and UK Tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigation. We identified such laws and regulations to be the Companies Act 2006 and the rules of the Financial Conduct Authority (the FCA).

Our procedures in respect of the above included:

- › review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations

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

Fraud

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

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud
- obtaining an understanding of the Group's policies and procedures relating to:
 - » detecting and responding to the risks of fraud
 - » internal controls established to mitigate risks related to fraud.
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the provision for future claims, recognition of members' subscription income and posting of manual journal entries to override controls.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation
- assessing significant estimates made by management for bias and involving specialists in the audit of the provision for future claims
- detailed testing of members subscriptions with a particular focus on the accuracy and completeness of deferred income.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <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 Parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent company and the Parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Gill

Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor
Glasgow, UK

11 July 2025

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

Financial statements for 2024

7

Consolidated statement of income and retained earnings

For the period from 1 January 2024 to 31 December 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|--|----------|---------------|---------------|
| Income | | | |
| Members' subscriptions and other income | 1(c) | 77,672 | 75,432 |
| Expenditure | | | |
| Claims costs and associated legal costs | 16 | 42,152 | 60,694 |
| Reinsurance recoveries | | 569 | (2,177) |
| Reinsurance premium | 1(n) | 1,123 | 983 |
| Professional support costs | 16 | 12,309 | 7,043 |
| Administration costs | | 26,518 | 18,103 |
| | | 82,671 | 84,646 |
| (Deficit) of income over expenditure | 3 | (4,999) | (9,214) |
| Realised (losses) on disposal of fixed assets and investments | 6 | (9,271) | (6,113) |
| Changes in fair value of investments | 10 & 12 | 9,990 | 39,168 |
| FX gains | 12 | 985 | 4,129 |
| Investment income | 1(g) & 7 | 24,904 | 18,085 |
| Interest (payable) / receivable | | (92) | 1,363 |
| Surplus on ordinary activities before taxation | | 21,517 | 47,418 |
| Taxation | 1(i) & 8 | 5,607 | 1,342 |
| Net and total comprehensive result available for transfer to reserves | | 15,910 | 46,076 |
| Accumulated fund brought forward | | 542,735 | 496,659 |
| Accumulated fund carried forward | | 558,645 | 542,735 |

All amounts relate to continuing operations.



Consolidated and company balance sheets

As at 31 December 2024

Company Number SC005093

| | Notes | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|-------|----------------|---------------|-----------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Intangible assets | 9 | – | 3,213 | – | 3,213 |
| Tangible assets | 10 | 27,055 | 21,426 | 565 | 926 |
| Investments | 12 | 676,098 | 620,216 | 690,161 | 631,013 |
| | | 703,153 | 644,855 | 690,726 | 635,152 |
| Current assets | | | | | |
| Debtors and payments in advance | 13 | 30,698 | 29,239 | 28,926 | 27,622 |
| Reinsurance assets | 14 | 1,608 | 2,177 | 1,603 | 2,177 |
| Cash at bank, in hand and on deposit | | 39,840 | 41,415 | 28,629 | 30,511 |
| Corporation tax debtor | | 2,621 | 13,229 | 2,529 | 12,414 |
| | | 74,767 | 86,060 | 61,687 | 72,724 |
| Creditors: amounts falling due within one year | | | | | |
| Sundry creditors and accrued charges | 15 | 38,356 | 38,115 | 37,044 | 36,012 |
| | | 38,356 | 38,115 | 37,044 | 36,012 |
| Net current assets | | 36,411 | 47,945 | 24,643 | 36,712 |
| Total assets less current liabilities | | 739,563 | 692,800 | 715,369 | 671,864 |
| Provision for liabilities and charges | 16 | 180,918 | 150,065 | 175,757 | 147,300 |
| Total net assets | | 558,645 | 542,735 | 539,612 | 524,564 |
| Reserves | | | | | |
| Accumulated fund | 18 | 558,645 | 542,735 | 539,612 | 524,564 |
| | | 558,645 | 542,735 | 539,612 | 524,564 |

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of income and retained earnings in these financial statements. The surplus for the year of the Parent company MDDUS is £15.04m (2023: surplus of £46.4m). These financial statements were approved by the Board of directors on 04 July 2025.

Jo Bayley
Acting Chair

Chris Kenny
Chief Executive

Jo Bayley

Chris Kenny

Consolidated statement of cash flows

For the year ended 31 December 2024

| | 2024 | 2023 |
|--|-----------------|-----------|
| | £'000 | £'000 |
| Cash flow from operating activities | | |
| Surplus for the financial year | 15,910 | 46,076 |
| Adjustments for: | | |
| Depreciation of fixed assets | 441 | 408 |
| Impairment of fixed assets | 3,213 | – |
| Losses on sale of fixed assets and investments | 9,271 | 6,113 |
| Net fair value (gains) recognised in statement of income and retained earnings | (9,990) | (39,168) |
| Net interest receivable | (22,780) | (14,927) |
| Dividend income from fixed and current asset investments | (2,124) | (3,158) |
| Change in investments unrealised foreign exchange losses / (gains) | (985) | (4,129) |
| Taxation charge | 5,607 | 1,342 |
| (Increase) in trade and other debtors | (237) | (1,498) |
| Decrease/(Increase) in reinsurance asset | 569 | (2,177) |
| Increase in creditors | 241 | 1,947 |
| Increase in provisions | 26,296 | 35,617 |
| Income taxes paid | 9,559 | 382 |
| Cash from operations | 34,991 | 26,828 |
| Cash flows from investing activities | | |
| Proceeds from sale of tangible fixed assets | 1 | 2 |
| Purchases of tangible fixed assets | (6,013) | (1,973) |
| Purchases of intangible fixed assets | – | (3,073) |
| Purchases of investments | (37,549) | (115,064) |
| Proceeds from sale of investments | 5,017 | 101,233 |
| Interest received | 1,803 | 1,574 |
| Dividends received on fixed and current asset investments | 175 | 26 |
| Net cash (used in) investing activities | (36,566) | (17,275) |
| Cash flows from financing activities | – | – |
| Net (decrease)/increase in cash and cash equivalents | (1,575) | 9,553 |
| Cash and cash equivalents at the beginning of the year | 41,415 | 31,862 |
| Cash and cash equivalents at end of year | 39,840 | 41,415 |
| Cash and cash equivalents at end of year comprise: | | |
| Cash at bank, in hand and on deposit | 39,840 | 41,415 |
| | 39,840 | 41,415 |

Notes to the accounts

For the year ended 31 December 2024

1 Accounting policies

a) Accounting convention

MDDUS is a company incorporated in Scotland under the Companies Act and limited by guarantee. The address of the registered office is 206 St Vincent Street, Glasgow, G2 5SG and the nature of the Company's operations and its principal activity are set out in the Strategic Report. The Company registration number is SC005093.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

b) Basis of consolidation

The consolidated statement of income and retained earnings and balance sheet include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2024. No income and expenditure account is presented for the Medical and Dental Defence Union of Scotland as permitted by section 408 of the Companies Act 2006. The group surplus for the period included a company surplus after tax of £15.0m (2023: surplus £46.4m) which is dealt with in the financial statements of the Parent company.

c) Members' subscriptions and other income

Subscription income comprises amounts receivable during the period, apportioned to accounting periods on a time basis. Subscription income is generated within the UK.

Other income is derived from MDDUS Education Limited, MDDUS Property Limited, MDDUS Insurance Limited and MDDUS Services Limited.

MDDUS Education Limited's income represents the invoiced sales for the period net of value added tax and trade discounts. Income is recognised in the period in which the goods or services are supplied.

MDDUS Property Limited's turnover consists of rental income and service charge income net of value added tax. Income is recognised on an accruals basis in the period to which the rental relates. All income arises in the UK.

MDDUS Insurance Limited's income consists of investment income and insurance income in the year. Insurance income is apportioned to accounting periods on a time basis. Insurance income is generated in Guernsey.

MDDUS Services Limited income represents the brokerage fees for the introduction of members to MDDUS, MDDUS Insurance Limited and 3rd party providers.

d) Fixed assets

The tangible assets are stated at cost or revalued amount which is considered to be its fair value. Depreciation is provided on bases which will write off the assets to an estimate of their residual value over their expected lives.

Depreciation on fixed assets has been provided as follows:

i) Computer equipment has been depreciated on the straight line basis at the rate of 25% per annum.

ii) Furniture, fittings, office equipment have been depreciated on the straight line basis at the rate of 25% per annum.

iii) Leasehold improvements have been depreciated on a straight line basis at the rate of 20% per annum.

The intangible assets are stated at cost. Amortisation will be provided on a straight line basis on the cost of the intangible asset at the rate of 25% per annum so as to write them down to nil value over their expected useful lives. Amortisation will not be provided for until the intangible assets are in a usable condition. Impairment assessments are carried out to ensure that the Company will derive economic benefit from the asset, which can be quantified, with any write down being immediately charged through the statement of income and retained earnings.

Investment properties, including the freehold element of mixed use properties, are revalued

annually to open market value which the directors consider to be their fair value in accordance with FRS 102. No depreciation is provided. The Directors consider that this accounting policy results in the financial statements giving a true and fair view.

The aggregate surplus or deficit arising on revaluation is recognised in the income and expenditure account.

Costs associated with improvements to the investment properties that are expected to increase the future economic benefit of the asset will be capitalised, with the change in fair value recognised in the statement of income and retained earnings.

e) Operating Leases

Rentals in respect of leasing agreements are charged to the statement of income and retained earnings on a straight line basis over the term of the lease.

f) Provision for liabilities and charges

Full provision has been made in the financial statements for the estimated settlement and handling costs for all claims and professional support notified to MDDUS as at 31 December 2024. The provision is the discounted value of the expected future settlement and handling costs. The provision relates to all incidents notified at 31 December 2024.

g) Dividends and interest

Dividends are shown net of the tax credit, where applicable. Interest on investments and short term deposits is shown gross. Accrued interest on short term deposits and loan relationship investment income has been provided in the year.

h) Investments

Listed investments held at 31 December 2024 are stated at the bid or single price valuation on that date which the directors consider to be its fair value under FRS 102. Derivative investments are initially recognised at fair value at the date the derivative contract is entered into and subsequently revalued at the end of each reporting period with the gains and losses accounted through income and expenditure account.

The Company uses derivative instruments to protect against currency, interest and market volatility.

Unlisted multi-asset credit funds are valued at the net asset value provided by the fund managers. The funds contain a variety of assets that are measured at fair value through net contribution to funds. The fair value of the underlying financial instruments is based on their quoted mid-market prices at the reporting date. If a quoted market price is not available on a recognised stock exchange, or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, pricing models, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Unlisted private credit is valued at the fair value provided by the asset managers. The fair value is determined by using two different valuation techniques (analysis of enterprise value and yield analysis). Other unlisted investments have been valued at the lower of cost and net asset value which the directors consider to be its fair value under FRS 102. Movements on revaluation are accounted for through the income and expenditure account.

In the Company financial statements investments in subsidiary undertakings are carried at the lower of cost and net asset value which is reviewed at 31 December each year.

i) Taxation

Corporation tax has been provided using the rate of 25% (2023: 19%/25%).

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences. The rate used is 25% (2023: 25%). Deferred tax balances are not discounted.

Deferred tax assets are only recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or other future profits.

Deferred tax liabilities are presented within provisions for liabilities.

J) Pension Costs

Defined contribution pension arrangements are made for certain employees to which contributions are made by the Company. Amounts due to pension providers in respect of these arrangements are charged to the statement of income and retained earnings in the year to which they relate. The assets of pension schemes are held separately from those of the Company in independently administered funds.

K) Going concern

The financial statements are prepared on the going concern basis. In adopting the going concern basis, the directors consider that MDDUS, both as the Group and as the Parent company, has sufficient assets to continue in operation for a period of at least 12 months from the approval of the financial statements.

The current economic landscape and investment market volatility were explicitly considered by the Board in coming to this conclusion. The Board considered the potential impact of a range of scenarios and the effect on MDDUS' solvency and liquidity of lower revenue, investment losses and increased outgoings during 2024. The Board also considered the impact of these scenarios on the financial position of MDDUS over the period to 31 December 2026 and the output of a reverse stress test to determine the conditions that would cause MDDUS to become insolvent. The Group's and the Parent company's strong cash reserves mean that they will continue to be able to pay their liabilities as they fall due in that period.

l) Functional and presentation currency

The Group's functional and presentational currency is GBP and is rounded to the nearest thousand pounds.

m) Financial instruments

Basic financial instruments including debtors, creditors, cash and cash equivalents and some investments are initially recognised at transaction price. Such assets are subsequently measured at amortised cost. The listed investments are carried at fair value through surplus or deficit.

Derivative financial instruments including forwards, swaps and options are initially recognised at fair value and subsequently remeasured to their fair value at each reporting date with the resultant gain or loss being recognised through the income and expenditure account.

Multi-asset credit funds are initially recognised at net contributions to the fund. These funds are subsequently measured at net asset value with resultant gains or losses being recognised through the income and expenditure account.

Private credit is initially measured at par value. This is subsequently measured at fair value with resultant gains or losses being recognised through the income and expenditure account.

n) Reinsurance

Reinsurance premiums paid are accounted for proportional to the exposure period to which they relate on an earned basis. Reinsurance recoveries are accounted for in the same accounting period as the claims to which they relate.

Reinsurance assets include balances due from reinsurance companies for ceded insurance liabilities in addition to an estimate of future recoveries on notified claims. Amounts recoverable from reinsurers are estimated in a consistent manner with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Where appropriate a reinsurance bad debt provision is assessed and recognised in respect of reinsurance debtors, to allow for the risk that the reinsurance asset may not be collected or where the reinsurer's credit rating has been downgraded significantly and this is taken as an indication of a reinsurer's difficulty in meeting its obligations under the reinsurance contracts. This also includes an assessment in respect of the ceded part of the claims provisions to reflect the counterparty default risk exposure to long-term reinsurance assets. Increases in this provision affect the Group by reducing the carrying value of the asset and the impairment loss is recognised in the income statement.

2 Judgements in applying policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Determined whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions

depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 10)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually.

Investment properties are professionally valued annually at market value. Market value is defined as being the "estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". There is an inevitable degree of judgment involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Unlisted multi asset credit and private credit investments (See note 12)

Some of the investments held are not traded on active markets, so it is not possible to value them using the quoted price in an active market. Where there is no quoted price available, it is sometimes possible to use observable market data for valuation. Where there is an absence of quoted price and observable market data MDDUS relies on the valuation methodology applied by the investment managers to ascertain a fair value for these assets.

Provision for liabilities and charges (see note 16)

The provision for liabilities and charges represents the directors' best estimate of the timing and value of future claims and professional support settlements. The ultimate anticipated claims and professional support settlements have been calculated by our in-house actuaries using their extensive experience and knowledge of malpractice claims and peer reviewed by an independent firm of actuaries. Calculations include expected settlement frequency and amounts including claimant and defence legal costs. Actual claims and professional support may differ from the pattern on which the estimate is made and the cost of settling claims may exceed that assumed.

3 (Deficit) of income over expenditure

| | 2024 | 2023 |
|--|------------|------------|
| | £'000 | £'000 |
| This is stated after charging: | | |
| Emoluments of directors (excluding benefits in kind) | 1,805 | 1,676 |
| Auditor's remuneration | 288 | 275 |
| Pension Costs | 2,152 | 1,730 |
| Depreciation on owned assets | 441 | 408 |
| Auditor's remuneration consists of: | | |
| Group auditor's – audit | 192 | 159 |
| Group auditor's – taxation advisory | 64 | 91 |
| Group auditor's – taxation compliance 2022 | – | 25 |
| Group auditor's – taxation compliance 2023 | 32 | – |
| | 288 | 275 |
| Company only auditor's remuneration | 108 | 98 |

4 Emoluments of directors

| | 2024 | 2023 |
|---|--------|--------|
| | £'000 | £'000 |
| The detail of directors' emoluments (including executive directors) was as follows: | | |
| Emoluments (including benefits in kind) | 1,793 | 1,659 |
| Pension costs | 24 | 26 |
| | 1,817 | 1,685 |
| The detail of the highest paid director's emoluments was as follows: | | |
| Emoluments (including benefits in kind) | 591 | 571 |
| Pension entitlement taken as salary | 87 | 85 |
| | 678 | 656 |
| | Number | Number |
| Number of directors to whom retirement benefits are accruing under money purchase pension schemes | 2 | 2 |

5 Employees' remuneration

| | 2024 | 2023 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Salaries (including non executive directors) | 14,112 | 12,693 |
| Social security costs | 1,659 | 1,505 |
| Pension costs | 2,152 | 1,730 |
| | 17,923 | 15,928 |
| GROUP | Number | Number |
| Average number of employees in the year | 247 | 226 |
| Non executive directors and administrative | 247 | 226 |
| COMPANY | | |
| Average number of employees in the year | 243 | 222 |
| Non executive directors and administrative | 243 | 222 |

6 Realised (losses) on disposal of fixed assets and investments

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---------------------------------------|---------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Listed Investments | (9,267) | (6,113) | (6,513) | (3,712) |
| Furniture fittings & office equipment | (4) | – | (4) | – |
| | (9,271) | (6,113) | (6,517) | (3,712) |

7 Investment income

| | 2024 | 2023 |
|------------------|---------------|---------------|
| | £'000 | £'000 |
| DIVIDENDS | | |
| Franked | 2,124 | 3,158 |
| INTEREST | 22,780 | 14,927 |
| | 24,904 | 18,085 |

8 Taxation

| | 2024 | 2023 |
|---|--------------|--------------|
| | £'000 | £'000 |
| CORPORATION TAX | | |
| Corporation tax charge for the year | 433 | 1,667 |
| Corporation tax charge/(credit) for prior years | 617 | (7) |
| Total current tax charge | 1,050 | 1,660 |
| DEFERRED TAX | | |
| Timing differences, origination and reversal | 4,557 | (318) |
| Change in tax rate | – | – |
| Total deferred tax charge/(credit) | 4,557 | (318) |
| Total tax charge through statement of income and retained earnings | 5,607 | 1,342 |

FACTORS AFFECTING THE TAX CHARGE/(CREDIT)

The tax assessed for the year is higher (2023: lower) than the standard rate of corporation tax in the UK. The difference is explained below.

| | | |
|--|---------------|---------------|
| Surplus on ordinary activities before tax | 21,517 | 47,418 |
| Surplus on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%/25%): | 5,379 | 11,142 |
| Effects of : | | |
| Non taxable franked investment income of group | (531) | (742) |
| Unfranked & interest income of Guernsey subsidiary not taxed | (455) | (348) |
| Chargeable gains/(losses) in current year | (1,863) | 2,797 |
| Deferred tax movement in year | 4,557 | (318) |
| Accounting (gains)/losses in relation to investments & assets | (180) | (7,767) |
| Adjustment in respect of prior periods | 616 | (7) |
| Losses brought forward utilised | (1,683) | (2,842) |
| Current year unutilised tax losses carried forward | – | 140 |
| Other | (233) | (713) |
| Current tax charge through statement of income and retained earnings | 5,607 | 1,342 |

The HMRC enquiry that was raised in 2019 as detailed in last year's financial statements was concluded in May 2024. The group has unutilised losses carried forward of £22.8m (2023 £36.8m), however as we cannot determine with any probability that there will be sufficient future tax liabilities to offset these against no deferred tax asset has been recognised.

9 Intangible fixed assets

| | Group | Company |
|----------------------------|----------|----------|
| | £'000 | £'000 |
| COST/VALUATION | | |
| At 1 January 2024 | 3,213 | 3,213 |
| Additions | – | – |
| Disposals | – | – |
| Impairment | (3,213) | (3,213) |
| At 31 December 2024 | – | – |
| DEPRECIATION | | |
| At 1 January 2024 | – | – |
| Provided during year | – | – |
| On disposals | – | – |
| Impairment | – | – |
| At 31 December 2024 | – | – |
| NET BOOK VALUE | | |
| At 31 December 2024 | – | – |
| At 31 December 2023 | 3,213 | 3,213 |

Intangible asset relates to costs incurred in relation to the software development of a policy administration system. The multi-year project commenced in late 2022 and has the potential to further improve the efficiency of our processes and our service to members. However, as the timelines have extended for a variety of reasons, the quantification of both the scale and timing of the expected benefits with reasonable accuracy has become more challenging. On that basis an impairment charge of £3.2m has been recognised in the statement of income and retained earnings.

10 Tangible fixed assets

59

| Group | Freehold property | Investment property | Furniture fittings and office equipment | Leasehold improvements | Total |
|-------|-------------------|---------------------|---|------------------------|-------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |

COST/VALUATION

| | | | | | |
|----------------------------|--------------|---------------|--------------|------------|---------------|
| At 1 January 2024 | 4,063 | 16,437 | 1,805 | 945 | 23,250 |
| Additions | 1,416 | 4,511 | 86 | – | 6,013 |
| Disposals | – | – | (20) | – | (20) |
| Revaluation | 336 | (273) | – | – | 63 |
| At 31 December 2024 | 5,815 | 20,675 | 1,871 | 945 | 29,306 |

DEPRECIATION

| | | | | | |
|----------------------------|----------|----------|--------------|------------|--------------|
| At 1 January 2024 | – | – | 1,397 | 427 | 1,824 |
| Provided during year | – | – | 251 | 190 | 441 |
| On disposals | – | – | (14) | – | (14) |
| At 31 December 2024 | – | – | 1,634 | 617 | 2,251 |

NET BOOK VALUE

| | | | | | |
|----------------------------|--------------|---------------|------------|------------|---------------|
| At 31 December 2024 | 5,815 | 20,675 | 237 | 328 | 27,055 |
| At 31 December 2023 | 4,063 | 16,437 | 408 | 518 | 21,426 |

| Company | Freehold property | Investment property | Furniture fittings and office equipment | Leasehold improvements | Total |
|---------|-------------------|---------------------|---|------------------------|-------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |

COST/VALUATION

| | | | | | |
|----------------------------|----------|----------|--------------|------------|--------------|
| At 1 January 2024 | – | – | 1,805 | 945 | 2,750 |
| Additions | – | – | 86 | – | 86 |
| Disposals | – | – | (20) | – | (20) |
| At 31 December 2024 | – | – | 1,871 | 945 | 2,816 |

DEPRECIATION

| | | | | | |
|----------------------------|----------|----------|--------------|------------|--------------|
| At 1 January 2024 | – | – | 1,397 | 427 | 1,824 |
| Provided during year | – | – | 251 | 190 | 441 |
| On disposals | – | – | (14) | – | (14) |
| At 31 December 2024 | – | – | 1,634 | 617 | 2,251 |

NET BOOK VALUE

| | | | | | |
|----------------------------|----------|----------|------------|------------|------------|
| At 31 December 2024 | – | – | 237 | 328 | 565 |
| At 31 December 2023 | – | – | 408 | 518 | 926 |

10 Tangible fixed assets (continued...)

| Group and company | Freehold property | Investment property | Furniture fittings and office equipment | Leasehold improvements | Total |
|---|-------------------|---------------------|---|------------------------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| GROUP | | | | | |
| Carrying value based on historical cost | 4,307 | 18,894 | 556 | 329 | 24,086 |
| Accumulated depreciation based on historical cost | 890 | 3,662 | 1,882 | 617 | 7,051 |
| COMPANY | | | | | |
| Carrying value based on historical cost | – | – | 556 | 329 | 885 |
| Accumulated depreciation based on historical cost | – | – | 1,882 | 617 | 2,499 |

The investment property portfolio was valued on 31st December 2024 by an external valuer, Avison Young (UK) Limited. The valuation was prepared in accordance with the RICS Valuation – Global Standards effective 31st January 2022 (the 'Red Book'). The valuer's opinion of Fair Value was primarily derived using comparable recent market transactions on arm's length terms.

The refurbishment at Red Lion Court was completed in April 2024 and for Pemberton Row in December 2023 with some late invoices paid in 2024. 206 St Vincent Street, Glasgow was purchased in May 2024 and refurbishment of this property began in late 2024, which is expected to conclude in 2025.

11 Operating Leases

MDDUS Property Ltd holds investment properties which are let out to third parties and to the Parent company. These non-cancellable leases have remaining terms of between 1 year and 8 years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|------------|------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Not later than one year | 700 | 696 | – | – |
| After one year but not more than five years | 1,063 | 1,415 | – | – |
| After five years | 619 | 860 | – | – |
| | 2,382 | 2,971 | – | – |

Future minimum rental payable under non-cancellable operating leases are as follows:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|------------|------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Not later than one year | – | 374 | 657 | 374 |
| After one year but not more than five years | – | 467 | 1,172 | 467 |
| After five years | – | – | 389 | – |
| | – | 841 | 2,218 | 841 |

12 Investments

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|--|----------------|----------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| VALUATION | | | | |
| Market value at 1 January 2024 | 620,216 | 547,721 | 631,013 | 564,240 |
| Additions | 278,256 | 304,204 | 257,476 | 282,277 |
| Disposals | (233,286) | (280,714) | (207,108) | (258,676) |
| Movement in unrealised currency gains/(losses) | 985 | 4,129 | 904 | 4,096 |
| Impairment of subsidiaries | – | – | (643) | (582) |
| Changes in fair value of investments | 9,927 | 44,876 | 8,519 | 39,658 |
| Market value at 31 December 2024 | 676,098 | 620,216 | 690,161 | 631,013 |
| Listed investments | 608,746 | 553,473 | 561,243 | 509,933 |
| Multi-asset credit | 61,310 | 56,959 | 61,310 | 56,959 |
| Private Credit | 8,393 | 3,194 | 8,393 | 3,194 |
| Unlisted investments | – | – | 61,453 | 55,096 |
| Derivative asset investments | 2,361 | 14,898 | 2,079 | 13,163 |
| Derivative liability investments | (4,712) | (8,308) | (4,317) | (7,332) |
| | 676,098 | 620,216 | 690,161 | 631,013 |
| Historical cost | 660,676 | 624,736 | 677,218 | 635,879 |

Unlisted investments at 31 December 2024 relate to the Company's holding of the entire issued share capital of 1,700,000 ordinary £1 shares of MDDUS Education Limited, a risk assessment and training company, incorporated in Great Britain, registered in Scotland, the entire issued share capital of 30,000,000 ordinary £1 shares of MDDUS Insurance Limited, an insurance company incorporated and registered in Guernsey the entire issued share capital of 150,000,000 ordinary £0.20 shares of MDDUS Property Limited, a property company incorporated in Great Britain, registered in Scotland and the entire issued share capital of 4,000,001 ordinary £1 share of MDDUS Services Limited, a service company incorporated in Great Britain, registered in Scotland.

| | MDDUS Services Limited | MDDUS Insurance Limited | MDDUS Property Limited | MDDUS Education Limited |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| SUBSIDIARY SHARE CAPITAL AND RESERVES: | | | | |
| Called up share capital | 4,000 | 30,000 | 30,000 | 1,700 |
| Profit and Loss account | (2,547) | 14,986 | 3,354 | (2,019) |
| Aggregate of share capital and reserves | 1,453 | 44,986 | 33,354 | (319) |
| (Loss)/Profit for the year | (643) | 339 | 224 | (83) |

13 Debtors and payments in advance

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 22,493 | 22,429 | 22,018 | 21,982 |
| Other debtors | 6,931 | 5,453 | 5,797 | 4,529 |
| Payments in advance | 1,270 | 1,302 | 823 | 841 |
| Other taxes and social security costs | 4 | 55 | – | – |
| Amounts owed by subsidiary undertakings | – | – | 288 | 270 |
| | 30,698 | 29,239 | 28,926 | 27,622 |

14 Reinsurance asset

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|-------------------|---------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Reinsurance asset | 1,608 | 2,177 | 1,603 | 2,177 |

15 Sundry creditors and accrued charges due within one year

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Deferred income | 34,340 | 33,457 | 33,594 | 32,815 |
| Other taxes and social security costs | 1,133 | 1,424 | 656 | 1,394 |
| Sundry creditors and accruals | 2,883 | 3,234 | 2,251 | 1,550 |
| Amounts owed to subsidiary undertakings | – | – | 543 | 253 |
| | 38,356 | 38,115 | 37,044 | 36,012 |

16 Provision for liabilities and charges

| | Deferred Taxation | Claims | Professional Support | Total |
|---|----------------------|----------------|-------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| GROUP | | | | |
| At 1 January 2024 | – | 131,365 | 18,700 | 150,065 |
| Charged to income and expenditure account in period | 4,557 | 42,152 | 12,309 | 59,018 |
| Paid in year | – | (19,356) | (8,809) | (28,165) |
| At 31 December 2024 | 4,557 | 154,161 | 22,200 | 180,918 |
| At 1 January 2023 | 318 | 94,548 | 19,900 | 114,766 |
| Charged to income and expenditure account in period | (318) | 60,694 | 7,043 | 67,419 |
| Paid in year | – | (23,877) | (8,243) | (32,120) |
| At 31 December 2023 | – | 131,365 | 18,700 | 150,065 |
| | | | | |
| | Deferred Taxation | Claims | Professional Support | Total |
| | £'000 | £'000 | £'000 | £'000 |
| COMPANY | | | | |
| At 1 January 2024 | – | 128,600 | 18,700 | 147,300 |
| Charged to income and expenditure account in period | 4,557 | 39,756 | 12,309 | 56,622 |
| Paid in year | – | (19,356) | (8,809) | (28,165) |
| At 31 December 2024 | 4,557 | 149,000 | 22,200 | 175,757 |
| At 1 January 2023 | – | 94,200 | 19,900 | 114,100 |
| Charged to income and expenditure account in period | – | 58,007 | 7,043 | 65,050 |
| Paid in year | – | (23,607) | (8,243) | (31,850) |
| At 31 December 2023 | – | 128,600 | 18,700 | 147,300 |

The provision represents the discounted value of expected settlement and handling costs for all claims and professional support notified to MDDUS as at 31 December 2024.

In respect of discretionary indemnity, in addition to events reported at the end of the accounting period and included in the balance sheet, MDDUS must also be aware of the potential costs of those events that occurred before the end of December 2024 but have not yet been reported – the incurred but not reported" (IBNR) claims and professional support. As MDDUS has not yet exercised its discretion over these matters by the period end (as they have by their nature not been reported) they are not considered to be a liability and are not therefore incorporated into the balance sheet. The Company's actuaries have however estimated the value of these IBNR claims and professional support to be £181.0m (2023: £175.1m) and £16.6m (2023: £20.9m) respectively. This has been subject to peer review. IBNR related to insurance policies of £4.0m (2023: £41k) is included in the group balance sheet.

17 Deferred taxation

Deferred taxation provided for at 25% (2023: 25%) in the financial statements is set out below:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|--------------------------------|---------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Capital gains | 6,304 | 3,918 | 6,304 | 3,918 |
| Fixed asset timing differences | (276) | 569 | (276) | 569 |
| (Losses) and other deductions | (1,471) | (4,487) | (1,471) | (4,487) |
| At 31 December 2024 | 4,557 | – | 4,557 | – |

18 Reserves

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|----------------|----------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| ACCUMULATED FUND | | | | |
| At 1 January 2024 | 542,735 | 496,659 | 524,564 | 478,121 |
| Transferred from income and expenditure account | 15,910 | 46,076 | 15,048 | 46,443 |
| At 31 December 2024 | 558,645 | 542,735 | 539,612 | 524,564 |

19 Reconciliation of movement in funds

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|----------------|----------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Total recognised gains in the year | 15,910 | 46,076 | 15,048 | 46,443 |
| Opening funds available to meet future liabilities | 542,735 | 496,659 | 524,564 | 478,121 |
| Closing funds available to meet future liabilities | 558,645 | 542,735 | 539,612 | 524,564 |

20 Investments fair value determination

The Group and Company classifies financial instruments measured at fair value within investments using the following fair value hierarchy:

- Category (a) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Category (b) Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Category (c) Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The investment assets have been fair valued using the above hierarchy categories as follows:

| | Category (a) | Category (b) | Category (c) | Total |
|----------------------------|-----------------|-----------------|-----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| GROUP | | | | |
| Listed investments | 608,746 | – | – | 608,746 |
| Unlisted investments | – | 61,310 | 8,393 | 69,703 |
| Derivatives | (654) | (1,697) | – | (2,351) |
| At 31 December 2024 | 608,092 | 59,613 | 8,393 | 676,098 |
| Listed investments | 553,473 | – | – | 553,473 |
| Unlisted investments | – | 56,959 | 3,194 | 60,153 |
| Derivatives | 2,057 | 4,533 | – | 6,590 |
| At 31 December 2023 | 555,530 | 61,492 | 3,194 | 620,216 |

| | Category (a) | Category (b) | Category (c) | Total |
|----------------------------|-----------------|-----------------|-----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| COMPANY | | | | |
| Listed investments | 561,243 | – | – | 561,243 |
| Unlisted investments | – | 61,310 | 8,393 | 69,703 |
| Derivatives | (561) | (1,677) | – | (2,238) |
| At 31 December 2024 | 560,682 | 59,633 | 8,393 | 628,708 |
| Listed investments | 509,933 | – | – | 509,933 |
| Unlisted investments | – | 56,959 | 3,194 | 60,153 |
| Derivatives | 1,741 | 4,090 | – | 5,831 |
| At 31 December 2023 | 511,674 | 61,049 | 3,194 | 575,917 |

The MDDUS Investment Committee set out and review the Company's investment strategy. In doing so they consider the estimated provision for future claims payments and consider how they are affected by market, interest rate and currency risks. MDDUS invests in derivative instruments to protect its capital and hedge against sizable movements in foreign exchange rates, interest rates and market volatility exposures. These derivatives include FX Forwards (£1.3m) (2023: £0.9m) to protect against short term currency volatility of the non-Sterling investments, interest rate swaps (£0.4m) (2023: £3.6m) to protect against longer duration exposures to interest rate changes and futures (£0.7m) (2023: £2.1m) to protect against market volatility.

21 Financial Instruments

The Group's and Company's financial instruments may be analysed as follows:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|--|----------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value through surplus | 680,810 | 628,524 | 633,025 | 583,248 |
| FINANCIAL LIABILITIES | | | | |
| Financial liabilities measured at fair value through surplus | (4,712) | (8,308) | (4,317) | (7,331) |
| | 676,098 | 620,216 | 628,708 | 575,917 |

Financial assets measured at fair value through surplus or deficit comprises fixed asset listed investments and derivative instruments.

Information regarding the group's exposure to and management of risk is included in the strategic report.

22 Pension Commitments

| Group and company | 2024 | 2023 |
|--|--------------|-------|
| | £'000 | £'000 |
| Charge through the statement of income and retained earnings in the year | 2,152 | 1,730 |
| Balance outstanding at the year end | 177 | – |

23 Capital Commitments

Capital expenditure approved and contracted for as at 31 December 2024 amounted to £109k in relation to property improvements (2023: £1m); £0.3m in relation to software development (2023: £0.5m) and £22.2m in relation to investments in private credit (2023: £27.1m)

25 Related party disclosures

The Company has taken advantage of the exemption conferred by s33.1A of FRS102 not to disclose transactions with its wholly owned subsidiaries. The directors do not consider there to be any one single controlling party of the Company. Key management personnel are considered to be the directors.

24 Member's guarantee

The Medical and Dental Defence Union of Scotland is a company limited by guarantee of up to £1 per member.

26 Related party transactions

The Company made no settlements in 2024 to related parties that are not subsidiaries (2023: £nil). There are no amounts outstanding to or from such related parties at the period end (2023: nil). As noted in the Directors' Report 5 (2023: 5) Non-Executive directors have a personal or corporate membership of MDDUS, which is purchased on a basis consistent with that of other members.

MDDUS Board and honorary fellows

Chair

**** Iain T Cameron** ^{2,3,5}
BSc MA MD FRCOG FRCP (Edin)

Vice-Chair and Senior Independent Director

**** Joanna L Bayley** ^{2,3,7}
MBChB MA MRCEM MRCGP

Chief Executive

*** Chris Kenny** ^{4,6}
MA FRSA

Other directors

**** Satyajit Bhattacharya** ¹
CVO MB MS MPhil FRCS

**** Ian Craig** ^{1,7}

**** Marian Glen** ^{1,3}
MA (Hons) LLB

**** Jason Leitch** ^{2,3}
CBE BDS DDS FDS RCS (Eng)
FDSRCS (Edin) FDSRCPSG (Glas)
FRCS (Edin) MPH (Harvard)

**** Vikki Macleod** ^{3,7}

**** Andrew McKee** ^{2,5}
BA(Hons) ACII

*** Emma Parfitt**
LLB (Hons) French Diploma
of Law

*** James Parker** ^{2,4,5,6}
ACMA BSc

**** Rebecca Sadler** ¹
BDS (Hons)

**** John Taylor** ^{1,2}
BSc (Hons) PhD FFA

Honorary fellows

The Rt Hon. Lady Elish Angiolini
LT DBE PC KC

Alistair D Beattie
MD FRCP (Glasg, Lond & Edin)
FFPM

J Douglas Bell
MBChB FRCP (Edin) FFOM DIH

Jonathan P Berry
MBChB MBA MA

James Black
FFA

Judith M Chapman
MA MB BChir FRCGP DRCOG

John K Davidson
OBE MD FRCP (Edin & Glasg)
FRCR FACR (Hon)
FRANZCR (Hon)

Gordon C A Dickson
MLitt PhD FCII FIRM

Peter Edmond
CBE TD MBChB FRCS (Ed & Glasg)
FRCP (Edin)

John Garner
MBChB FRCGP FRCPEd DCH
DRCOG

James Graham
MBChB FRCS (Ed & Glasg)

John R Griffiths
BA (Oxon) LLB WS

Margaret A McPhail
Dip Man MloD
(Appointed 20 September 2024)

Brendan Sweeney
MBE MA MBChB DRCOG FRCGP

Key

- 1 Member of the Audit and Risk Committee
- 2 Member of the Investment Committee
- 3 Member of the Remuneration and Nominations Committee
- 4 Director of MDDUS Education Ltd
- 5 Director of MDDUS Insurance Ltd (three MIL directors are not on the MDDUS Board)
- 6 Director of MDDUS Property Ltd (two MPL directors are not on the MDDUS Board)
- 7 Director of MDDUS Services Ltd
- * Executive director
- ** Independent non-executive director

Accurate as at 25 June 2025

Our management

Chief Executive

* **Chris Kenny**

MA FRSA

Deputy Chief Executive and General Counsel Managing Director, MDDUS Services Limited

* **Emma Parfitt**

LLB (Hons) French Diploma of Law

Deputy Chief Executive and Finance Director

* **James Parker**

ACMA BSc

Director of People and Corporate Services

Kimberly Johnstone

BA MSc Assoc CIPD

Group Director of Governance

Dawn Reid

LLB (Hons)

Commercial Director

Michael Rudman

IT Director

Elaine Whitefoot

Head of Dental

Rachael Bell

BDS MPhil PGCert MFGDP

MJDF FCGDent

Joint Head of Legal

James Doake

BSc (Hons)

Joint Head of Legal

Sara Foster

BA (Hons) Dip Law

Company Actuary

Dermot Grenham

FIA DPhil MSc

Company Secretary

Bryan Hislop

LLB (Hons) ACIS

Chief Medical Officer

John Holden

MB BS MPhil MRCP FFFLM

DCH DRCOG

Head of Medical

Naeem Nazem

MBChB BSc (Hons) MRCP

LLB (Hons)

External professional advisers

Auditor

BDO LLP

Chartered Accountants and Registered Auditors

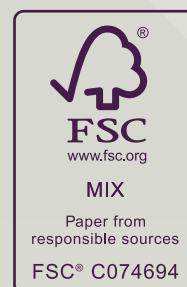
2 Atlantic Square

31 York Street

Glasgow G2 8NJ

* Executive director

Accurate as at 25 June 2025



Design:
Damian Mullan
soitbegins.co.uk
Photography:
Ashley Coombes
Epic Scotland Ltd.



JOIN US



The Medical and Dental Defence Union of Scotland

Head office:
206 St Vincent Street
Glasgow G2 5SG

London office:
1 Pemberton Row
London EC4A 3BG

t: **0333 043 4444**

0333 043 0000 Membership Services Department:

f: **0141 228 1208**

e: info@mddus.com

www.mddus.com