

Registered in England
Company No: 21708

THE MEDICAL DEFENCE UNION LIMITED

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007



Report of the Chairman

This has been a year of change for the MDU, with the excellent news that we have entered into long-term agreements with SCOR SE and Hannover Re. The Chief Executive covers this further in his report and, on behalf of the Board, I would like to welcome these new arrangements.

The key theme of my report this year is the work done on your behalf by the MDU's professional services staff, that is our Advisory, Claims and Legal Departments. In keeping with that theme, I would like to share with you some of the interesting facts I have learnt about the MDU's activities on your behalf last year. In doing so, I pay tribute to colleagues who provide these services and to the MDU's staff who all play their part in looking after your medico-legal interests.

It will probably come as no surprise that we keep a close track of the number of calls and letters requesting advice, 24/7, from the MDU's medico-legal advisers, and that both continue to increase steadily. One of the figures that particularly interested me was that around 40% of calls were from members requesting pre-emptive advice, to assist them in making a decision about a patient and to avoid medico-legal difficulties. A recent survey of 100 calls showed requests on a wide range of subjects: was it possible to disclose information about a child to an estranged father, a doctor was concerned about a cancer patient who was refusing treatment, and a GP wanted to know if he should tell the police that a patient with diabetes was continuing to drive, despite having been warned not to do so.

Our advisory services are provided by a growing number of medico-legal advisers, and 2007 saw four new doctors joining the team. It also saw the retirement of Drs Nick Norwell and John Gilberthorpe who between them have advised MDU members for just under 40 years. I am sure many members who were assisted by Nick and John would have been grateful for their advice and support and, although they are now retired, I am pleased that their legacy to the MDU remains in the number of their colleagues who they have trained over the years and who continue their excellent work on your behalf.

I would also like to mention other activities that are fundamental to the MDU's 'by doctors, for doctors' ethos. It is important that all external bodies who deal with the MDU see that our staff are experts in their field and, as advocates for our members, that we are prepared to engage constructively and thoughtfully in all areas of regulatory and legal policy development that will affect you. By this I mean all the hard work that goes into making sure members' medico-legal interests are taken into account when political and policy changes are conceived and implemented. The new regulatory environment foreseen in 2007's Health & Social Care Bill means that legal and advisory colleagues have devoted countless hours to preparing briefing papers for and liaising with politicians and officials. They have also taken part in governmental working parties and advisory groups on matters such as the role of the new adjudicatory body for doctors (Office of the Health Professions Adjudicator) and the introduction of 'responsible officers' and the new complaints procedure. This work continues and I thank all concerned.

The Dental Advisory Department reports that the biggest change they saw last year was the dramatic increase in members' requests for assistance with the GDC's regulatory procedures, and this has resulted in the recent appointment of a new dental adviser. In addition, to meet a need for additional expert assistance with dental claims, a new dentally-qualified claims handler joined the Claims Department during 2007.

Two new medically-qualified claims handlers also joined during 2007. Although the number of claims has slightly reduced compared to previous years, the pre-action protocol, the reduction in Legal Services Commission funding, and the introduction of conditional fee arrangements means that claims are generally more thoroughly prepared than in past years. Nevertheless, it is a tribute to the skilled work of the claims handling team that we still find that 70% of claims notified do not result in a settlement.

From a risk management point of view, I would like to share with you one of the interesting findings made last year: namely that medication errors are still one of the most common causes of patient safety incidents and claims, both in hospital and primary care. They usually arise because the drug administered is the wrong drug, or in the wrong dose, or to the wrong patient, or the use of a specific drug is not monitored, especially in interaction with other agents. When members notify us of claims after such incidents, they often face allegations that errors like these can and should be prevented. While this may not always be possible, systems and procedures can be put in place to minimise the likelihood of such errors. I would urge you to review your practice in the light of this information in the hope it may be useful. For members in primary care, there is a helpful risk management tool on prescribing on-line on the MDU's website www.the-mdu.com.

I turn to the part of my report concerning colleagues. I would like to honour in their retirement Hedley Berry and Janet Heath. Hedley was Vice-Chairman, Vice-President of Council, and a former Chairman of Cases Committee. Mrs Janet Heath was a Dental Clinical Adviser, and more recently Vice-Chairman of the Dental Advisory Committee. We wish them both long and happy retirements. Finally, it is my sad duty to report the death of Professor Cecil Gray, a Council member for 35 years and MDU Treasurer 1976-1981. He was an anaesthetist of great distinction, having introduced muscle relaxants into the UK, and a personal friend and colleague in Liverpool for over 45 years.



C C Evans
Chairman of the Board of Management
President of the MDU

Operating and Financial Review 2007

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I am pleased to say that 2007 proved a good year for your company and we face the future with a growing membership, enhanced financial security and a sound organisational structure

A unique benefit of MDU membership, as compared with other mutual medical defence organisations, is that we provide most paying members with an insurance policy for claims of negligence arising from clinical practice. Members with a policy know they have a contractual right to an indemnity in addition to the discretionary benefits of membership of the MDU, a combination which gives the Board flexibility to assist with a wide range of medico-legal problems arising from clinical practice. No other UK mutual defence organisation provides this level of security and certainty

The insurance policy was previously underwritten by Converium Insurance (UK) Ltd as part of the joint venture with Converium AG (CAG), a Swiss re-insurer. As reported last year CAG was the subject of a takeover bid by SCOR SE, which was successful. The MDU Board set up a committee to consider the effect of this change on the MDU and oversee any consequential negotiations which were required

These have now been concluded, with an excellent outcome for our membership who now have an insurance policy backed by the strength of two of the world's largest re-insurance groups

The main features of the new arrangements are that MDU Services Ltd has become a wholly owned subsidiary of the MDU, and the joint venture with CAG has ended. As part of a ten-year commitment, from 1 April 2008 the insurance for members is provided by SCOR SE and Hannover Re, on a co-insurance basis. The policy is written by their UK insurance subsidiaries, which are FSA regulated companies. The MDU will continue to receive re-insurance support over the ten-year period

The MDU's subsidiary, MDU Services Ltd, has a separate Board and employs all the staff. It is an FSA regulated company and also provides all services to members

As mentioned last year, proposals by the GMC and GDC for compulsory indemnity for registered practitioners are awaited. The GMC has set up an expert working group to advise it, which held several meetings during the course of the year with the MDU contributing to its deliberations

Ireland

The dispute with the Department of Health and Children is no nearer to resolution. Members will recall that the dispute has as its basis the problem of historic obstetric liabilities following the imposition by the Irish Government of the Clinical Indemnity Scheme on consultants. The MDU's Board decided in 2004 in the interests of all the MDU's members, that in some Irish obstetric cases it would decline to exercise its discretion to assist or to continue to assist and such decisions continue to be made

The Irish Government has chosen to support litigation to challenge the Board's decisions in some cases and, as reported last year, the Supreme Court of Ireland referred the question of jurisdiction as a matter of European Law to the European Court of Justice. The case proceeds and is expected to be heard later in 2008

The Irish Government has said that no Irish person who has suffered from a medical mishap would be left without compensation and no consultant would be left without cover in all reasonable circumstances and in accordance with law. The MDU understands that this undertaking has been honoured to date

The MDU continues to assist with some cases in Ireland and as detailed in the Financial Review below made substantial payments on behalf of members and former members in Ireland of £7.6m in 2007

Business Review

Strategy

The company's strategy is to provide the highest quality of medico-legal support to members at the lowest cost compatible with financial security. We do this by providing members with specialist advice from doctors, dentists, lawyers and other professionals who combine an understanding of the realities of clinical practice with medico-legal expertise and through the provision of insurance policies provided by regulated insurers

Principal risks and uncertainties

The key challenge for the MDU is the competitive market in which it operates. The MDU monitors this carefully aiming to provide its members with the highest quality of service for their professional needs

The medico-legal environment is ever changing and the MDU monitors developments closely, making representations to protect members' interests, when appropriate

The MDU has an established risk management procedure, a conflict of interest register and procedures to ensure that members are treated fairly. These are regularly reviewed by the Board to ensure that the necessary procedures and strategies are in place to manage risks appropriately.

Key performance indicators

The MDU monitors its business activity by means of a number of key performance indicators designed to track the activity and achievement of the company. The Board considers the following on a quarterly basis:

1 Membership statistics

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

2 Quality of service

The company monitors, by means of regular membership surveys, satisfaction with service levels provided by the Medical and Dental Advisory, Claims and Membership Departments. The company welcomes comment from members on the quality of services provided.

3 Financial performance

The Board reviews on a quarterly basis the MDU's overall financial performance including subscription levels, insurance premiums, claims payments, legal costs and claims reserves. These are highlighted below in the Financial Review.

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

Financial Review

Income

Subscription income for the year ended 31 December 2007 was £176m (2006: £165m).

Over 97% of subscriptions come from our UK members, the remainder being from our members in Ireland.

Added to the subscription income is investment income for the year of £2.1m bringing the total mutual income for the MDU group in 2007 to £178m (2006: £166m).

Expenditure

In 2007 the MDU paid out on behalf of its members £25m in discretionary indemnity claims and legal costs (2006: £38m). This reduction results from the planned transfer of risk to individual insurance policies for the MDU's UK and Irish members. Within the £25m of indemnity and legal payments for 2007, £7.6m (30%) relates to our Irish members' claims.

Insurance and reinsurance premiums in 2007 were £108.7m (2006: £107.1m).

Following the successful negotiation of the new insurance arrangements the MDU has been able to benefit from a positive adjustment of premium of £28.2m in 2007 (2006: £3.6m) – see note 3 (premium element adjustment). This was earlier than anticipated and due to an improvement in the insurer's claims experience.

The insurance arrangements provide each paying member of the MDU in the UK with the security of a £10m individual insurance policy in his/her name. The insurance policy covers claims first made in the policy period, including indemnity and legal costs, arising from an incident whilst a member.

The MDU has a reinsurance programme, which includes additional protection for discretionary claims. The amount of reinsurance recoveries in 2007 was £1.3m (2006: £2.5m).

Medical and dental advisory costs along with administrative costs amounted to £24.6m in 2007 (2006: £23.3m).

Assets/Indemnity Provision

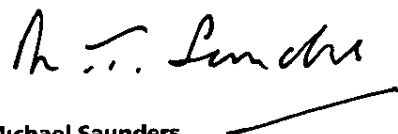
The balance sheet for the MDU now shows total assets of £132m compared to £83m in 2006. This improvement is mainly due to the reduction in the discretionary claims paid in the year and the benefit of the premium element adjustment referred to earlier.

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

No provision is made for claims that may arise from incidents occurring before the balance sheet date but not reported to the MDU at that date, or for defendant legal costs. Nearly all paying members now have an insurance policy and, for those who do, such claims are covered under the terms of the policy.

The level of indemnity provision, see note 12(a), has been estimated on the advice of consulting actuaries taking all the above factors into consideration, and is shown in the accounts at £129m.

In summary the MDU concentrates on providing the best advisory, risk management and claims handling service to our members, with the financial security of insured claims and associated legal costs being provided through regulated insurance.



Dr Michael Saunders
Chief Executive

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2007

Activities

The MDU's activities include the discretionary provision, in accordance with the *Memorandum and Articles of Association*, of indemnity and advisory services for its members

The MDU provides advice and assistance to governments and other bodies relating to risk management and the handling of indemnity claims

Through MDU Services Ltd, the group provides paying members with insurance policies for claims of clinical negligence. These are underwritten by SCOR Insurance (UK) Ltd and International Insurance Company of Hannover Ltd in the UK and by Zurich Insurance Ireland Ltd in Ireland. MDU Services Ltd is authorised and regulated by the FSA as an insurance intermediary.

MDU Services Ltd was, until 27 December 2007, owned jointly by the MDU and SCOR Switzerland AG (formerly Conventum AG). On 27 December, all of the issued ordinary share capital of MDU Services Ltd formerly held by SCOR Switzerland AG was purchased by the MDU, and MDU Services Ltd is therefore now a wholly owned subsidiary of the MDU.

Review of business

Members' attention is drawn to the Report of the Chairman and the Operating and Financial Review, in which the salient features of the business of the year are highlighted. The financial statements on pages 43 to 61, set out the financial results of the year's activities.

The MDU continues to set subscriptions which the directors, on the advice of the consulting actuaries, consider sufficient to meet insurance premiums, overheads and foreseeable discretionary indemnity payments and legal costs.

Disabled employees

The MDU group gives full consideration to applications for employment from disabled people where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the MDU's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion where possible.

Directors

The following served as directors in 2007

Board Member	Appointed/ Resigned/Retired	No. of Meetings Attended
C C Evans ^{1 3}		5
Hedley E Berry ^{1 3}	Retired on 18 September 2007	2
P Armstrong		3
K A V Cartwright ¹		4
H E Clarke ^{1 2 3}	Appointed on 27 February 2007	4
M M Gallivan ³		5
R J C Pearson ^{1 2 3}		5
K F Richardson ^{1 2 3}	Appointed on 1 May 2007	3
M S Richmond		4
P Riordan-Eva		5
P D Robinson ^{2 3}		5
M T Saunders ^{1 3}		5
C M Tomkins ³		5
P R Williams ^{1 2 3}		5

¹ Members of the Remuneration Committee

² Members of the Audit Committee

³ Directors of MDU Services Ltd

In accordance with the *Articles of Association*, the following directors are due to retire by rotation and, being eligible, offer themselves for re-election at the next Annual General Meeting

- C C Evans
- M M Gallivan
- M S Richmond
- C M Tomkins

Corporate Governance

Although the MDU is not a listed company, the Board is committed to the highest standards of corporate governance and seeks to apply the principles set out in the Combined Code, to the extent appropriate for the MDU. Set out below is a summary of the MDU's approach to corporate governance. The participation of MDU members on the Board is a particular feature and strength of the governance arrangements.

There are three executive directors, two of whom are also MDU members. The Board has three non-executive directors who are not members of the MDU and have no financial interest in the MDU other than their fees as Board members. There are seven non-executives with MDU membership, who receive fees as Board members and as expert witnesses. The Board does not consider that this compromises their independence as Board members. All the non-executive directors are therefore considered to be independent. The non-executive directors are sufficiently strong in numbers and independence to provide a proper balance on the Board.

The posts of Chairman and Chief Executive are separate. This distinguishes the running of the Board from executive responsibility for the business. The roles of Chairman and Chief Executive are defined in writing.

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

The Board undertakes an annual evaluation of its performance by questionnaire. The Chairman reports back to the Board on the results of the evaluation.

All Board members are subject to election by MDU members at the first Annual General Meeting after their appointment. All, including the executive directors, are also subject to retirement by rotation and re-election at least every three years.

The Board met five times in the year. The attendance record of the directors at the Board meetings is set out on page 40. The Board has a schedule of matters reserved to it for decision, including the following:

- Approval of commercial strategy
- Changes to corporate structure
- Internal control arrangements
- Board and committee appointments
- Contracts not in the ordinary course of business

The Board has a procedure for directors to obtain independent advice. All Board members have access to the advice and services of the Company Secretary.

Audit Committee

The Board has an Audit Committee, which meets as often as necessary. The committee is chaired by Mr R J C Pearson, an independent director without MDU membership. Mr Pearson is a chartered accountant and has extensive audit experience. The committee consists of four other non-executive members of the Board. The committee meets, and spends time alone with, the internal and external auditors. The committee reviews risk management and internal control arrangements, and their effectiveness. It guides the activities and reviews the results of internal audit. The committee also reviews the scope and results of the external audit, and reviews the annual financial statements and other information in the Annual Report before publication. The committee meets the MDU's actuarial advisers each year and reviews the results of their work.

Nomination Committee

The Board's Nomination Committee, chaired by the Chairman of the Board, makes recommendations on the appointment of directors. Membership of the Nomination Committee varies according to the nature of the vacancy. The committee prepares a description of the role and capabilities required for a particular appointment. It selects a shortlist of candidates for consideration by the Board, on merit and against objective criteria.

Remuneration Committee

The Remuneration Committee, also chaired by the Chairman of the Board, makes recommendations on the remuneration of the executive directors, non-executive directors and members of the Council and of committees. The Remuneration Committee works on the basis that remuneration should be sufficient to attract, retain and motivate individuals of the quality required but without paying more than is necessary.

Internal Control

The Board is ultimately responsible for the internal control and risk management of the MDU and for the effectiveness of these systems. The Audit Committee has authority to advise the Board on these matters. Management is responsible for identifying, assessing, managing and monitoring risk, and for developing, operating and monitoring the system of internal control. Control is exercised through an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. Information is regularly provided at all levels and compared with budgeted targets which are reviewed on a quarterly basis. The Board considers regular reports on the risks inherent in the business. The principal risks are identified in the Operating and Financial Review at pages 38 - 39.

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

Financial Instruments

The group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks.

The group monitors its likely exposure to non-sterling claims and advisory costs and its policy is, where possible, to finance these through matching subscription and other receipts in the same currency. The matter is kept under constant review and if deemed appropriate forward contracts are entered into.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position.

Going Concern

The financial statements are prepared on a going concern basis. In deciding to adopt the going concern basis the directors have reviewed the group's business plans and budgets and taken account of the discretionary nature of the company's indemnity obligations and the steps taken for future funding.

Relations with Members

The MDU uses the Annual Report and Annual General Meeting to communicate with members about the business. It values highly communications with members, and encourages members to attend the Annual General Meeting. Members of the Audit, Remuneration and Nomination Committees attend the AGM to respond to any relevant questions if necessary. The notice for the AGM is sent to members at least 21 days before the meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Provision of information to auditors

In the case of each of the directors who are directors of the company at the date when this report is approved

- so far as they are individually aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

By order of the directors



N J Bowman
Company Secretary
22 April 2008

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2007

		2007	2006
	Notes	£'000	£'000
Members' subscriptions		176,059	165,009
Investment income	2	2,112	1,383
Total mutual income		178,171	166,392
Less			
Medical and dental advisory services		13,949	13,489
Indemnity, legal, reinsurance and insurance costs	3	155,770	142,240
Administrative costs		10,665	9,813
Finance cost	4	1,841	828
Total mutual expenditure		182,225	166,370
Result from mutual activities		(4,054)	22
Income from non-mutual activities		12,555	12,540
Less share of joint venture's turnover		(12,555)	(12,540)
Share of operating profit in joint venture	8	608	465
Result before taxation	5(a)	(3,446)	487
Taxation charge	6(a)	(754)	(487)
Result after taxation transferred to accumulated fund	14	(4,200)	-

All activities relate to continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2007

		2007	2006
	Notes	£'000	£'000
Result after taxation excluding share of profits of joint venture		(4,808)	(465)
Actuarial gain on pension scheme	14, 16	4,200	-
Share of joint venture's profit for the year		608	465
Total recognised gains and losses since the last annual report		-	-

CONSOLIDATED AND COMPANY BALANCE SHEETS as at 31 December 2007

		2007		2006	
	Notes	Group £'000	Company £'000	Group £'000	Company £'000
Fixed assets					
Tangible assets	7	3,192	517	701	701
Investments	8	36,110	5,160	20,151	2,367
Investment in joint venture					
Share of gross assets		-	-	10,056	-
Share of gross liabilities		-	-	(7,696)	-
	8	-	-	2,360	-
		39,302	5,677	23,212	3,068
Current assets					
Debtors – amounts falling due within one year	9	57,480	108,329	17,917	35,259
Debtors – amounts falling due after more than one year	10	12,387	12,387	41,717	41,717
Cash at bank and in hand		39,971	17,591	11,276	11,237
		109,838	138,307	70,910	88,213
Creditors - amounts falling due within one year	11	17,231	13,359	11,141	10,348
Net current assets		92,607	124,948	59,769	77,865
Total – fixed assets and net current assets		131,909	130,625	82,981	80,933
Provisions					
Indemnity	12(a)	128,709	127,380	74,914	72,866
Pension	12(b)	3,200	3,200	8,000	8,000
Other provisions	13	-	45	67	67
Total Provisions		131,909	130,625	82,981	80,933
Reserves					
Accumulated fund	14	-	-	-	-
Total – provisions and reserves		131,909	130,625	82,981	80,933

Approved and authorised for issue by the Board of Management on 22 April 2008 and signed on its behalf by


M T Saunders – Chief Executive


C C Evans – Chairman

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2007

		2007	2006
	Notes	£'000	£'000
Net cash inflow/(outflow) from operating activities	15(a)	21,092	(2,908)
Returns on investments			
Interest received		2,046	1,344
Net cash inflow from returns on investments		2,046	1,344
Corporation tax paid		(777)	(540)
Acquisitions and disposals			
Cash acquired on purchase of MDU Services Ltd	8	22,293	-
Net cash inflow from acquisitions and disposals		22,293	-
Increase/(decrease) in cash	15(b)	44,654	(2,104)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS for the year ended 31 December 2007

		2007	2006
		£'000	£'000
Increase/(decrease) in cash	15(b)	44,654	(2,104)
Movement in net funds		44,654	(2,104)
Net funds at 1 January 2007		31,427	33,531
Net funds at 31 December 2007		76,081	31,427

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1 Accounting Policies

(a) Basis of preparation of financial statements

The group financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. As permitted by the Companies Act 1985, the financial statements formats have been adapted, as necessary, to give a true and fair view of the state of affairs of the company and group.

(b) Basis of consolidation

The consolidated income and expenditure account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2007. No income and expenditure account is presented for The Medical Defence Union Ltd as permitted by section 230 of the Companies Act 1985.

The group held an investment in MDU Services Ltd that was jointly controlled by the group and SCOR Switzerland AG (previously known as Converium AG) under a contractual agreement, which was treated as a joint venture. On 27 December 2007 the group purchased the shareholding in the joint venture held by SCOR Switzerland AG based on the audited net asset value of MDU Services Ltd as at 31 December 2007. In the group financial statements the results of MDU Services Ltd for the year to 31 December 2007 have been accounted for using the gross equity method, whilst the balance sheet of MDU Services Ltd as at 31 December 2007 has been consolidated.

(c) Goodwill

During the year the group acquired the remaining 24.9% of the equity of MDU Services Ltd for a consideration that was 49.9% of the audited net assets of the company as at 31 December 2007 (see note 8). Such a transaction would normally give rise to goodwill, however FRS2 recognises that this accounting treatment would be inconsistent as the company has been accounted for as a joint venture since its incorporation on the basis of the percentage of the voting shares held by the group, with 50.1% of the operating profit and 50.1% of the gross assets and liabilities recognised within the group financial statements. This treatment is a departure from the Companies Act, however the directors believe that recognising goodwill would not give a true and fair view and therefore within these financial statements the transaction has been treated as the acquisition of a further 49.9% of MDU Services Ltd. The goodwill that would have arisen if the true and fair override had not been implemented would have been £434,000 as at 31 December 2007.

(d) Members' subscriptions

Members' subscriptions consist of subscriptions for members' services and insurance premiums received from members for payment to Converium Insurance (UK) Ltd in the UK and Zurich Insurance Ireland Ltd in Ireland. These are accounted for on the basis of amounts due and received by the group before the balance sheet date, without apportionment.

Subscriptions retained by the company and group, net of insurance premiums paid, referred to in note (e) below, represent additional income for the funding of indemnity payments and the provision of advisory services to members. It is not practical to allocate a separate fair value to these two components.

(e) Insurance premiums

As explained in note (d) above premiums paid to Converium Insurance (UK) Ltd and Zurich Insurance Ireland Ltd are charged to the income and expenditure account. The insurance arrangements in place provide for an adjustment in premiums if the actual claims experience is better than envisaged at the time the premium is initially established. Such amounts are brought into the accounts as debtors (premium element adjustment) when they can be reliably measured and are re-assessed each year.

(f) Indemnity, legal, reinsurance and insurance costs

Expenditure on indemnity payments including the movement on the indemnity provision between the beginning and end of the year and legal charges covers the aggregate of all indemnity settlements, and legal services provided for members, together with insurance premiums, including those collected on behalf of and paid over to Converium Insurance (UK) Ltd in the UK and Zurich Insurance Ireland Ltd in Ireland as and when received from members. These costs include plaintiffs' costs, payments on account, legal costs, representation at service committee appeals, at hospital enquiries and at the General Medical and Dental Councils, and legal assistance to members.

(g) Indemnity provision

Provision is made for the outstanding cost of settlement and related claimants' costs for indemnity cases from all reported incidents notified as at the balance sheet date up to the amount of group and company net book assets as the group and company liabilities cannot exceed their assets (see note 12(a)). The gross provision, before restriction, is calculated on the advice of the consulting actuaries and has been discounted to allow for future investment returns in accordance with FRS12.

The estimated value of this provision is stated before estimated recoveries from insurers, which are disclosed separately as debtors and calculated by the consulting actuaries. The provision will be paid over an extended period and subject to agreement by all parties. It is not practical to estimate the periods in which the indemnity provision might be paid. The movement on the provision separately identifies the unwinding of the discount which is disclosed as a finance cost in the income and expenditure account. The principal financial assumption used in the calculation of the finance cost is that the rate used to unwind the discount is 3.375% per annum.

No provision is made for claims that may arise from incidents occurring before the balance sheet date but not reported to the group at that date or for defendant legal costs, nor for claims where The Medical Defence Union Ltd has not exercised its discretion to assist. Nearly all paying members now have an insurance policy and, for those who do, such claims are covered under the terms of the policy.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

The principal financial assumptions used in the actuaries' calculation of the gross indemnity provision for the company and the group are that claims inflation will be 8.5% per annum (2006 8.5% per annum) over the period of settlement and that a net discount rate of 3.1% per annum (2006 3.3% per annum) is used to discount the claims payments to the balance sheet date

(h) Non-mutual activities

Income from non-mutual activities and share of joint venture turnover represents the group's share of the turnover of MDU Services Ltd comprising expenses recharged to The Medical Defence Union Ltd for the year ended 31 December 2007

Share of operating profit in joint venture represents the group's share of the profit before tax of MDU Services Ltd for the year ended 31 December 2007

(i) Tangible fixed assets and depreciation

The cost of tangible fixed assets is written off evenly over their estimated useful economic lives. Reviews are made periodically of the estimated remaining lives of individual assets, taking account of commercial and technological obsolescence as well as normal wear and tear. The principal rates of depreciation per annum, on a straight line basis, are as follows:

- Leasehold property improvements
the shorter of the length of the lease and 10 years
- Furniture and office equipment 5 years
- Computer equipment 3 – 5 years
- Motor vehicles 4 years

(j) Investments

Investments are included at cost less any necessary provision for impairment

(k) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date or the appropriate forward contract rate. All differences are taken to the income and expenditure account.

(l) Deferred taxation

Deferred taxation is provided using the full provision method following adoption of FRS19. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets and liabilities are calculated at the tax rate expected to be effective at the time that the timing differences are expected to reverse, and are not discounted. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered.

(m) Investment income

Investment income is accounted for on an accruals basis.

(n) Operating leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the term of the lease.

(o) Pension costs

Under the terms of the arrangements between the company and MDU Services Ltd the company is responsible for any deficit of the pension scheme for which MDU Services Ltd is the principal employer. FRS17 has been fully adopted.

The assets of the defined benefit pension scheme are measured at their market value at the balance sheet date and the liabilities of the scheme are measured using the projected unit method. The discount rate used is the current rate of return on an AA corporate bond of equivalent term to the liabilities. The following is charged to the income and expenditure account:

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

Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

	2007 £'000	2006 £'000
2 Investment Income		
Bank interest	2,112	1,383

	£'000	£'000
3 Indemnity, Legal, Reinsurance and Insurance Costs		
Insurance and reinsurance premiums	108,683	107,130
Premium element adjustment	(28,196)	(3,591)
Indemnity paid	14,219	27,356
Reduction in indemnity provision	(4,019)	(33,596)
Net increase/(reduction) in indemnity provision (note 12(a))	10,200	(6,240)
Legal costs	10,788	10,599
Reinsurance recoveries	(1,278)	(2,484)
Reversal of restriction in indemnity provision (note 12(a))	55,573	36,826
	155,770	142,240

	£'000	£'000
4 Finance Cost		
Finance cost relating to indemnity provision (note 12(a))	2,241	1,228
Finance credit relating to pension provision (note 16)	(400)	(400)
	1,841	828

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

	2007 £'000	2006 £'000
5 (a) Result Before Taxation		
Result before taxation has been arrived at after charging the following		
Depreciation (note 7)	184	185
Operating lease rentals – land and buildings	965	965
Fees payable to the company's auditors and its associates		
– for the audit of the company's annual accounts	68	62
– for the audit of accounts of associates pursuant to legislation	50	5
– for other services pursuant to legislation	6	17
– for tax services	102	61
– for services related to information technology	-	15
– for services related to litigation	18	3
(b) Directors' Remuneration		
	£'000	£'000
Fees	329	275
Directors' emoluments	305	306
Amounts due and receivable under long term incentive plans	97	113
	731	694
The highest paid director in The Medical Defence Union Ltd earned		
	£'000	£'000
Emoluments (including short term incentive plans (STIP)) and benefits under the long term incentive plan (LTIP)	245	255
Accrued annual pension (excluding indexation)	83	75

Retirement benefits are accruing to three directors (2006: three) under a defined benefit scheme

The fees disclosed above represent the remuneration of the non-executive directors of The Medical Defence Union Ltd. In addition seven (2006: seven) of the non-executive directors received fees totalling £57,000 (2006: £39,000) for acting as expert witnesses on behalf of members.

Amounts included under directors' emoluments and amounts due and receivable under long term incentive plans represent that proportion of the total remuneration of the executive directors attributable to their services for The Medical Defence Union Ltd.

The remuneration of the executive directors, all of which is ultimately charged to The Medical Defence Union Ltd, is determined by the Remuneration Committee of MDU Services Ltd. The proportion of their remuneration attributable to their services for MDU Services Ltd, is however reflected in the accounts of that company. The total remuneration for both companies was made up as follows:

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

(b) Directors' Remuneration (continued)

	Fees / Benefits Salary (note 1) £'000	STIP (note 2) £'000	LTIP (note 3) £'000	Other (note 4) £'000	Total £'000	Amount included in MDU Services £'000	Medical Defence Union 2007 £'000	2006 £'000	
Executive Directors									
M T Saunders (Chief Executive)	192	15	154	119	-	480	(384)	96	100
C M Tomkins (Deputy Chief Executive)	167	13	70	77	-	327	(82)	245	255
M M Gallivan (Finance Director)	144	13	70	77	-	304	(243)	61	64
Non Executive Directors									
C C Evans (Chairman)	46	-	-	-	32	78	-	78	40
P R Williams (Vice-Chairman)	24	-	-	-	13	37	-	37	19
R J C Pearson (Chairman of Audit Committee, appointed 1 November 2006)	36	-	-	-	6	42	-	42	6
P Armstrong	9	-	-	-	3	12	-	12	11
H E Berry (retired 18 September 2007)	21	-	-	-	9	30	-	30	33
K A V Cartwright (appointed 19 September 2006)	14	-	-	-	11	25	-	25	10
H E Clarke (appointed 27 February 2007)	26	-	-	-	3	29	-	29	-
K F Richardson (appointed 1 May 2007)	21	-	-	-	1	22	-	22	-
M S Richmond	9	-	-	-	7	16	-	16	17
P Riordan-Eva (appointed 19 September 2006)	8	-	-	-	12	20	-	20	4
P D Robinson	9	-	-	-	9	18	-	18	14
M Arnold (resigned 17 March 2006)	-	-	-	-	-	-	-	-	9
A D Chambers (resigned 25 July 2006)	-	-	-	-	-	-	-	-	26
The Lord Glenarthur (resigned 25 July 2006)	-	-	-	-	-	-	-	-	19
D E Markham (retired 19 September 2006)	-	-	-	-	-	-	-	-	49
Sir Robin Mountfield (resigned 25 July 2006)	-	-	-	-	-	-	-	-	18
	726	41	294	273	106	1,440	(709)	731	694

Note 1 Benefits include car allowances, medical and other benefits in kind or their equivalent monetary value

Note 2 STIP represents those amounts that have been paid in 2007 and amounts accrued in respect of the year to 31 December 2007. Of the total cost of £294,000 some £85,000 has been recovered from SCOR Switzerland AG (previously known as Converium AG). The STIP is determined by comparing actual performance against set targets for key performance indicators over the year.

Note 3 LTIP represents those amounts that have been paid in 2007 and amounts accrued in respect of the year to 31 December 2007. The LTIP is determined by comparing actual performance against set targets over a three year period, and relates primarily to the overall financial position of the company and its key membership statistics.

Note 4 "Other" represents expenses paid to Board members and any amounts for attendance at Council and committee meetings other than the MDU Board and its related committees.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

	2007 £'000	2006 £'000
6 Taxation		
(a) Income and Expenditure Account		
Corporation tax for the year at 30% (2006 30%) on income and capital gains from investments	608	365
Adjustment in respect of previous years	(21)	(6)
	587	359
Deferred taxation	(22)	(14)
Share of joint venture's taxation charge	189	142
Taxation charge	754	487
(b) Factors affecting tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%) Reconciling items are explained below		
	£'000	£'000
Result from mutual activities before taxation	(4,054)	22
Result before taxation multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(1,216)	7
Effects of		
Tax on non-exempt income	1,824	335
Capital allowances less than depreciation	-	23
Adjustments to tax charge in previous periods	(21)	(6)
	587	359

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

7 Fixed Assets – Tangible

Group

	Motor vehicles £'000	Office equipment £'000	Leasehold Properties and Improvements under 50 years £'000	Total £'000
Cost				
At 1 January 2007	-	-	1,873	1,873
Acquired on purchase of subsidiary	177	2,498	-	2,675
At 31 December 2007	177	2,498	1,873	4,548
Depreciation				
At 1 January 2007	-	-	1,172	1,172
Provided in year	-	-	184	184
At 31 December 2007	-	-	1,356	1,356
Net Book Amount				
At 31 December 2007	177	2,498	517	3,192
At 31 December 2006	-	-	701	701

Company

	Leasehold Properties and Improvements under 50 years £'000
Cost	
At 1 January & 31 December 2007	1,873
Depreciation	
At 1 January 2007	1,172
Provided in year	184
At 31 December 2007	1,356
Net Book Amount	
At 31 December 2007	517
At 31 December 2006	701

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

8 Fixed Assets – Investments

Group

	Cash & Investment in Cash Fund
	£'000
At 1 January 2007	20,151
Net increase in cash	15,959
At 31 December 2007	36,110

Joint Venture – Group

	Group £'000
At 1 January 2007	2,360
Share of operating profit in joint venture	608
Share of taxation on operating profit in joint venture	(189)
Transfer to cost of acquisition	(2,779)
At 31 December 2007	-

Company

	Subsidiary Undertakings	Joint Venture	Total
	£'000	£'000	£'000
At 1 January 2007	10	2,357	2,367
Transfer	2,357	(2,357)	-
Additions at cost	2,793	-	2,793
At 31 December 2007	5,160	-	5,160

The company, either directly or indirectly, holds the entire issued ordinary share capital of the following subsidiaries which principally affect the figures shown in the company's financial statements: directly MDU Services Ltd and MDU Investments Ltd both incorporated in England and indirectly MDU Guernsey Ltd and MDU Reinsurance Ltd, an insurance company, both incorporated in Guernsey.

The directors of the company consider that disclosure of dormant subsidiary undertakings would result in a statement of excessive length and have therefore, as permitted under Schedule 5 of the Companies Act 1985, dispensed with the requirement.

The company previously held an investment in the joint venture representing the company's interest in 75% of the ordinary shares and 50.1% of the voting shares of MDU Services Ltd. On 27 December 2007 it agreed to purchase the shareholding in the joint venture held by SCOR Switzerland AG based on the audited net asset value of MDU Services Ltd as at 31 December 2007.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

8 Fixed Assets – Investments (continued)

The book values of the assets and liabilities of MDU Services Ltd immediately prior to acquisition and the fair value adjustments required in recognition of the change of ownership are as follows

	Book value prior to acquisition	Revaluations	Accounting policy adjustment	Fair value
	£'000	£'000	£'000	£'000
Tangible assets	2,675	-	-	2,675
Debtors	2,300	-	-	2,300
Deferred taxation	87	-	-	87
Cash	22,293	-	-	22,293
Creditors	(21,785)	-	-	(21,785)
Net assets	5,570	-	-	5,570
Consideration – 49.9% of net assets				2,779
Value of joint venture investment				2,791
Consideration				2,779
				5,570
Less fair value of net assets acquired				(5,570)
Goodwill				-

9 Debtors – amounts falling due within one year

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts owed by subsidiary undertakings	-	53,442	-	17,708
Amounts owed by joint venture	-	-	12,242	12,017
Premium element adjustment	24,618	24,618	-	-
Reinsurance and insurance recoveries	29,641	29,665	1,744	1,855
Other debtors	2,602	-	1,340	-
Prepayments and accrued income	577	604	2,591	3,679
Deferred tax (note 13)	42	-	-	-
	57,480	108,329	17,917	35,259

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

10 Debtors – amounts falling due after more than one year

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Reinsurance and insurance recoveries	6,255	6,255	33,164	33,164
Premium element adjustment	6,132	6,132	8,553	8,553
	12,387	12,387	41,717	41,717

11 Creditors – falling due within one year

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Taxation and social security	871	45	298	147
Other creditors and accruals	16,360	13,314	10,843	10,201
	17,231	13,359	11,141	10,348

12 Provisions

(a) Indemnity Provisions

This format has been changed this year to provide more information on the movement in the indemnity provision

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Gross indemnity provision				
At 1 January	131,287	131,287	163,655	163,655
Finance costs	2,241	1,946	1,228	723
Indemnity paid	(14,219)	(14,219)	(27,356)	(27,356)
Net increase/(reduction) in indemnity provision (note 3)	10,200	10,495	(6,240)	(5,735)
At 31 December	129,509	129,509	131,287	131,287
Restriction on the indemnity provision				
At 1 January	56,373	58,421	93,199	109,617
Reversal of restriction (note 3)	(55,573)	(56,292)	(36,826)	(51,196)
At 31 December	800	2,129	56,373	58,421
Indemnity provision at 31 December	128,709	127,380	74,914	72,866

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

12 Provisions (continued)

(a) Indemnity Provisions (continued)

In accordance with the group's accounting policy for indemnity provisions explained in note 1(g), the charge to the income and expenditure account has been increased by £55.6m (note 3) (2006 £36.8m), to maintain the indemnity provision at no more than the net assets of the group. In aggregate the restriction on the indemnity provision is £0.8m (2006 £56.4m).

The restriction of £0.8m is covered by the group's reinsurance programme, if required.

(b) Other provisions – pensions

Group and company	2007 £'000	2006 £'000
At 1 January 2007	8,000	9,100
Movement in year	(4,800)	(1,100)
At 31 December 2007 (note 16)	3,200	8,000

13 Deferred Tax

	2007		2006	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 January 2007	67	67	81	81
Acquired on purchase of MDU Services Ltd	(87)	-	-	-
Movement in year	(22)	(22)	(14)	(14)
At 31 December 2007	(42)	45	67	67

The deferred tax asset for the group represents potential relief due to capital allowances on tangible fixed assets held by the group being less than the depreciation that has been charged in the financial statements.

The deferred tax liability for the company represents the potential tax owing, on the excess of capital allowances on tangible fixed assets held by the company compared to the depreciation that has been charged in the financial statements.

14 Reserves

Group and company

	Accumulated Fund before pensions liability £'000	Pensions liability £'000	Accumulated Fund £'000
At 1 January 2007	8,000	(8,000)	-
Result for year	(4,800)	600	(4,200)
Actuarial gain on pension scheme	-	4,200	4,200
At 31 December 2007	3,200	(3,200)	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

15 Notes to the Consolidated Cash Flow Statement

	2007 £'000	2006 £'000
(a) Reconciliation of (deficit)/surplus before taxation to net cash inflow/(outflow) from operating activities		
Result before taxation	(3,446)	487
Share of operating profit in joint venture	(608)	(465)
Investment income	(2,112)	(1,383)
Depreciation	184	185
Increase in debtors	(37,110)	(868)
Decrease/(increase) in debtors due in more than one year	29,330	(3,820)
Decrease in creditors	(18,274)	(388)
Increase in provisions	53,128	3,344
Net cash inflow/(outflow) from operating activities	21,092	(2,908)

(b) Analysis of net funds

	At 1 January 2007 £'000	Cash Flows £'000	At 31 December 2007 £'000
Cash held for investment and investment in cash funds	20,151	15,959	36,110
Deposits at bank	11,276	28,695	39,971
	31,427	44,654	76,081

Cash includes investment cash funds which are repayable on notice of not more than one working day

Included above is cash acquired on the purchase of MDU Services Ltd of £22.3m (note 8)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

16 Pension Costs

As explained in accounting policy note 1(o) the company is responsible for any deficit of the pension scheme for which MDU Services Ltd is the principal employer. MDU Services Ltd provides a pension scheme that provides defined benefits for employees who accepted employment before 1 January 2003, and defined contributions for employees who accepted employment after 31 December 2002. The assets of the scheme are held under trust separately from those of MDU Services Ltd. The funding of the scheme is based on regular triennial actuarial valuations. The last full actuarial valuation of the scheme was carried out as at 31 March 2006 and has been updated to 31 December 2007 by qualified independent actuaries for the purpose of reporting pension costs.

The major assumptions made by the actuary in the update were

	2007	2006	2005
Rate of increase in salaries	4.5%	4.2%	4.0%
Rate of increase in pensions pre 97	3.4%	2.7%	2.8%
Rate of increase in pensions post 97	3.4%	3.1%	2.8%
Discount rate	5.8%	5.1%	4.7%
Inflation assumption	3.4%	3.1%	2.9%
Long term rate of return expected			
Equities	7.5%	7.5%	7.0%
Government bonds	4.5%	4.5%	4.0%
Corporate bonds	4.8%	5.0%	4.7%
Other	4.9%	4.5%	3.5%
Fair value*			
	£'000	£'000	£'000
Equities	40,100	37,200	34,800
Government bonds	14,000	12,700	-
Corporate bonds	5,900	5,400	15,600
Other	900	1,000	300

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

	2007	2006	2005
	£'000	£'000	£'000
Total market value of assets	60,900	56,300	50,700
Present value of scheme liabilities	64,100	64,300	59,800
Net pension liability before deferred taxation	(3,200)	(8,000)	(9,100)
Assets as a percentage of liabilities	95.0%	87.6%	84.8%

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

16 Pension Costs (continued)

Movement in deficit during the year

	2007	2006
	£'000	£'000
Deficit in scheme at beginning of year	(8,000)	(9,100)
Current service cost	(2,000)	(2,100)
Past service cost	-	(200)
Contributions	2,200	3,000
Other finance income	400	400
Actuarial gain	4,200	-
Deficit in scheme at end of year	(3,200)	(8,000)

Analysis of the amount charged to Income & Expenditure

	2007	2006
	£'000	£'000
Current service cost	2,000	2,100
Past service cost	-	200
Total operating charge	2,000	2,300

Analysis of the amount credited to other finance income

	2007	2006
	£'000	£'000
Expected return on scheme assets	3,700	3,200
Interest on scheme liabilities	(3,300)	(2,800)
Net return	400	400

Analysis of amounts recognised in the statement of total recognised gains and losses (STRGL)

	2007	2006
	£'000	£'000
Actual return less expected return on scheme assets	200	200
Experience gains/(losses) arising on the scheme liabilities	100	(300)
Changes in assumptions underlying the present value of the scheme	3,900	100
Actuarial gain recognised in the STRGL	4,200	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

16 Pension Costs (continued)

History of experience gains and losses.

	2007	2006	2005	2004
	£'000	£'000	£'000	£'000
Actual return less expected return on scheme assets	200	200	5,600	1,100
As a percentage of the scheme assets	0.3%	0.4%	11.0%	2.7%
Experience gains/(losses) arising on the scheme liabilities	100	(300)	(800)	(300)
As a percentage of the present value of the scheme liabilities	0.2%	0.5%	1.3%	0.6%
Actuarial gain/(loss) recognised in the STRGL	4,200	-	(1,600)	(3,600)
As a percentage of the present value of the scheme liabilities	6.6%	0.0%	2.7%	7.3%

17 Financial Commitments

Annual commitments in respect of non-cancellable operating leases are as follows

Group

	Other		Land & buildings	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	59	-	9	-
Between one and five years	3	-	-	-
After five years	-	-	965	965

Company

	Land & buildings	
	2007	2006
	£'000	£'000
Operating leases which expire after five years	965	965

18 Contingent Liabilities

Claims are made against The Medical Defence Union Ltd in the ordinary course of business. Having obtained legal advice on such claims and on the basis of the information available, in the opinion of the directors no provision is needed for such claims.

19 Members' Liability

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

20 Related Party Transactions

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

During the year the group entered into transactions, in the ordinary course of business with MDU Services Ltd, this was a joint venture company in which the group held 75% of the ordinary shares and 50.1% of the voting shares. On 27 December 2007 the group purchased the entire shareholding of MDU Services Ltd from SCOR Switzerland AG (previously known as Converium AG) based on the audited net asset value of MDU Services Ltd as at 31 December 2007. On behalf of the group, as agent, MDU Services Ltd collected net subscriptions from the group's members of £176.1m (2006 £165.0m) and handled claims amounting to £23.9m (2006 £25.3m). Net overheads totalling £24.1m (2006 £24.0m) were recharged by MDU Services Ltd to the group during the year.

INDEPENDENT AUDITORS' REPORT

to the members of The Medical Defence Union Ltd

We have audited the group and parent company financial statements ('the financial statements') of The Medical Defence Union Ltd for the year ended 31 December 2007 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. This information in the directors' report includes that specific information presented in the operating and financial review that is cross-referenced to the business review section of the directors' report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the directors' report, the report of the chairman, and the operating and financial review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP
PKF (UK) LLP
Registered Auditors
London, UK
7 May 2008

NOTICE OF ANNUAL GENERAL MEETING of The Medical Defence Union Ltd

Notice is hereby given that the Annual General Meeting of The Medical Defence Union Ltd (a company limited by guarantee) will be held at **230 Blackfriars Road, London, SE1 8PJ on Tuesday, 16 September 2008 at 2.00pm** for the following purposes

Resolution 1

To receive reports of the Board of Management and the auditors and the financial statements for the year ended 31 December 2007

Resolution 2

To elect members of the Board of Management recommended under Article 53(a) or nominated under Article 53(b) after the date of the notice for the 2008 Annual General Meeting

To re-elect the following members of the Board of Management, who are retiring by rotation under Article 51

Resolution 3

C C Evans (having been recommended by the Board of Management under Article 53(a))

Resolution 4

M M Gallivan (having been recommended by the Board of Management under Article 53(a))

Resolution 5

M S Richmond

Resolution 6

C M Tomkins (having been recommended by the Board of Management under Article 53(a))

Resolution 7

To invite the Board of Management to appoint as members of the Council of the MDU for 2008-2009 the following

A J Adgey
CBE MD MB BCH BAO FRCP

A R Aitkenhead
BSc MD FRCA

P Armstrong
FMedSci FRCP FRCA

D F Badenoch
DM MCh FEBU FRCS

S J Bewley
MD FRCOG

M J Blott
MB BS FRCOG

M M Brown
MD FRCP

J D Budd
MA MB BChir FRCP

R J K Caddick
BDS FDS MGDs RCS(Edin)

S R Cannon
MA MB BChir(Cantab) MCh Orth
FRCS

K A V Cartwright
MA BM FRCPATH FFPH

P I Clark
MA MD FRCP

Sir Alan Craft
MD FRCP FRCPCH FFPHM

F Denman
MBBS FRCPsych

C C Evans
MD FRCP FRCPI

A Fitzgerald O'Connor
MB ChB FRCS

T E E Goodacre
MB MS LRCP FRCS

R H Hammond
MB ChB FRCS(Ed) FRCOG

A J Ireland
PhD MSc BDS FDS MOrth RCSEng

G J Jarvis
MA(Oxon) FRCS FRCOG

P R Kay
MB ChB BA(Maths) FRCS(G) FRCS

W S L La Frenais
MB ChB DOBstRCOG

I Z MacKenzie
MA MD FRCOG DSc

A Middleton
BSc(Ed) MB ChB MPhil

A G Miller
BDS FDSRCS DGDG DPDS

P J Mulligan
MB ChB FRCS FRCS(Glas)

K W Murphy
MD FRCOG FRCPI DCH

T J Norfolk
BDS MFGDP LLM

T C O'Dowd
MA MD FRCP MICGP

O A Oyeboade
MB BS MD PhD FRCPsych

R K Prasad
MB MS FRCS(Glas) FRCP

M A L Pringle
CBE FRCP FRCP

M S Richmond
BSc MB ChB

B Riley
MBE BSc MB BS FRCA

P Riordan-Eva
MA MB BChir FRCS FRCOphth

P D Robinson
PhD MB BS BDS FDS RCS(Eng)

R C G Russell
MS FRCS

M Slater
MBE Med EdH FETC DIOHE

D Stanley
BSc MBBS FRCS

L Turner-Stokes
MA MB BS DM FRCP ARCM

R H Vickers
MA BM BCh FRCS

P R Williams
MA MB BChir(Cantab) MRCP

J S Wyatt
FRCP FRCPCH

Resolution 8

To re-appoint Messrs PKF (UK) LLP as auditors and to authorise the Board of Management to determine the remuneration of the auditors

NOTICE OF ANNUAL GENERAL MEETING of The Medical Defence Union Ltd

Resolution 9

To consider and, if thought fit, pass the following resolution, which will be proposed as a Special Resolution, relating to the company's *Memorandum and Articles of Association*

Clause 3 (iii) of Memorandum

Insert comma between "advising" and "assisting" in second line and insert comma between "member" and "deceased member" in line 12

Clause 3 (iv) of Memorandum

Insert comma in line 15 between "losses" and "damages"

Clause 3 (v) of Memorandum

Insert comma in line 2 between "costs" and "charges"

Article 2

Arrange definitions alphabetically

Delete definition of "the Act" and insert "means the Companies Acts, within the meaning in section 2 of the Companies Act 2006"

Delete definition of "the MDU", and insert "The Medical Defence Union Limited"

Article 2 a

Delete "become binding on the MDU" and insert "were last amended"

Article 13

Delete "Chief Executive" and insert "MDU"

Article 22 a

At last line, delete "Sections 369 and 378 of"

Article 28

Insert at end of last sentence, "at a general meeting on any question other than the election of the chairman of the meeting or the adjournment of the meeting"

Article 28 b

Delete "25" and insert "5"

Article 32

Delete first sentence. At second sentence, delete "other" and insert after "question", "allowed by these Articles"

Article 34

Delete Article 34 in its entirety and insert

"Whether on a show of hands or a poll every member other than an associate member who (being an individual) is present in person or by proxy or (being a body corporate) is present by a duly authorised representative not being himself a member entitled to vote shall have one vote "

Article 36

Delete Article 36 in its entirety

Article 64

Delete Article 64 in its entirety and insert

"Any disclosure required by Article [63] may be made at a meeting of the Board of Management, by notice in writing or by general notice or otherwise in accordance with section 177 of the Companies Act 2006 "

After Article 64

Insert the following

"a This Article shall only apply on and from the commencement in force of Section 175 of the Companies Act 2006

b The members of the Board of Management may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law

(i) any matter which would otherwise result in a member of the Board of Management infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the MDU and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties),

(ii) a member of the Board of Management to accept or continue in any office, employment or position in addition to his office as a member of the Board of Management of the MDU and without prejudice to the generality of paragraph b (i) of this Article may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the member of the Board of Management in question and any other interested member of the Board of Management are not counted in the quorum at any Board of Management meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted

c A member of the Board of Management shall be under no duty to disclose to the MDU any information which he obtains or has obtained otherwise than as a member of the Board of Management of the MDU and in respect of which he owes a duty of confidentiality to another person. To the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this paragraph of this Article applies only if the existence of that relationship has been authorised by the Board of Management pursuant to Article [Section b above]. In particular, the member of the Board of Management shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 because he fails

(i) to disclose any such information to the Board of Management or to any member of the Board of Management or other representative of the MDU, and/or

- (ii) to use or apply any such information in performing his duties as a member of the Board of Management of the MDU
- d Where a matter has been authorised by the Board of Management pursuant to Article [Section b above] and the matter gives rise to a conflict of interest or possible conflict of interest, the member of the Board of Management in question shall not be in breach of the general duties he owes to the MDU by virtue of sections 171 to 177 of the Companies Act 2006 if, for so long as the conflict of interest or possible conflict of interest subsists, he
- (i) absents himself from meetings of the Board of Management at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise, and/or
- (ii) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the MDU and/or for such documents and information to be received and read by a professional adviser "

Article 83

Insert after Article 83 b, the following

"c Subject to the Act, if the MDU is unable to convene a general meeting by notices sent by post, as a result of the suspension or curtailment of postal services for any reason, notice of a general meeting may be sufficiently given by advertisement in at least one national newspaper in the United Kingdom and one national newspaper in Ireland and will be deemed to have been given to all those entitled to receive such notice on the date of publication. All such advertisements must appear on the same day. The MDU will send copies of the notice by post as soon as the postal service ceases to be suspended or curtailed "

By order of the Board of Management



N J Bowman
Company Secretary
22 April 2008

Registered Office
230 Blackfriars Road
London SE1 8PJ

- 1 Every member is entitled to attend and vote or may appoint a proxy who need not be a member of the MDU. The proxy form is enclosed with this Annual Report. To be effective it must be deposited at the registered office not later than 2pm on 14 September 2008.
2. Dr C C Evans MD FRCP FRCPI, is a retired consultant physician in General and Respiratory Medicine. Dr Evans is the co-author of *Chamberlains Symptoms and Signs in Clinical Medicine* and was the Academic Vice-President and Senior Censor of the Royal College of Physicians of London. He was appointed a member of the MDU's Council in 1984 and was appointed to the MDU's Board of Management in 1992. Dr Evans was Chairman of the MDU's Cases Committee from 1997 to 2001. He served as Vice-Chairman of the MDU's Board and Vice-President of the MDU's Council from 2001 to 2006. He was appointed as Chairman of the MDU's Board of Management and President of the MDU's Council in 2006.
3. Mr M M Gallivan BA(Hons) MBA FCMA, is the Finance Director. Mr Gallivan is an accountant and was formerly employed for six and a half years by NIG Skandia, the UK general insurance subsidiary of Skandia Insurance. He joined the MDU in January 1993 as General Manager of the Finance Division. He was appointed to the MDU's Board of Management in 1993.
4. Dr M S Richmond BSc MB ChB is a GP practising in the Merseyside area, and was appointed as a member of the MDU's Council and Cases Committee in 2004. She was appointed to the MDU's Board of Management in 2005.
5. Dr C M Tomkins BSc(Hons) MB ChB(Hons) MBA FFFLM FRCS FRCOphth DO spent her clinical years training in ophthalmology. Dr Tomkins joined the MDU as a medico-legal adviser in 1985 and was appointed Head of Claims Handling in 1993. She was appointed to the MDU's Board of Management as Professional Services Director in 1995. She was appointed Deputy Chief Executive in 2005.
6. References to clause numbers in the Special Resolution are taken from the published form of the *Articles of Association* of the MDU prepared following the 2007 AGM. These may be seen on the MDU's internet site at www.the-mdu.com. Copies may be obtained upon application to the Company Secretary. A version of the *Articles of Association* showing the changes proposed is available by arrangement with the Company Secretary, and a copy will be available at the meeting.
7. The proposed changes to the *Articles of Association* are for the following purposes
 - To take into account the changes in the law as a result of the Companies Act 2006
 - To make minor clerical and administrative changes
 The Articles will be re-numbered accordingly

THE MEDICAL DEFENCE UNION LTD

Chairman of the Board and President of Council

Dr C C Evans
MD FRCP FRCPI

Vice-Chairman of the Board and Vice-President of Council

Dr P R Williams
MA MB BChir(Cantab) MRCP

Board of Management

Prof P Armstrong
FMedSci FRCP FRCR

Prof K A V Cartwright
MA BM FRCPATH FFPH

Mr H E Clarke
MA MSc FIA

Dr C C Evans
MD FRCP FRCPI

Mr M M Gallivan
BA(Hons) MBA FCMA

Mr R J C Pearson
MA FCA

Mr K F Richardson

Dr M S Richmond
BSc MB ChB

Mr P Riordan-Eva
MA MB BChir FRCS FRCOphth

Mr P D Robinson
PhD MB BS BDS FDS RCS(Eng)

Dr M T Saunders
MB BS FFLM MRCS LRCP DOBSTRCOG MRCP

Dr C M Tomkins
BSc(Hons) MB ChB(Hons) MBA FFLM FRCS FRCOphth DO

Dr P R Williams
MA MB BChir(Cantab) MRCP

Company Secretary

Nicholas Bowman

BSc(Econ)(Hons) ACIS

Council

Prof A A J Adgey
CBE MD MB BCh BAO FRCP

Prof A R Aitkenhead
BSc MD FRCA

Prof P Armstrong
FMedSci FRCP FRCR

Mr D F Badenoch
DM MCh FEBU FRCS

Prof Sir Peter Bell
MD FRCS FRCS(Ed)

Dr S J Bewley
MD FRCOG

Dr M J Blott
MB BS FRCOG

Prof M M Brown
MD FRCP

Dr J D Budd
MA MB BChir FRCGP

Dr R J K Caddick
BDS FDS MGDs RCS(Edin)

Mr S R Cannon
MA MB BChir(Cantab) MCh Orth FRCS

Prof K A V Cartwright
MA BM FRCPATH FFPH

Dr P I Clark
MA MD FRCP

Prof Sir Alan Craft
MD FRCP FRCPC FFPHM

Dr F Denman
MBBS FRCPsych

Dr C C Evans
MD FRCP FRCPI

Mr A Fitzgerald O'Connor
MB ChB FRCS

Mr T E E Goodacre
MB MS LRCP FRCS

Mr R H Hammond
MB ChB FRCS(Ed) FRCOG

Dr A J Ireland
PhD MSc BDS FDS MOrth RCSEng

Mr G J Jarvis
MA(Oxon) FRCS FRCOG

Mr P R Kay
MB ChB BA(Maths) FRCS(G) FRCS

Dr W S L La Frenais
MB ChB DOBSTRCOG

Mr I Z MacKenzie
MA MD FRCOG DSc

Dr A Middleton
BSc(Ed) MB ChB MPhil

Mr A G Miller
BDS FDS RCS DGD DPDS

Mr P J Mulligan
MB ChB FRCS FRCS(Glas)

Mr K W Murphy
MD FRCOG FRCPI DCH

Mr G Neil-Dwyer
MS FRCS FRCSE

Mr T J Norfolk
BDS MFGDP LLM

Prof T C O'Dowd
MA MD FRCGP MICGP

Prof O A Oyeboode
MB BS MD PhD FRCPsych

Dr R K Prasad
MB MS FRCS(Glas) FRCGP

Prof M A L Pringle
CBE FRCP FRCGP

Dr M S Richmond
BSc MB ChB

Dr B Riley
MBE BSc MB BS FRCA

Mr P Riordan-Eva
MA MB BChir FRCS FRCOphth

Mr P D Robinson
PhD MB BS BDS FDS RCS(Eng)

Mr R C G Russell
MS FRCS

Mrs M Slater
MBE MED EDH FETC DipDHE

Mr D Stanley
BSc MBBS FRCS

Prof L Turner-Stokes
MA MB BS DM FRCP ARCM

Mr R H Vickers
MA BM BCh FRCS

Dr P R Williams
MA MB BChir(Cantab) MRCP

Prof J S Wyatt
FRCP FRCPC

Irish Affairs Committee

Dr N Brennan
MA MB BCh FRCPI

Dr M Henry
MD MA DSc(hcUU)

Prof T C O'Dowd
MA MD FRCGP MICGP

Prof W A Tanner
MD FRCSI FRCS(Ed) FFSEM

Consultants

J W Brooke Barnett
MB BS

J A Wall
MB BS DOBSTRCOG

The Dental Defence Union the specialist dental division of the MDU

Dental Advisory Committee

Dr R J K Caddick
BDS FDS MGDs RCS(Edin)

Dr A J Ireland
PhD MSc BDS FDS MOrth RCSEng

Mr A G Miller
BDS FDS RCS DGD DPDS

Mr T J Norfolk
BDS MFGDP LLM

Mr P D Robinson
PhD MB BS BDS FDS RCS(Eng)

Mrs M Slater
MBE MED EDH FETC DipDHE

Honorary Clinical Advisers

Prof A H Brook
MDS FDSRCS

Dr R J K Caddick
BDS MGDs RCS (Edin)

Dr C E Dewhurst
BDS DGD MCLinDent

Prof P A Heasman
BDS MDS FDSRCS DRDRCS PhD

Dr J M Heath
BDS FDSRCS DGD(UK)

Dr A J Ireland
PhD MSc BDS FDS MOrth RCSEng

Dr J G Kennedy
BSc MDS MPhil PhD FDS FFD

Dr D R Kramer
BDS LDSRCS

Prof R J McConnell
BDS PhD FFD

Mr A G Miller
BDS FDSRCS DGD DPDS

Mr T J Norfolk
BDS MFGDP LLM

Dr C Parnell
BDS DGDPRCS

Mr P D Robinson
PhD MB BS BDS FDS RCS(Eng)

Dr V E Rushton
PhD MDS BDS DRDRCS MFGDP

Prof J P Shepherd
PhD DSc MSc BDS FDSRCS FFPHM FFAEM

Mrs M Slater
MBE MED EDH FETC DipDHE

Dr E M Theil
BDS FDSRCS MDS MSc

Dr R E Turner
LDS MGDs FFGDP(UK)

Dr A G Vaughan
FDSRCS FDSRCS MRDRCS

Dr E J Whaites
FRCR BDS MSc FDSRCS

Prof P S Wright
BDS PhD FDSRCS

Auditors

PKF (UK) LLP

MDU SERVICES LTD

Chief Executive

Michael Saunders
MB BS FFLM MRCS LRCP DOBstRCOG
MRCP

Deputy Chief Executive and Professional Services Director

Christine Tomkins

BSc(Hons) MB ChB(Hons) MBA FFLM
FRCS FRCOphth DO

Finance Director

Maurice Gallivan
BA(Hons) MBA FCMA

Marketing, Sales and Membership Director

Nick Dungay
BA(Hons) ACII FIDM

Company Secretary

Nicholas Bowman
BSc(Econ)(Hons) ACIS

Deputy Professional Services Director

Matthew Lee
BM MBA MRCP MRCPCH MFFLM

Medical Advisory

Peter Schütte
MB ChB FFLM MRCP DMJ DA DRCOG

James Armstrong
BSc(Hons) MB ChB FRCA MRCP GDL

Sally Barnard
MB ChB LLM MFFLM DFFP

James Brown
BSc MB BS DA

Helen Burnell
MB BS MRCP

Peter Connell
MB ChB MRCS LRCP DOBstRCOG

Emma Cuzner
MB BS LLM MFFLM DFFP DRCOG DTM&H

Michael Devlin
MB BS LLM MRCP MFFLM DCH DRCOG

Caroline Fryar
MB ChB MRCP DCH DRCOG

Ruth Gibson
MB ChB DRCOG DFFP

Elizabeth Giles
MA(Cantab) MB ChB MRCP Ophth

Samantha Godwin
BSc MB BS MRCP CPE LPC

Natalie Hayes
BSc(Hons) MB ChB(Hons) MD

Christopher Hewitt
MB ChB MRCP DRCOG

John Holden
MB BS MPhil MFFLM DCH DRCOG DFFP

Catriona James
MB ChB LLM MFFLM DRCOG DFFP

Anahita Kirkpatrick
BSc MB BS

Kathryn Leask
BSc MB ChB(Hons) MA MRCPCH

Yvonne McCombie
BSc MB ChB MRCP DRCOG DFFP
PGDipLaw MFFLM

David Morgan
MB ChB MFFLM DRCOG

Uditha Nandasoma
BA(Hons) MB BChir LLB(Hons) MRCP

Ellen O'Dell
MB BCh BOA MSc MRCPCH

Sally Old
MBBS FRCP MRCP

Susan Parker

Wendy Pugh
MB ChB MRCP DRCOG PGDipLaw

Karen Roberts
MB BS LLB MRCP

Brigid Simpson
MB ChB MRCP

Andrea Wallington
BM MRCP DFFP DCH

Catherine Wills
MA(Oxon) MB BS MRCP

Louise Wilson
BSc MB ChB MRCPCH

Suzanne Beal
MA(Cantab) BM BCh MRCP DRCOG

Rachel Birch
BM MRCP DRCOG DFFP LFHom

Patrick Dando
MB BS FFLM MRCP DA DOBstRCOG

John Gilberthorpe
MA MB BChir FFLM DCH DOBstRCOG

Frances Hogwood
MB BS LRCP MRCS

Non Lloyd Jones
MA MB BChir MRCP

Rupert Lee
MB BS MRCP

Joanna Nixon
MB ChB MA MRCP MFFLM

Nicholas Norwell
MB BS MRCP DA DCH

Deborah Rogers
MB BS MMJ FFLM MRCP DCH DRCOG
DFFP

Paul Sodhi
MB BCh MRCP DRCOG Dip Ther

Legal
Charles Dewhurst
LLB

Ian Barker
LLB

Alexia Baston
BA(Hons)

Joanne Bateman
LLB

Joanne Brooks
LLB MA

Rex Forrester
LLB(Cantab) LLM(Cantab)

Christine Freedman
BA

John Kingston
BA MSC

Sara Mason
LLB MA

Emma Stainer
LLB

Nicholas Tennant
BA(Hons)

Tamsin Thomas
MA

Alison Troake
BA(Hons) Law

Victoria Wilson
LLB

Medical Claims

Jill Harding

Lucy Baird
MB ChB

Christopher Blanchard
BSc

Pierre Campbell
BSc(Med Sci) MB ChB MRCS

Alison Cooper
MBBS FRCA MFFLM

Yvonne Dempsey
MB BCh BAO

Hilary Halfpenny
BA(Hons) PGCE

Pamela Hutchinson
LLB ACII PG Dip in healthcare ethics

Lee Lewis

Lynne McNamara
LLB(Hons)

Sharmala Moodley
MB BCh BAO LRCP&SI

Andrew Norman

Glynis Parker
MB ChB FFARCS DRCOG

David Franklin

Tim Punshon
ACI

Donal Quinn
ACII

Frances Szekely
MBBS

Claire Wratten
BA(Hons) MBChB MRCP

Consultants
Catherine James
MB ChB FRCP FFFLM

Julia Neild
MB BS(Hons) FRCP FFFLM

THE DDU

Dental Advisory
Rupert Hoppenbrouwers
BDS LDSRCS

Bryan Harvey
BDS DGD

Leo Briggs
BDS MSc

Iain Cuthbertson
BDS LDSRCS

Alison Large
BDS MFGDP(UK)

Mark Phillips
BDS LDSRCS

Penny Vasey
MBE BDS DGD(UK)

Dental Claims

Richard Grimmett
BA(Hons)

Samuel Hedges
BSc

Deborah Herbst
LDS RCS BDS DDPH MDentSci MPH

Ian McLaren
ACI

Taiye Omo-Ikerodah
LLB ACII

Risk Management and Underwriting

Stephen Green
BSc(Hons) MB BS FRCP MRCP

Case Decisions

Hugh Stewart
MB ChB MRCP LLB MPhil MFFLM Dip LP

Government and External Relations

Mary-Lou Nesbitt

MIS/Finance/IT

Gerard Cooper
BSc(Econ)

Leslie Paster
BSoc Sc(Hons) ACA

Robin Saunders
FCMA MBA

Membership

Ravi Khanna
BA

Marketing, Sales and Media Relations

Nicola Turner
MCIM MBA

Christine Hambleton

Dawn Boyall
BSoc Sc(Hons)

HR Manager

Sheila Glass

Facilities Manager

John Nicholas
MBIFM

Internal Audit and Compliance

Nicola Rimmer
BA(Hons) MSc PIIA MIIA

Elaine Banks
CERT CII ACoI