

# A new world

The evolution of MPS



The Medical Protection Society Limited

2024 Annual Report  
& Financial Statements



# Our purpose

We support and protect the careers, reputations, and financial security of doctors, dentists, healthcare professionals and organisations worldwide.

# Our Vision

To provide the most trusted, valued, and expert protection to members when they need us the most, through exceptional people, in a sustainable way.

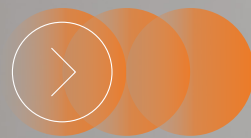


# Our Culture and Values



## We act with Courage

We use our collective expertise to make responsible decisions, constructively challenging norms, appreciating diverse perspectives and creating an open and honest environment.



## We create Value

We provide value for members by achieving operational excellence and commercial success. We do this by being innovative, agile, resilient and continuously seeking improvement.



## We bring Passion

We hold a deep commitment to both members and colleagues. We live our values in a supportive environment with a sense of purpose.



## We deliver Together

We collaborate, valuing global connectivity and diversity in an inclusive culture where everyone feels they belong.



## We take Ownership

We take ownership of actions to enable success. We promote trust by delivering on our commitments to members and each other.



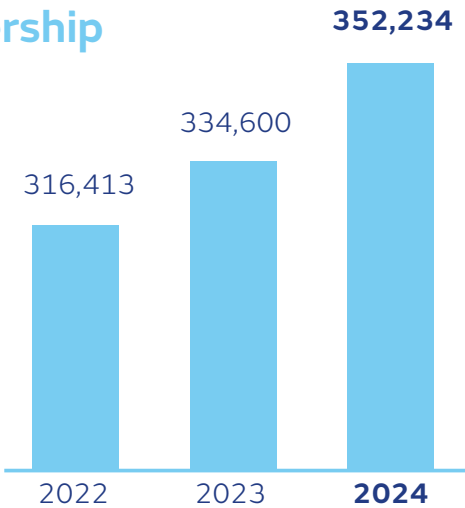


# A New World

Our Growth, Impact, and Commitment to Members



## Membership



20,538

New cases opened on behalf of members across the world in 2024  
(2023:18,691)<sup>1</sup>

15,784  
Medical

(2023: 14,254)

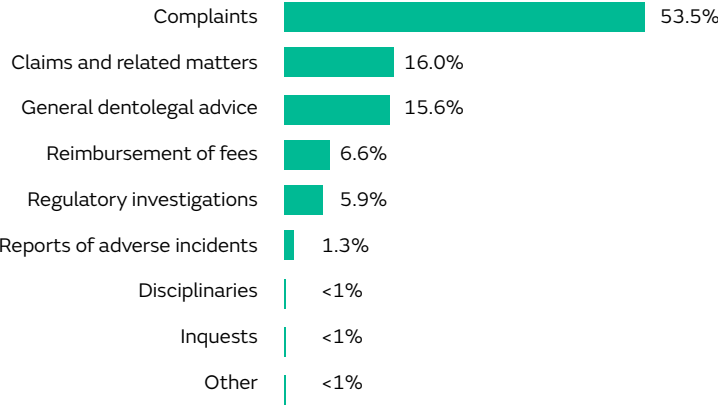
4,754  
Dental

(2023: 4,437)

## Case type Medical



## Case type Dental



## Satisfaction scores

Net Promoter Score <sup>2</sup>	2023	2024	Change
MPS Global	53	55	+2
Medical Protection Global	52	56	+4
Dental Protection Global	55	54	-1

Over 92%

of members surveyed who had advice or help from MPS rated the service they received as good, very good or excellent<sup>3</sup>

## Building a member fund for the future<sup>4</sup>

£2.3bn  
net assets  
available to members  
(2023: £2.2bn)

Investment portfolio of  
£2.8bn  
of assets under  
management  
(2023: £2.5bn)

Return on  
Investments of  
4.2%  
(2023: 2.9%)

Discover more insightful data and key achievements in our focused **Operational Performance** section on page 22.

1 New cases opened in 2024 breakdown by case type; figures as at 31 December 2024

2 12-month rolling global NPS (Net Promoter Scores) survey of members who contacted MPS in 2024; maximum score = +100 and minimum score = -100, with +50 considered 'Excellent' for any service provider; results as at 31 December 2024

3 MPS core services satisfaction survey results (Global), increase of 2% from 2023 (90%)

4 We recognise the diverse currencies used across the regions where our members live and work. However, as our Group accounts fall under UK reporting laws, all financial figures in this report are presented as GBP, Sterling (£) equivalents.





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# Dear Members,

Looking back on my first year as your Chair, I am reminded of just how vital the purpose is of this Society. At its core, it's here to support you when you need it most, so you can deliver the best possible care to your patients. It is a straightforward mission, but it holds deep meaning and shapes everything we do as an organisation. And this is personal for me.

MPS has always been there when I needed them most, throughout my clinical career, giving me the peace of mind to care for my patients, knowing our experts are always there to give me advice and support and protection.

I come from a clinical family, and MPS has protected us all – my father, brother, sister-in-law, and wife. Being an MPS member, whether through Medical, Dental, or Healthcare Protection, means joining a global family. This is my key motivation to ensure you feel just as secure within the MPS community.

Over the past year, I have had the chance to meet many of you, including during visits to Hong Kong and Singapore. Those conversations have been eye-opening and inspiring. They have given me a clearer picture of the challenges you face and the trust you place in us. That trust is something we never take lightly.

Of course, we are here to help when things go wrong, but our role extends far beyond that. We see ourselves not just as a safety net but as a friend and partner too, here to equip you with the tools, advice, and confidence to thrive in your career.

Through initiatives like risk prevention, professional development and the MPS Foundation, we focus on keeping you ahead of the curve. Whether it is building safer practices or staying on top of a rapidly changing healthcare landscape, our aim is to empower you to grow and succeed. These efforts are what set us apart, making membership more than just a safeguard; it's a genuine advantage.

I also want to take a moment to acknowledge the incredible teams behind all this work. Their expertise and dedication are second to none. I can say this because I've experienced that firsthand, calling on MPS for help during a particularly tough moment in my own career. The support I received made all the difference, giving me the strength to deal with the challenges and carry on, and I know they bring that same commitment to every interaction with our members.



**A year of transition and progress**

MPS has a long and proud history, but we are by no means standing still. We are continuing to evolve, innovate, and sharpen our focus. From leadership transitions to new strategies and initiatives, we are laying the groundwork for a stronger, more responsive MPS. I invite you to read more about this exciting work in our CEO's Report on page 14.

We are making significant investments in the capacity and capability of our executive and leadership teams to ensure we can effectively deliver our strategy and target operating model. These enhancements strengthen our ability to provide secure, high-quality service to our members, so we remain fit for purpose in an evolving world.

As part of this growth, our governance plays a crucial role. Our Council is a true Board of Directors, representing you, our members, with focus and purpose. My colleagues on Council come from a wide variety of backgrounds within the worlds of business and healthcare, bringing great experience and knowledge to our role but, true to our Articles, the majority are doctors or dentists, to ensure the voice of our members is always heard and paramount.

Our decisions ensure the organisation remains strong and sustainable, benefitting not just members but also the wider healthcare community. Together, we are committed to moving this organisation forward to meet the demands of an ever-changing world.

**Driving positive change beyond our organisation**

In January 2025, we saw the introduction of a new Code of Practice for medical defence organisations (MDOs) in the UK. This sets out a range of principles which, amongst other things, reaffirms our long-standing commitment to transparency and to treating members fairly.

We proposed the idea of the Code in 2019 and have worked in close collaboration with the Department of Health and Social Care, communicating the benefits for the code of practice to other MDOs to develop this important framework. It represents a collective commitment to ensuring members receive a high-quality standard of service and support and I am pleased that this is now in place, and proud of the role MPS played in developing this.

**MPS Foundation update**

The MPS Foundation has also been busy this year, particularly with the 2024 Grant Programme. Applications opened in March and closed in early May, with over 200 submissions from across our jurisdictions – including some covering multiple countries. Of those, 54% of applicants were MPS members. Projects span a wide range of topics, from healthcare professionals' wellbeing to AI-driven patient safety solutions. These will join the 33 projects already funded through Foundation grants. You can find more information about this in our Corporate Social Responsibility Report on page 27.

One exciting development in particular which I'd like to highlight, is the creation of a Post-Doctoral Research Fellow at the University of Exeter. This Fellow will focus research on workplace interventions for healthcare professionals impacted by menopause. Their work will provide much-needed insights into what supports are most effective and why – an area that has been largely unexplored until now. It's a groundbreaking initiative, and as the research unfolds, we'll ensure members have opportunities to learn from the findings through webinars and events.

**A grateful farewell and exciting new beginnings**

I want to recognise the outstanding contributions of, Ian Eardley, our former Chair of Council, and Council member Meghana Pandit, for their leadership in laying such a strong foundation. At the same time, I'm thrilled to welcome Karen Miller as our new CEO, and Judith Husband who joins the Council as a Non-Executive Director. Their energy and expertise are exactly what we need to continue leading the way while embracing innovation and progress.

As we move forward, we do so with a clear vision and an unwavering commitment to you, our members.

**Graham Stokes**  
Chair of MPS Council



# Advancing Healthcare and Professional Wellbeing

Our patients rely on us to treat them to the best of our ability. We are also encouraged to contribute to the advancement of healthcare more broadly - through research, training, education and advocacy.



A similar parallel exists for MPS. Individual members – often during the darkest moments of their working lives - rely on us to protect their careers, reputations, and their financial security. We would not however be serving our membership to the best of our abilities if we didn't also aim to address the wider picture – sharing insights on how the professions can reduce their risk, helping professionals to protect their wellbeing and campaigning for positive change.

I am proud to say that 2024 has been another year where MPS has played a leading role in these areas.

**Research and insights**

The MPS Foundation continues to fund leading research aimed at improving patient safety, reducing risk, and enhancing the wellbeing of healthcare professionals.

The breadth of this work is inspiring, with over 50 research projects supporting MPS members in every region. These range from the impact of moral distress and death and dying on physicians in Singapore, to the compatibility of informed consent and individual autonomy with African traditional values and beliefs in the context of oral healthcare provision.

I am particularly excited to see the outcomes from research looking at the impact of motherhood on doctors which I hope will generate insights into how women doctors can best be supported and retained, as well as the menopause research from The MPS Foundation Menopause Research Fellow that Graham writes about in his Chair's statement.

**Education and training**

MPS believes in supporting safe practice and we continue to share insights with healthcare professionals and organisations, helping them to understand and reduce their risk.

With a renewed focus on expert-led content creation and strategic partnerships, 2024 has been a transformative year for Risk Prevention, reinforcing its role as a key driver of risk education. We were excited to roll out the Speaking Up for Safety™ programme in Ireland in 2024, encouraging professionals to raise concerns when they believe something is not right, helping to improve both psychological safety for staff as well as patient outcomes.

**Advocacy**

2024 saw elections and changes of governments around the world, and during this time we have been advocating for reforms that would benefit members.

We have pushed for an increased understanding of the need for governments and healthcare systems to ensure adequate mental wellbeing support for health professionals. We promoted findings across South Africa, Ireland and the UK, highlighting the extent to which our members report struggling with their wellbeing and what steps could be put in place to support them.

In Ireland we continued to push for reforms that would reduce the human and financial cost of clinical negligence claims. We started the year by publishing a report which used our own data to demonstrate the extent to which claims in Ireland take longer and incur much higher legal costs than any other region where we support members. I am pleased to report that we have ended the year with this work cited in government reports and with a commitment by the new government to implement changes that could make a real difference.

I can also report positive progress in our work with professional regulators. Based on a survey of members across South Africa, Ireland and the UK about their experience of being under investigation, we have been able to highlight what impacted them most and what they felt could have been better. Using these findings, we have put forward a range of recommendations and we are pleased with the way regulators have responded. This year, the Medical Council in Ireland have launched a new service providing independent mental health support and guidance to those under investigation. In the UK, the General Dental Council have significantly improved the communications they issue during an investigation, and they have piloted reforms to speed up the resolution of cases involving low level concerns.

While I am pleased with the progress made there is always more work to be done. I welcome the recent decision for MPS to create a new Chief Member Officer role which will bring together our work in all of these areas, under a senior clinician, and I look forward to being able to report back on the further progress we will make in 2025.

**Professor Dame Jane Dacre**  
President



# A new Chapter: Leading with Vision and Purpose

This has been a pivotal year for our organisation. We remained steadfast in delivering high levels of service and support. At the close of the year, MPS was managing 4,612 open claims and 9,265 open cases (non-claims) on behalf of members, ensuring expert guidance at every step. We also opened 20,538 new medical and dental cases, exercising our discretion to support and assist members facing complex, high-stakes, and often deeply distressing situations – providing the necessary support where traditional malpractice insurance might have left them exposed and navigating their defence alone.

Our commitment to responsive service was reflected in our Membership Services team answering an impressive 156,386 calls, with 97.8% of them answered within 20 seconds – exceeding our 80% service target – and our organisation achieving a 92% satisfaction rating from our members for the professional support and advice they received. These results highlight our unwavering dedication to helping members when they need us most.

2024 was also a year of reset and renewal. When I joined MPS, I dedicated the first six months in my new role to understanding the heart of the business: listening to colleagues and members, asking critical questions about their experiences, expectations, and the challenges we face together. I also spent six months collaborating with our teams to design a new strategic direction that will carry us confidently into the future.

We began by stepping back and honestly evaluating ourselves. Where were the inefficiencies and pinch points? How could we operate better, both for our members and our people? The answers led to a candid acknowledgement. To serve our members effectively and sustainably in a changing world, we need to transform culturally, operationally, and strategically.

Our industry faces growing challenges, from advancing technologies to evolving markets and regulations. To future-proof our business, we're embracing a globally designed approach, one that prioritises efficiency, reduces costs, and positions us to meet the demands of tomorrow whilst delivering the highest quality service.

### A new strategic vision

Our new strategy creates the foundations for growth – not growth for its own sake, but growth that enhances our resilience and strengthens our ability to support members now and in the future. By building a stronger membership fund, we ensure long-term sustainability, affordability, and the capacity to manage cases and claims, no matter what lies ahead.

Growth also enables us to reinvest in our organisation. We are simplifying and automating systems to provide a more seamless member experience. Members have told us they want faster, more intuitive self-service options alongside the expert, empathetic support they rely on in moments of need. We are delivering both: digital transformation to enhance ease of use, and a continued commitment to the human touch, which defines our service.



### Becoming more globally connected

In today's interconnected world, we recognise the importance of being a truly global organisation – not just in structure, but in culture and mindset. Our members and colleagues span continents, bringing with them diverse perspectives and experiences. To better reflect and support this diversity, we are fostering a culture of global connection and understanding.

This means developing greater cultural awareness at all levels of the organisation, tailoring our services to meet the unique needs of members in different regions, and ensuring our strategy reflects the realities of a globally diverse community. By doing so, we are not only strengthening our operational effectiveness but also enriching the way we collaborate and innovate.

Our globally connected approach is shaping how we design member journeys, ensuring they are universally accessible and relevant while maintaining the empathy and expertise members have rightly come to expect. By embedding this perspective into everything we do, we aim to be an organisation that truly represents and serves its global community.

### Digital transformation and financial performance

We are making meaningful investments in digital transformation. By enhancing our capabilities, we are simplifying and modernising our processes, ensuring we can deliver a faster, more personalised service to members. These efforts are supported by a strong financial performance this year, as detailed in our Financial Performance Report, page 16.

### Preparing for the future: anticipating change and ensuring readiness

For over a century, we have been a trusted partner to our members, and this legacy drives our ambitions. We are investing in new skills within our workforce, building on the expertise of our teams, and introducing a refreshed set of values and behaviours to guide us.

This year, we welcomed significant leadership changes, including our first-ever dentist to Chair MPS Council, Dr Graham Stokes, and a new Chief Member Officer, Dr Rob Hendry. These appointments reflect our deepening alignment with our purpose, ensuring that clinicians are embedded in both our strategic and operational leadership.

### Looking ahead

Our aspirations are clear: to continue providing expert services that meet the needs of members, staying ahead of industry trends. In 2025, we are initiating strategic changes that will be implemented over a four to five year transformation journey. We are starting a new chapter. Together, we are building a future defined by resilience, innovation, and the highest standards of service, and I am immensely grateful to our teams and members for their trust and dedication, and excited for the work ahead.

**Karen Miller**  
Chief Executive Officer



# Financial Performance Report

MPS enhanced its financial strength during 2024, generating a surplus of £86.5m, supported by a diversified membership base and positive investment results from the MPS Fund.

## Mutual performance

This report outlines the financial results for the year. 2024 performance builds on that of 2023, with a surplus in the year, before remeasurement of the defined benefit scheme, of £86.5m, compared to £76.3m in 2023.

Subscription income increased by 2.4% in the year, to £307.7m, as the Society added over 17,000 new members, and with overall subscription fees seeing below-inflation increases for much of the membership.

## Managing the ongoing costs of the Mutual

Total costs increased during 2024 by 9%, with operating costs reducing by £8m.

The net cost of claims reserves relates to existing and new matters, where MPS has confirmed assistance. These costs increased slightly compared to 2023, demonstrating the importance of MPS maintaining financial security for members. Inflationary pressures across all of the markets we operate in led to an overall increase in the severity of claims, although there were no individual claims greater than £10m in 2024.

The focus on value for money and managing third-party spend within operating expenses led to a reduction in the year by 4% compared to 2023 and reflects our commitment to members to ensure costs are managed effectively.

There was also continued investment into IT upgrades, to improve our resilience, and we invested in our main workplace in Leeds, to transition to a functional, hybrid space, with improved environmental efficiencies.

### Costs as presented in the Consolidated Statement of Comprehensive Income (page 49)

	2024	2023
	£m	£m
Claims costs and associated legal costs	152	157
Advisory costs and associated legal costs	63	46
Education, publications and external relations	8	10
Administrative expenses	67	53
Total	290	266

### Costs managed by the Society

	2024	2023
	£m	£m
Net cost of claims reserves	162	148
Operating expenses, including internal cases and claims handling costs and insurance	105	113
Investment in technology and estates	15	10
MPS Foundation	1	1
Non-recurring costs/(property adjustments)	7	(6)
Total	290	266

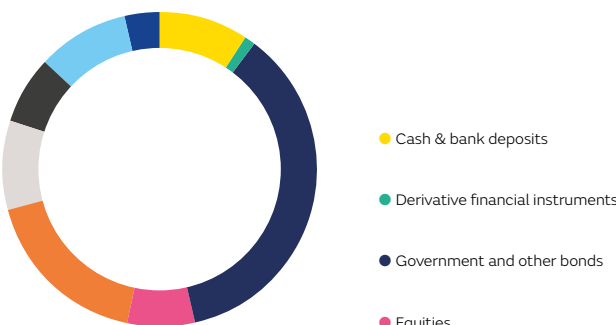


## Investment fund performance

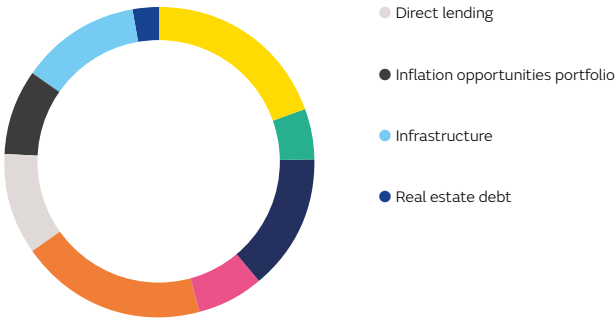
Total assets under management increased by £270m to £2.78bn, and the fund remains well diversified. MPS reinvested cash held at the end of 2023 into liquid, investment grade credit, with higher yields available, compared to the pre-pandemic interest rate environment. The fund also holds derivative contracts, and these helped to protect MPS against inflation and interest rate sensitivities associated with our indemnity reserves.

The fund returned 4.2% in 2024, which is below the target return of 2.6% above the risk-free rate. Assets held for growth delivered returns of 5.9%, with assets held to protect against inflation and interest rate sensitivities on the indemnity reserve (derivatives), offsetting some of these returns. During the year, equity markets continued to rise, and despite rate cuts in the UK, these largely impacted short-dated Gilts, with longer-term equivalents rising due to inflation.

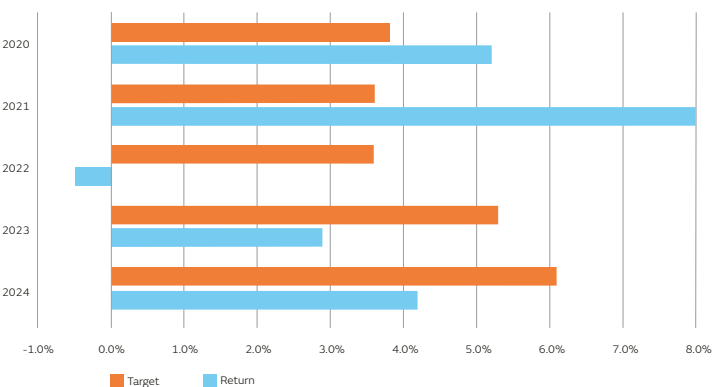
Investment assets by class 2024



Investment assets by class 2023



Investment return by year vs target



## Strengthening financial resilience and transparency

The financial strength of MPS is essential to our business, both to protect members long into the future and to also invest back into the organisation: to fund growth, or to fund a better experience for our past and present members.

In 2024 the organisation supported to create a Code of Practice in the UK. As noted in our Chair's report, the Code of Practice was adopted in 2025 with one of the requirements being a financial attestation by all members of the code. This attestation assesses the ability of the Society to meet its current indemnity estimates, including claims where discretion has been exercised to assist, as well as indemnity estimates for anticipated future requests for assistance. These future matters may become recognised liabilities, if discretion is exercised to grant assistance, referred to as, our Estimated Potential Future Costs (EPFC). MPS remains committed to the Code of Practice and as a point of best practice has included details of the financial attestation in note 23.

Total indemnity estimates amounted to £1.54bn (2023: £1.56bn) with net funds available for members after indemnity estimates of £1.45bn compared to £1.36bn in 2023. Positive Net Funds is an important financial metric which ensures MPS is able to meet liabilities long into the future, whilst also remaining resilient against unforeseen circumstances that are outside of management control.

## Defined Benefit Scheme

In 2024 the Trustee for the Defined Benefit Scheme entered into a buy-in transaction, supported by the Society who is the sponsor of the scheme. This was important to ensure all current and future liabilities of the scheme are transferred to an insurance company, providing future certainty for both scheme members and the MPS fund. More details of this transaction can be found in note 9.

## Outlook

MPS continues to feel the combined impacts of the rising costs of clinical negligence and inflation, and this translates to the rising costs of membership. Our financial strategy remains focused on growing the organisation in a sustainable way, enhancing operational efficiency and continuing to strengthen the financial resilience of the Society. We have made progress on this but there is more work to do if we want to remain resilient, relevant and competitive, long into the future. I am confident in our strategy and our disciplined execution will ensure value for past, present, and future members and colleagues.

Richard Pile  
Chief Finance Officer



# Our business model

MPS operates a mutual, member-funded model, where members pay subscriptions to receive benefits. For the majority of members, this is provided on an occurrence basis, while a small number of members receive benefits on a claims-made basis.

MPS is not an insurance company. All the benefits of MPS membership are discretionary, as set out in paragraph 40 of our Memorandum and Articles of Association. This ensures flexibility to act in members’ best interests. The MPS Group also offers an insurance product through a Lloyd’s of London Syndicate. For more details see Our brands on page 19.

Member subscriptions are pooled into a mutual fund, which is carefully managed and invested to maintain long-term financial sustainability. MPS maintains a long-term view of risk, ensuring that we can continue protecting members against future challenges while adapting to an evolving healthcare and legal landscape.

## Where our funding comes from



- Member subscriptions **66%**
- Net income from investments **33%**
- Other income **1%**

## How we spend the member fund

MPS does not have any shareholders or investors to whom we pay dividends, nor any lenders to whom we pay interest. We exist purely for the benefit of members. With this in mind, we spent the following during the year:



- Claims costs and associated legal costs (including costs of insurance taken to reduce our risk) **48%**
- Medicolegal/dentolegal advisory costs and associated legal costs **20%**
- Administration expenses **21%**
- Education, publications and external relations **3%**
- Other expenditure (page 49) **8%**

## Principal activity

MPS is the world’s leading, member-owned, not-for-profit protection organisation for doctors, dentists and healthcare professionals, with more than 300,000 members and over 130 years of global healthcare experience and expertise. We provide comprehensive protection for individuals, groups and large corporate healthcare providers.

All members have access to a wide range of expert-led, professional development courses included in their membership. Our courses cover a comprehensive range of topics, and many courses are accredited for continuous professional development (CPD).

## Our brands

Our portfolio contains several brands, operating as part of a highly specialised product and service suite. These brands include:

Medical Protection



### Medical Protection and Dental Protection

Medical Protection and Dental Protection provide discretionary indemnity, legal support and protection for doctors, dentists and healthcare professionals around the world. Membership also includes benefits such as 24/7 emergency assistance, wellbeing support, and access to our world-class risk management training.

Dental Protection



THE MPS FOUNDATION

### The MPS Foundation

The MPS Foundation is a global not-for-profit research initiative. It aims to shape the future of patient safety through funding ground-breaking research that makes the world safer for patients and clinicians, with an emphasis on research whose findings can be applied in private hospital and outpatient practice, and dental care environments.

HEALTHCARE PROTECTION



### Healthcare Protection

Healthcare Protection is our corporate policy that provides medical malpractice insurance. Established to bring the trusted MPS brand to insurance, via a solution underwritten through Lloyd’s of London – the world’s specialist in the insurance and reinsurance market.

MPS PARTNERSHIPS

### MPS Partnerships

MPS Partnerships provides bespoke packages for organisations using our two core services: medical malpractice insurance and individual indemnity. These solutions enable healthcare organisations around the world to protect their organisation’s financial security and reputation alongside the careers of their clinicians.



# Key markets

MPS offers membership in a number of international markets. This international perspective allows many members to practise around the world and still enjoy the benefits of MPS membership. It also allows MPS to use its wide and diverse experience for the benefit of all members.





# Operational performance

## Global Net Promoter Score

NPS	2024	2023	Change
MPS Global	55	53	+2
Dental Protection Global	54	55	-1
Medical Protection Global	56	52	+4

- Respondents score 0 to 10 on likelihood of recommendation.
- Score represents promoters % (scoring 9 or 10) minus detractors % (scoring 0 to 6). Maximum score of +100 and minimum score of -100.
- A score of 50+ for professional services is considered ‘excellent’.
- Passives (scoring 7 or 8) are excluded from the calculation.

## 2024 key performance indicators

### Member administration

156,386

calls received into our Member Services team

(2023: 170,061)

97.8%

answered within 20 seconds against an internal target of 80%

(2023: 77%)

55,630

individual items of correspondence received in the year

(2023: 56,460)

94.8%

of routine items were dealt with within two business days, against an internal target of 85%

(2023: 93%)

99.9%

of complex matters handled within five business days, against an internal target of 90%

(2023: 96%)

### Medicolegal and dentolegal advice

7,631

calls received into our advice lines during working hours

(2023: 7,733 calls)

95%

answered within 20 seconds against an internal target of 80%

(2023: 94%)

## Risk Prevention

In 2024, Risk Prevention evolved into a centre of excellence for content creation, enabling MPS teams to deliver high-quality, impactful risk education with greater flexibility. This transformation strengthened collaboration across the organisation, particularly with member-facing teams, to ensure content reflects emerging needs, while empowering members to mitigate risk effectively.

As part of this strategic shift, Risk Prevention introduced innovative formats and enhanced existing ones to meet these evolving needs - all while maintaining core business-as-usual activities. Notable developments included:

### New initiatives

- **Pre-recorded talks:** Delivered by our in-house experts, making it easier to provide risk education to members and optimising resources.
- **AI-generated videos and Student Learning Hubs:** Supporting UK medical students in their OSCE exams and enriching the online learning hub with dedicated student resources.
- **Life Healthcare (LHC) learning hub portal:** A dedicated online learning platform for a key South African client, increasing brand visibility among both members and non-members.
- **Master Trainer programme:** Enabling Speaking Up for Safety™ clients to benefit from a self-sustaining training model, facilitating the transition from the Cognitive Institute.
- **Speaking Up for Safety™ rebranding:** Establishing it as a core Medical Protection product for corporate and group clients.
- **First Medical Protection-branded Speaking Up for Safety™ programme:** Launched with Children's Health Ireland (CHI), enhancing safety culture within a network of four hospitals and an urgent care centre in Dublin.

### Expanded initiatives

- **Enhanced collaboration with Underwriting:** Developing risk-specific education pathways to improve clarity, consistency, and data-driven insights on risk behaviours.
- **New e-learning content:** Including four global modules on consent, two on adverse outcomes, and Caribbean and Bermuda data protection learning support tools for reflective learning.
- **Updated presentation content:** Modernised and tailored materials for medicolegal and dentolegal consultants to better address emerging needs.
- **Return of in-person workshops:** Successfully reintroduced these via the Singapore Residency programme, strengthening face-to-face engagement post-COVID.

### Key Deliverables

- 18 pre-recorded talks and 25 presentations delivered on a range of medicolegal and dentolegal topics
- 24 new on-demand e-learning products
- 28 Singapore Residency workshops (virtual and face-to-face)
- 55 Cognitive Institute events facilitating a smooth transition.

4,361

New Online Learning Hub (OLH) users\*

(2023: 5,951)

14,112

Active OLH users\*

(2023: 20,057)

58.1

Net Promoter Score

(2023: 54.0)

6.3/7

Overall satisfaction score

(2023: 6.3)

\*The reduction in OLH numbers reflects the strategic shift from direct delivery by Risk Prevention, as members previously registered for webinars and workshops via the platform.



# Our people and culture

2024 has been a busy year, with our new leadership conducting a strategic review that has led to a stronger purpose and vision for the future, one which will continue to drive value for members.

We have always known that our strength comes from our people, their dedication and expertise, and this is particularly important as we undergo the transformation needed to deliver our new strategy. Therefore attracting, developing, retaining and motivating high-performing colleagues, at all levels within the organisation, has never been more important to MPS.

The activity we have undertaken in 2024 has been with these elements at the forefront of our thinking. These can be grouped into three key areas which will set us up for success through 2025 and beyond.

## Leadership

Having the right skills and experience at the top of our organisation is vital to delivering MPS's strategy. That applies equally to our Executive team and the Non-Executive Directors on Council. This year, Council reviewed executive pay to ensure it remains competitive and supports the attraction and retention of key talent. It also began preparations for upcoming changes to Council by reviewing succession plans, role profiles, and remuneration - ensuring strong leadership, fresh perspectives, and continued diversity.

Further details are available in our **Report of Council** on page 44.

## Global cultural transformation

As part of our strategic review, we conducted a 'culture diagnostic', to deepen our understanding of MPS's culture, and to envision what we collectively aspire it to be. We partnered with workplace culture experts, to further explore the drivers of global belonging. This work culminated in a blueprint for global cultural transformation across all levels of MPS, the five priorities of which are:

- New strategy
- Values and behaviours
- Leadership development
- Global belonging
- People and performance.

## Renewing our corporate Values and Behaviours

Our Values serve as the foundation for our culture, guide decision-making, and ensure that everyone is working in common purpose. Most importantly, our Values help us build a workplace that inspires and empowers our people to go above and beyond for members.

Throughout the year, we ran workshops with leaders and colleagues to develop and refine our Values and Behaviours:



### We act with Courage

We use our collective expertise to make responsible decisions, constructively challenging norms, appreciating diverse perspectives and creating an open and honest environment.



### We create Value

We provide value for members by achieving operational excellence and commercial success. We do this by being innovative, agile, resilient and continuously seeking improvement.



### We bring Passion

We hold a deep commitment to both members and colleagues. We live our values in a supportive environment with a sense of purpose.



### We deliver Together

We collaborate, valuing global connectivity and diversity in an inclusive culture where everyone feels they belong.



### We take Ownership

We take ownership of actions to enable success. We promote trust by delivering on our commitments to members and each other.





Development

We introduced a new approach to talent and succession planning to make sure we have the skills we'll need to protect and support members in the future. By focusing on developing our people, we're not only strengthening our organisation but also creating opportunities for everyone to grow and succeed together.

Globally connected workplaces

With 90% of MPS colleagues working in a hybrid model, it is essential that our office spaces foster collaboration, connection, and community on the days we come together in person.

In 2024 we launched our new Global Work colleague and member spaces by enhancing facilities, making the most of hybrid working, providing agile and appropriately sized spaces, and equipping them with the latest technology to enable better connectivity.

To ensure these workplaces inspire and engage our people, we focused on creating a great place to work, with a strong emphasis on accessibility.

Wellbeing

We continue to place a strong emphasis on our people's health and wellbeing, recognising it as a vital component of MPS's culture and overall success. Our holistic view of wellness encompasses physical, mental, financial and emotional dimensions.

Activities in the year:

- implemented multiple initiatives that support colleague wellbeing, from wellness campaigns and mental health resources to flexible work arrangements.
- promoted financial wellbeing, with the aim to increase colleagues' financial literacy, empower them with additional tools and resources, reduce financial stress, and enhance their overall wellbeing amidst rising living costs. In recognition of this, we were proud to be named the winner of the Best Financial Support Strategy award by global HR-consultancy firm, Reward Gateway.
- Wellbeing Awareness Week, promoting mental and physical health.
- introduced a comprehensive Menopause Support Hub for all colleagues across the globe.
- “You'll Never Walk Alone” initiative promoting the benefits of mental and physical health, offering support and fostering a sense of community.

Equality, Diversity and Inclusion (EDI)

Throughout 2024 we took significant steps in our EDI approach, building upon our established foundations and identifying key opportunities to advance our understanding and implementation of inclusion across the organisation:

- creating a culture of psychological safety, where colleagues feel comfortable sharing ideas and giving feedback without fear of judgement or reprisal
- integrating psychological safety into our Leadership Development Programme
- launching a new colleague-run Disability Network
- investing in further EDI training for our Executive team.

More details on this work can be found in MPS's [Equity, Diversity and Inclusion Report](#).

Colleague survey

We recognise that a positive colleague experience drives a healthy organisational culture and positive outcomes for MPS members. We are delighted that our colleague survey results reflect the importance we place on this with all three of the indices we measure tracking above the external benchmark.

	Leadership	Engagement	Inclusion
2024	85%	83%	73%
2023	84%	82%	77%
External Benchmark	78%	82%	66%

2025

Through 2025 we will build on the work we have started this year, to support strategic delivery and global cultural transformation.

Reviewing our pay philosophy and our total reward offering will ensure we are aligned appropriately with the market and able to attract and retain high performing talent.

Further steps in the area of global belonging, including a new EDI strategy will ensure we are recognised as an inclusive and globally connected organisation.

Corporate Social Responsibility

A responsible path forward

Healthcare doesn't exist in isolation. The wellbeing of our planet and communities directly affects the ability of medical and dental professionals to deliver care. That's why sustainability is not an add-on for us; it's embedded in how we operate and support those we serve.

We are committed to responsible business practices that create lasting, positive change. From funding research into wellbeing and

health equalities, ethical investment and environmental sustainability, to strong governance, we integrate Corporate Social Responsibility (CSR) into every aspect of our work.

Our goal is to ensure that our impact is measured not only in the protection we provide to professionals but in the way we contribute to a healthier, more sustainable and inclusive world.

Our progress in 2024

### Giving back to our communities and being an inclusive workplace

#### £805,000

in grants, commissioned projects and fellowships awarded in 2024, through the MPS Foundation (page 16)

#### £111,000

awarded to research which looks at improving informed consent and communication

#### £161,000

funding projects in South Africa, addressing the specific economic challenges and members' wellbeing

#### #1 Winner

Financial Support Strategy for Employees, The Appreciation Awards 2024

This year, we continued to lay the foundation for a more inclusive and connected organisation that reflects the diverse communities we serve – the details of which can be found in **Our people and culture** on page 24, and in our [2024 Equity, Diversity and Inclusion Report](#).

Through **The MPS Foundation**, we invested in research aimed at tackling health inequalities, improving clinician wellbeing, and driving better patient outcomes. More detail on our impact is available in the **Letter from the President** on page 12.



### Impact Investing (ESG)

3.56%

total negative exposures from sin stocks across the portfolio

of which

<1%

of funds invested in fossil fuels  
(2023: <1%)

<0.28%

are invested in companies producing foods high in sugar, salt and fat  
(2023: <0.3%)

We conducted an annual assessment of the ESG policies and capabilities of all investment managers and evaluated how these align with our existing portfolio. Encouragingly, we observed steady improvements across the portfolio. Looking ahead, we have outlined a set of priority actions, aimed at engaging with investment managers and strengthening their ESG credentials. While not exhaustive, these steps focus on areas where we believe the greatest impact can be achieved from an ESG perspective.

### Climate action

99.9%

renewable energy used across the entire estate

↓ 51%

reduction in energy consumption

1,747m<sup>2</sup>

of critically threatened tropical rainforest protected through using carbon balanced paper

9,146kg

of CO2 saved through sustainable printing

↓ 20%

reduction in our Scope 1 & 2 carbon emissions

↓ 60%

drop in Biogas usage

This year, we reduced our emissions and improved energy efficiency by refurbishing our largest office in Leeds, England consolidating our office footprint, and upgrading key infrastructure.

More information can be found in our **Streamlined Energy and Carbon Reporting** section on page 29.

# Streamlined Energy and Carbon Reporting

## Greenhouse Gas Emissions & Carbon Reporting

MPS is defined as a large company under the Companies Act 2006 and we report in-line with the UK's Streamlined Energy and Carbon Reporting (SECR) legislation, according to the 2018 Regulations. All Scope 1 and 2 sources of energy and carbon emissions have been disclosed as well as mandatory Scope 3 sources of energy and carbon emissions. These disclosures cover all UK activities across the Group. Our CSR strategy and initiatives, however, are global in scope.

### Energy consumption (kWh)

Our overall kWh of energy consumption reduced significantly in 2024.

There has been a further reduction in kWh reported for electricity and gas supplies due to improved metering for tenants' supplies.

The estimated electricity consumption for the London office was derived from the 2023 consumption as the annual estimates for 2024 are significantly overestimated by the landlord.

Biogas kWh consumption by MPS was reduced significantly in 2024 as the supply was discontinued during the year.

Company cars and grey fleet mileage was 87,424 miles, a 20% reduction on the 109,670 miles recorded in 2023, and a significant decrease in road travel of 22,246 miles.

### Our energy consumption (MWh)

	2024 MWh	2023 MWh	2022 MWh
Natural Gas	-	-	-
Biogas	5.00	12.37	773.48
Company Vehicles Transport	60.38	183.10	89.94
<b>Scope 1 Total Energy</b>	<b>65.38</b>	<b>195.47</b>	<b>863.42</b>
Grid Supplied Electricity Heat and Cooling	339.47	673.31	2,220.00
<b>Scope 2 Total Energy</b>	<b>339.47</b>	<b>673.31</b>	<b>2,220.00</b>
Employee Vehicles Transport	24.00	-	-
<b>Scope 3 Total Energy</b>	<b>24.00</b>	<b>-</b>	<b>-</b>
<b>Total Net Emissions</b>	<b>428.85</b>	<b>868.78</b>	<b>3,083.42</b>

### Our greenhouse gas emissions (tCO2e)

	2024 tCO2e	2023 tCO2e	2022 tCO2e
Natural Gas	-	-	-
Biogas	0.001	0.002	0.170
Transport Emissions for Company Vehicles Travel	5.34	13.87	10.51
R401A Refrigerant Loss (178.76 kg)	-	-	211.29
<b>Scope 1 Total Emissions</b>	<b>5.34</b>	<b>13.87</b>	<b>221.97</b>
From Purchased Electricity, Steam, Heat and Cooling	70.29	139.42	429.30
<b>Scope 2 Total Emissions</b>	<b>70.29</b>	<b>139.42</b>	<b>429.30</b>
Transport Emissions Employees Travel	5.70	-	-
<b>Scope 3 Total Emissions</b>	<b>5.70</b>	<b>-</b>	<b>-</b>
<b>Total Gross Emissions</b>	<b>81.33</b>	<b>153.29</b>	<b>651.27</b>
Renewable Electricity	(70.29)	(139.42)	(429.30)
<b>Total Net Emissions</b>	<b>11.04</b>	<b>13.87</b>	<b>221.97</b>

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The Medical Protection Society Limited 2024 Annual Report and Financial Statements 29



Emissions tCO2e

Emissions from on-site Biogas consumption at our Leeds office ceased during 2024, following the use of electric heat pumps to provide heating in the buildings.

Mileage for travel activities also reduced significantly. The inclusion of Scope 3 employee travel emissions of 5.70 tCO2e did not have a negative impact on the overall transport emissions as our Scope 1 company vehicle travel emissions reduced to 5.34 tCO2e (2023: 13.87 tCO2e).

No refrigerant loss was reported in 2024.

Intensity ratio

Our chosen ‘Intensity Ratio’ (IR) is based on carbon emissions per number of Full Time Equivalent (FTE) Employees. The number of UK-based employees in 2024 was 820, up 17 from 2023. The uplift in employee numbers had a positive impact on the IR for the year.

Intensity Ratio	2024	2023	2022
Annual MWh per No. of FTE Employees	0.523	1.082	3.531
Annual tCO2e per No. of FTE Employees	0.013	0.017	0.254

SECR methodology

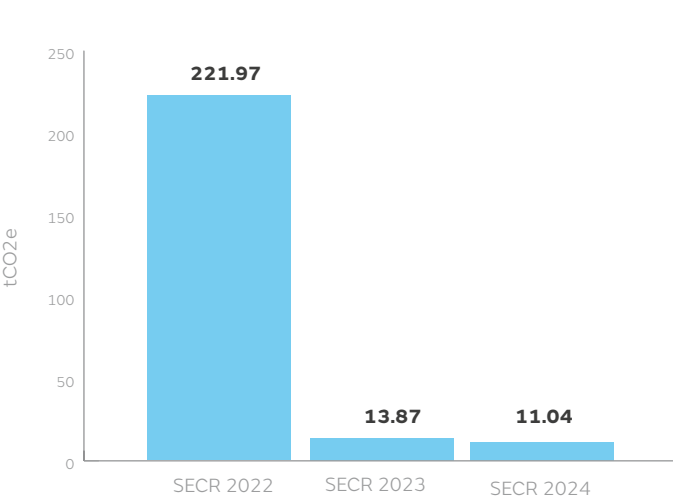
We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas Reporting Protocol – Corporate Standard, and have used the 2024 UK Government’s Conversion Factors for Company Reporting.

Measures taken to improve energy efficiency

This year, we focused our efforts on refurbishing our workplace premises in Leeds, England, which contributes the most to our total emissions and energy consumption. This work encompassed reducing the footprint from over 66,000 sq ft to under 30,000 sq ft and renovating it to the required standards needed to obtain BREEM certification. BREEM is the Building Research Establishment Environmental Assessment Method (BREEM) and is widely used in pursuit of ESG credentials in construction.

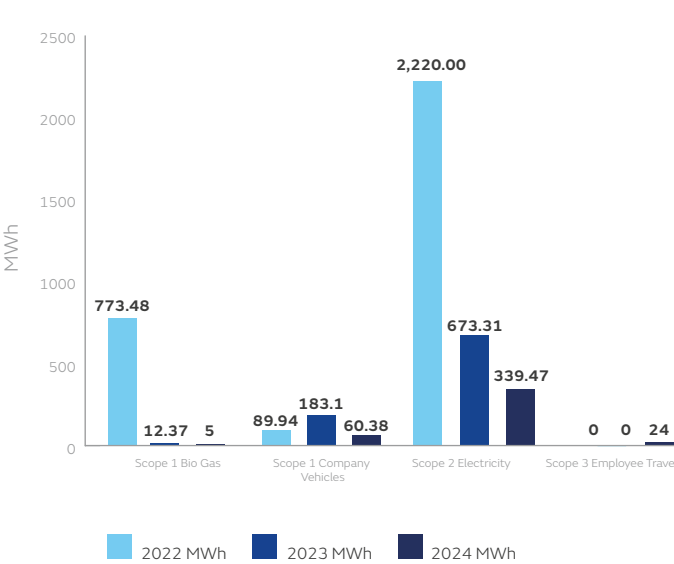
SECR Emissions and Energy Consumption  
3-year performance comparison

Net emissions



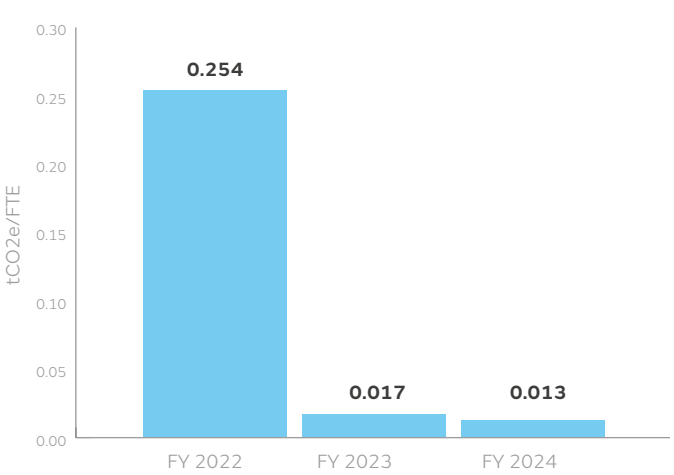
There has been significant change in emissions since 2022. The use of Scope 1 mains biogas was discontinued in April 2024 and both electricity and transport activities also saw reductions in 2024.

MWh consumption



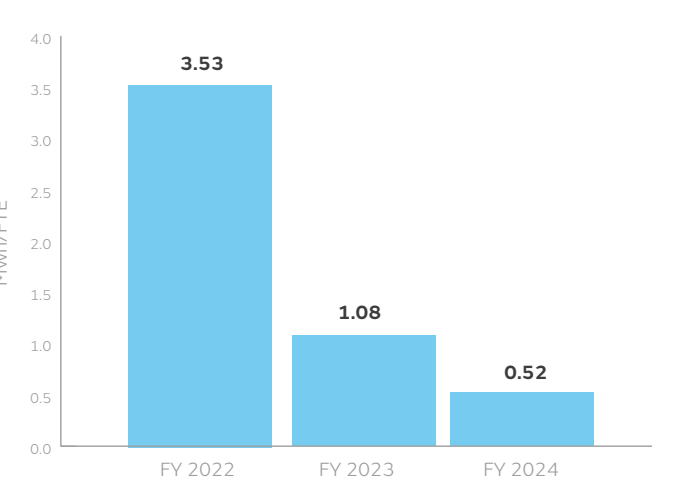
Electricity MWh saw a reduction of almost 50% in the year, compared to 2023. Transport activities also saw a reduction of almost 54% of MWh in the same period. Transport activities have been split in 2024 to reflect the emissions reporting scope for which they were reported. Scope 1 Transport is for company-owned vehicles and Scope 3 for employees using their own vehicles for company business. Transport is measured in mileage covered for both Scope 1 and Scope 3 transport activities.

Emissions per full-time equivalent employee (FTE)



Annual emissions reduced in the year by 0.004 tCO2e/FTE due to the reduction in energy consumption and an increase in FTEs.

MWh consumption per FTE



The transfer of electricity and gas supplies to tenants at the Leeds office and the recalculation of the estimated energy for the London office significantly reduced the MWh/FTE over the reporting period.





# Our stakeholders

Section 172(1) statement  
Members of the Council have considered their duty to promote the success of MPS for the benefit of the membership as a whole, and in doing so have had regard to other relevant stakeholders, in accordance with Companies Act 2006 Section 172(1), as outlined on page 46.

Stakeholder group	Why it is important to engage	Ways we engage	How we ensure we are doing this well	Stakeholders' key interests	Page
Members and prospective members	Understanding members’ needs allows us to deliver relevant products and services, retain members and attract new ones. It also helps us to identify opportunities for growth.	<ul style="list-style-type: none"><li>• MPS website</li><li>• Contact centre</li><li>• Medico/dentolegal advice</li><li>• Communications and publications</li><li>• Risk prevention activities</li><li>• Social media</li><li>• MPS presence at events</li><li>• Annual General Meeting</li><li>• Engagement by Medical Committee and Dental Board</li><li>• Advisory groups</li><li>• Member Voice Panel</li><li>• MPS Foundation</li></ul>	<ul style="list-style-type: none"><li>• Correspondence and feedback</li><li>• Member research and satisfaction surveys</li><li>• Tracking engagement scores and content analytics</li><li>• Monitoring member movements</li><li>• Assessing complaints</li><li>• Member experience ambassadors</li><li>• Advisory groups</li><li>• Code of Practice</li></ul>	<ul style="list-style-type: none"><li>• Expertise and quality of customer service</li><li>• Availability and ease of access to services</li></ul>	Pages 22 and 23
				<ul style="list-style-type: none"><li>• Value for money</li><li>• Corporate social responsibility</li><li>• Financial stability</li></ul>	Pages 27 to 31 Page 16
Colleagues	Interacting with colleagues is one of the main ways in which members experience the MPS brand. Our colleagues are fundamental to the achievement of our member experience ambitions and are the cornerstone of our service.	<ul style="list-style-type: none"><li>• Colleague surveys</li><li>• Employee Engagement Forum</li><li>• Manager 1-2-1s</li><li>• Intranet – including discussions, blogs, news</li><li>• MS Teams channels</li><li>• CEO and Executive briefing sessions</li><li>• Monthly manager calls</li><li>• Recognition and reward schemes</li><li>• Charity and social activities</li><li>• Wellbeing Committee</li><li>• Diversity and Inclusion Forum</li><li>• Colleague-run support networks (eg Black Network, Asian Network, Pride at MPS, Women’s Inspirational Network, Parenting Network, Menopause Network, and Neurodiversity Network)</li><li>• Coaching and mentoring programmes</li><li>• Mental health first-aiders</li></ul>	<ul style="list-style-type: none"><li>• Internal communications function</li><li>• Communications plans to support projects</li><li>• Annual survey and Pulse survey</li><li>• Leadership framework, values, talent management, core behaviours and performance bonuses</li><li>• Employee Engagement Forum</li><li>• Feedback from the Diversity &amp; Inclusion Forum as well as colleague-run support networks</li></ul>	<ul style="list-style-type: none"><li>• Our member focus</li><li>• Reward and recognition</li></ul>	Page 24
				<ul style="list-style-type: none"><li>• Career opportunities</li><li>• Job security</li><li>• Training and development</li><li>• Health and wellbeing</li><li>• Diversity, equality and inclusion</li><li>• Colleague engagement</li><li>• Corporate social responsibility</li></ul>	Page 26 Pages 27 to 31
Partner organisations and suppliers	Working with strategic partners (eg panel law firms and associations) enables us to deliver core MPS services to members. The delivery of high-quality services and the MPS brand rely heavily on these services being provided to a high standard.	<ul style="list-style-type: none"><li>• Regular engagement via MPS operational, business development, claims delivery, and medicolegal and dentolegal teams, with the engagement model differing across countries, depending on the services provided and the nature of the relationship</li></ul>	<ul style="list-style-type: none"><li>• New contracts on a global basis to create more consistency in control, reporting and governance</li><li>• Designated relationship managers responsible for panel performance</li></ul>	<ul style="list-style-type: none"><li>• Quality of services</li><li>• Logistical efficiencies and value for money</li><li>• Sharing insights and expertise</li></ul>	Page 22 Page 18
Governments and public bodies	Policies and regulatory changes introduced by governments provide opportunities and pose risks to our operations. Working closely with governments enables us to identify and influence potential changes as well as ensure that our products and services evolve.	<ul style="list-style-type: none"><li>• Regular meetings with officials</li><li>• Engagement with ministers on key developments</li><li>• Campaigning on key issues</li><li>• Monitoring local developments</li></ul>	<ul style="list-style-type: none"><li>• Dedicated public affairs team</li><li>• Colleagues based in or closely linked to our main markets</li><li>• Stakeholder mapping in each major market</li><li>• Code of Practice</li></ul>	<ul style="list-style-type: none"><li>• Costs of clinical negligence</li><li>• Affordability of indemnity</li></ul>	Page 16
	Relationships with state run schemes and other bodies are also important.			<ul style="list-style-type: none"><li>• Expertise on medicolegal and dentolegal issues</li><li>• Quality of member service</li><li>• Issues facing the professions</li></ul>	Page 22 Page 12
Healthcare providers	MPS provides protection services to healthcare providers. Working with healthcare providers enables us to create a better understanding of developments in healthcare delivery, their likely impact on our members and their consequential needs from MPS.	<ul style="list-style-type: none"><li>• Direct engagement with corporates through targeted pipeline approach</li><li>• MPS Partnerships</li></ul>	<ul style="list-style-type: none"><li>• Dedicated business development leads</li><li>• Member movements and monitoring of prospective corporate members</li><li>• Team approach combining commercial and medical expertise</li></ul>	<ul style="list-style-type: none"><li>• Quality and price of indemnity services</li><li>• Risk assessment and management</li><li>• Understanding issues facing members and healthcare systems</li></ul>	Page 12



Stakeholder group	Why it is important to engage	Ways we engage	How we ensure we are doing this well	Stakeholders' key interests	Page
Intermediaries	As well as engaging directly with corporates to acquire them as members, we also increasingly work via brokers. This is critical, to be aligned with the Lloyd's of London market mode of operation specific to B2B insurance proposition.	<ul style="list-style-type: none"><li>Business development, product and underwriting engagement</li></ul>	<ul style="list-style-type: none"><li>Acquisition of new clients and retention of existing (intermediated)</li></ul>	<ul style="list-style-type: none"><li>Satisfying client needs</li><li>Market differentiation</li></ul>	
Professional bodies	Working with professional bodies (colleges, societies, associations and unions) enables MPS to influence the wider debate on issues linked to our work. It also enables us to better understand the membership's interests. These professional bodies also serve as a potential route to market.	<ul style="list-style-type: none"><li>Regular scheduled meetings</li><li>Speaking at and attending stakeholder events</li><li>Collaborative working on key issues</li></ul>	<ul style="list-style-type: none"><li>Dedicated public affairs team</li><li>Regional directors and other specific market focused colleagues</li><li>Stakeholder mapping in each major market</li><li>Support from in-country advisers</li></ul>	<ul style="list-style-type: none"><li>Affordability of indemnity/costs of clinical negligence</li><li>Expertise on medicolegal and dentolegal issues</li><li>Quality of member service</li><li>Issues facing the professions</li></ul>	Page 16  Pages 22 and 23 Page 12
Professional regulators	Working with professional regulators enables us to influence the way in which they regulate members for the benefit of the wider membership.	<ul style="list-style-type: none"><li>Regular scheduled meetings</li><li>Attending events</li><li>Protecting members before the regulator</li></ul>	<ul style="list-style-type: none"><li>Dedicated public affairs team working with colleagues across MPS</li><li>Medical Director, Dental Director and country medical/dental leads</li></ul>	<ul style="list-style-type: none"><li>Fair and efficient regulatory processes</li></ul>	
Media	Effective engagement with the media provides MPS with strong multi-channel exposure to connect with members and our wider stakeholder audience. It is also crucial to maintaining our reputation.	<ul style="list-style-type: none"><li>Issue press releases and provide features to key publications regularly</li><li>Issue statements on behalf of members</li><li>Meetings with journalists</li><li>Pre-empt and prepare for risks to reputation</li></ul>	<ul style="list-style-type: none"><li>KPIs based on coverage in key publications in priority markets in comparison to main competitors</li></ul>	<ul style="list-style-type: none"><li>Diverse and quality content that is relevant to their audience</li><li>Accurate and timely information</li><li>Expert advice</li></ul>	
Patients and the public	By assisting members with clinical negligence claims, we play an important role in patients receiving compensation.  Through our work to help members manage their risk, we also play an important role in improving patient care and patient experience.	<ul style="list-style-type: none"><li>Media and social media</li></ul>	<ul style="list-style-type: none"><li>Media monitoring</li></ul>	<ul style="list-style-type: none"><li>Patient care and patient safety</li><li>Compensation</li></ul>	



# Our risks and how we manage them

## The importance of risk management

We support and protect the careers, reputations and financial security of members by taking on the uncertainty of the potential costs of claims, providing legal advice, and support to members in return for membership subscriptions. We invest these subscriptions to generate a return so that we have the necessary financial strength to meet claims and to moderate subscription fees. As such, we believe

our organisation and its sustainable success are founded on effective risk management. Our overall approach is to focus on risks linked directly to our purpose that we believe we can manage and, where possible, to seek to avoid or mitigate other forms of risk.

## Our risks and how we manage them

The types of risk that we face and how we manage them are summarised below:

Risk	Description	Mitigation
Strategic risk	The risk of failure to achieve business objectives that impact the long-term interests of the membership or other stakeholders. This includes the threats of increased competition, regulation, loss of distribution, loss of trust in our organisation and reduction in the market/need for our products and services.	Our strategic planning process considers and reflects the threats to and opportunities for the organisation. Strategic risks are monitored on a regular basis and reported quarterly and any identified actions implemented. Strategic risks are mitigated to some degree by the geographic diversification of our business.
Liquidity risk	The risk of insufficient resources to meet liabilities and obligations as and when they fall due. This represents increased liquidity demands such as collateral calls on hedging assets or cash to settle claims and/or a decline in available liquidity such as that arising from a decrease in the ability to sell certain types of investment in times of stress.	We monitor our potential liquidity needs and our liquid resources, ensuring that a prudent buffer is maintained. This involves projecting and stressing cash outflows and adjusting our investments accordingly.
Counterparty default risk	The Counterparty Default Risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to MPS. This could arise from the failure of a bank, insurer or outsourcer from whom MPS expects to receive cash or a service, or from unpaid member subscriptions.	We set a minimum credit rating for new banks and insurers and monitor the credit rating of those to whom we have existing exposures. We also monitor the level of outstanding subscriptions from members and have a collection process that ultimately results in the cancellation of membership if the subscription remains unpaid.

Risk	Description	Mitigation
Market risk	The risk of adverse financial impact resulting, directly or indirectly from fluctuations in interest rates, inflation, foreign currency exchange rates, credit spreads and equity and property prices. These are the principal risks arising from our investments.	We aim to minimise interest rate risk by matching the interest rate sensitivity of our investments and our claims reserves. We set our investment strategy based on our appetite for market risk in pursuit of an appropriate return for the membership fund and regularly monitor the performance and positioning of the investment portfolio.
Underwriting risk	The risk of loss or adverse changes in the value of provisions due to inadequate pricing and provisioning assumptions. This could result from increases in claims frequency (patient propensity to claim or complain, claims farming by legal firms) or increases in the cost of claims (claims inflation), whether resulting from underlying inflation, changes to personal injury discount rates, changes to general damage award guidelines or a general increased sympathy of society and courts towards injured parties. This risk type would also include emergence of a new, material source of claims.	We ensure that our underwriting is balanced and sustainable, avoiding concentration of business that is volatile, higher risk, or loss making over the long-term. We also seek to ensure that there is a strong feedback loop from claims and reserving into underwriting and pricing to ensure that emerging trends are reflected in the product and pricing as soon as possible. Claims are actively managed to reduce our exposure.
Operational risk	The risk arising from inadequate or failed internal processes, people or systems or from external events. Such failures could result in adverse member outcomes, interruptions to service, financial loss, regulatory non-compliance or reputational damage. Key operational risks include cyber-attacks, data protection breaches, failed change implementation, service failure, incorrect pricing and failure to attract and retain the right skills.	We seek to reduce operational risk as far as is commercially practical, by implementing policies and controls. Controls are regularly assessed as to their effectiveness and the resulting residual risks are compared to tolerance. Action plans are implemented where the residual risk exceeds tolerance. We have a business continuity process to ensure we have plans and resources to limit disruption to our services and negative impact to members, colleagues and the wider business. We have also implemented a Transformation Management Office to support effective change implementation.

Our principal risks relate to setting adequate subscription rates to cover the underwriting risks and expenses of administering the business, the returns on our investments, our business operations and the threat of regulation. The currently elevated levels of geopolitical risk could have a direct impact on our investment returns but can also indirectly affect us through increased inflation, the elevated threat of cyber-attacks and the possibility of supply chain disruption. Regulatory change is a key strategic risk, although the introduction of the Code of Practice in the UK is a positive development.

At an executive level, management has established an Executive Asset and Liability Committee and an Operational Risk and Conduct Committee to facilitate the management of financial and non-financial risks respectively.

Council sets the desired culture for the organisation, including the promotion of constructive challenge, accountability and an open and honest environment.

Expectations as to how key risks will be managed are set out in policies approved by Council, or one of its committees.

**Risk appetite**

The organisation's risk appetite is articulated in a number of ways:

- Risk appetite refers to the aggregate level of risk we are willing to take in pursuit of our strategic objectives. This is currently framed in respect of risks to financial soundness and conduct.
- Risk preference refers to our attitude towards taking particular risk types.
- Risk tolerances are set at a more granular level and define the amount of a particular risk we are willing to take.
- Risk limits are set at the most granular level and represent quantitative limits on individual risk exposures. They are designed to mitigate against concentrations of risk.



## The three lines of defence

We operate the three lines of defence organisational model, which is standard within financial services organisations.



### Line 1 Risk Management

This is our member-facing business areas and Group-wide operational management functions. The systems, internal controls, control environment and culture developed and implemented by these areas are crucial in anticipating and managing our risks.



### Line 2 Risk Oversight

This is our Group Risk & Compliance team. They are responsible for providing oversight and independent, constructive challenge to the effectiveness of risk decisions and risk management activities of Line 1.



### Line 3 Risk Assurance

This is our outsourced internal audit function. This function agrees Line 1 and 2 controls in the areas being audited.

#### Risk management processes

Key risk management processes that we operate include:

- Risk and Control Self Assessments (RCSAs) are performed where risk owners are required to assess the effectiveness of the controls mitigating the risks that they own and the resulting level of residual risk compared to a specified tolerance.
- Emerging Risk Identification is performed at least annually by experts across the business and seeks to identify risks that are more remote in terms of their likelihood of occurrence or timescales over which they might occur.
- Quarterly Risk Reporting is prepared by the Chief Risk Officer and presented to management, the Audit & Risk Committee and Council. This considers changes to the strategic risk position, key operational risks and the control environment and is supported by the updates to Key Risk Indicators and management information.
- Own Risk and Solvency Assessment (ORSA) is conducted annually and considers the impact of selected adverse scenarios on our financial strength over the business planning horizon and examines the management actions which could be taken to recover in more extreme scenarios. The ORSA also includes sensitivity testing of the organisation's financial position for standardised variations in key risk drivers such as interest rate levels and concludes on the adequacy of current capital levels. The ORSA utilises our internal capital model.
- Risk Incident Reporting and Root Cause Analysis is performed whenever a material risk crystallises and facilitates the continual improvement of our risk management processes.

## Future Developments

As we look ahead, we recognise that the business environment will remain highly competitive, with evolving risks and opportunities shaping the landscape in which we operate, and the risks we have identified being actively managed. By maintaining a strategic focus on growth, developing new products, and continually assessing market dynamics and competitor activity, we are confident in our ability to sustain and strengthen our financial position.

The Chair of Council's, Chief Executive's and Financial Performance Reports refer to key initiatives during the year and touch on future developments in specific areas. Below is a summary of those plans.

#### Personal Injury Discount Rate (PIDR)

The UK PIDR was increased to 0.5%, with effect from January 2025. This change has not been reflected in our estimate for the cost of reported negligence claims. In England and Wales, the Ministry of Justice has issued a call for evidence on how the PIDR is set, while a similar review is expected in Scotland and Northern Ireland. We will coordinate a response to these consultations, drawing on insights from our teams and engagement with key stakeholders. In the Republic of Ireland, we remain vigilant to changes that could impact members and the wider medico-legal landscape.

#### Changes in Healthcare and Dentistry

The medical and dental professions are evolving rapidly, driven by advances in digital technology, data management, and artificial intelligence. These innovations are transforming the way healthcare is delivered, improving efficiency, and enabling patients to take a more active role in their own health. However, they also present new challenges, particularly as medical and dental professionals increasingly use technology to work across borders, often ahead of regulatory frameworks.

With data being shared at unprecedented levels, AI adoption accelerating, and telehealth becoming more embedded in everyday practice, the regulatory landscape is struggling to keep pace. At MPS, we are committed to staying ahead of these developments, ensuring that our protection remains fit-for-purpose while helping members navigate emerging risks in a rapidly changing environment.

By anticipating these shifts and acting proactively, we will continue to provide the best possible support to our members - today and into the future.

#### Approval of the Strategic Report

Pages 18 to 39 of the Annual Report form the Strategic Report.

The Strategic Report was approved by the Council on 9 April 2025 and signed on its behalf on 20 May 2025 by:

**Rory Kelly**  
Company Secretary



# Report of Council

President	<b>Professor Dame Jane Dacre</b>  BSc MBBS MD FRCP London, Edinburgh, Glasgow FHEA Honorary Fellowships: FRCPI FACP FACad Med Ed FRCGP
Vice-President	<b>Professor John Bonnar</b>  MA MD FRCPI FRCOG
Chair	<b>Ian Eardley</b>  BA(Hons) MB BChir MA FRCS MChir FRCS (Urol) (stepped down as Chair at the conclusion of the Annual General Meeting on 12 June 2024)
Chair	<b>Graham Stokes</b>  BDS MFGDP(UK) DPDS Dip Imp Dent RCS CertMedEd FFGDP(UK) (assumed the role of Chair from the conclusion of the Annual General Meeting on 12 June 2024)
Chief Executive	<b>Karen Miller</b>  BA Bcomm MBA AIISA FIISA (appointed 13 February 2024)

## Members of the Council

- Samantha Blackie** BSc MSc <sup>2 3 5 8</sup>
- Fiona Cornish** MA MB BChir DRCOG DCH FRCGP <sup>3 4</sup>
- Ian Eardley** BA(Hons) MB BChir MA FRCS MChir FRCS (Urol) *Chair* (retired 12 September 2024) <sup>1 3 4 5</sup>
- Anthony Fung** BA MB BChir MA MBA FRCS FCSHK FHKAM (Surgery) <sup>3</sup>
- Judith Husband** BDS, Dip IOD, FCGDent (appointed 1 November 2024) <sup>6</sup>
- Damien Marmion** MBBS BSc MBA <sup>2 3 4 5 8</sup>
- Karen Miller** BA Bcomm MBA AIISA FIISA Chief Executive (ex officio) (appointed 13 February 2024) <sup>1</sup>
- Edmund Morris** BSc (Hons) MBBS FRCA <sup>1 2 3</sup>
- Gozie Offiah** BSc MB BCH BAO (NUI) LRCS & PI MD MMedSc PhD <sup>2 3 7</sup>
- Meghana Pandit** MBBS FRCOG MBA <sup>3 4</sup> (resigned 31 December 2024)
- Richard Pile** FCCA
- Stuart Purdy** BA(Hons) FCII <sup>1 2 4 5 8</sup>
- David Roytowski** MBChB MBA MMed FC Neurosurg (SA) <sup>3 5</sup>
- Graham Stokes** BDS MFGDP(UK) DPDS Dip Imp Dent RCS CertMedEd FFGDP(UK) <sup>1 2 3 5 6 7 8</sup>
- Michael Urmston** BA <sup>1 2 4 8</sup>
- Tom Weitzman** KC BA(Hons) <sup>1 4 5</sup>
- Callum Youngson** BDS DDSc FDS DRD MRD FDS(Rest Dent) RCS(Ed) FDSRCS(Eng) <sup>1 4 6</sup>

- 1

Member of the Asset and Liability Committee
- 2

Member of the Audit and Risk Committee
- 3

Member of the Medical Committee
- 4

Member of the Management Oversight Committee
- 5

Member of the Remuneration and Nominations Committee
- 6

Member of the Board of Dental Protection Limited
- 7

Member of the MPS Foundation Board
- 8

Member of the Technology Transformation Oversight Committee

The Council, which for the purposes of the Companies Act 2006 is the Board of Directors, presents its Annual Report for the year ended 31 December 2024.

The following disclosures have been included elsewhere within the Annual Report and Financial Statements and are incorporated into the Report of the Council by reference:

Disclosures	Pages
SECR reporting	29
Financial risk management	71
Future developments	39
Equal opportunities	46
Financial instruments	54 & 71
Employees	26

### The role of the Council

The Council's primary focus is on the overall strategic direction, development, and control of the MPS Group. Additionally, it holds ultimate responsibility for exercising discretion in response to requests for assistance. In practice, this responsibility is delegated to the Executive Committee and the senior management team, subject to the Council's reporting, oversight, and review.

In alignment with the Group's strategy, the Council holds responsibility for approving the Group's values, strategic plans, annual budget, and the overall system for risk identification, management, and internal controls. Additionally, the Council oversees the Group's operational and financial performance.

As part of its governance responsibilities, the Council establishes the Group's corporate governance framework. Within this framework, the Executive Committee is empowered as the primary management committee, responsible for day-to-day operations.

The roles of the Chair and Chief Executive are clearly documented. The Chair, alongside the Chief Executive and the Company Secretary, ensures that the Council is fully informed, consulted on matters reserved to it, and that decisions are made swiftly and effectively.

Newly appointed Council members receive an induction tailored to their prior experience and expertise.

### Statement of corporate governance arrangements

In conducting its business, MPS strives to maintain a level of governance suited to the size and nature of the Group, incorporating relevant best practices. MPS has adopted and reports in accordance with the Wates Corporate Governance Principles for Large Companies (the Wates Principles).

Throughout the year ended 31 December 2024, the Council ensured that the organisation's governance practices adhered to the six guiding principles forming the foundation of the Wates Principles. Our approach to each of these principles is detailed below:

Principle	Requirement	How MPS has complied
Purpose and leadership	An effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.	Our Purpose, as approved by the Council, is to support and protect the careers, reputations, and financial security of doctors, dentists, and healthcare professionals worldwide.
		The Council strives to ensure that MPS's values, strategy, and culture align with its purpose. The organisation communicates its purpose and values to colleagues through Chief Executive briefings and various other channels, while also promoting consistency with these values via performance-related bonus arrangements. Culture is regularly monitored through colleague engagement surveys and Committee feedback sessions.
Board composition	Effective composition of members of a Board 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 company.	In 2024, the Council oversaw the development of a new strategy focused on long-term sustainable growth for MPS. This strategy aims to enhance organisational resilience, strengthen financial sustainability, and ensure continued support for members.
		Our Purpose, as approved by the Council, is to support and protect the careers, reputations, and financial security of doctors, dentists, and healthcare professionals worldwide.  The Council has reviewed its composition and size to ensure an appropriate balance of skills, backgrounds, experience, and knowledge, with each member possessing the capacity to make a meaningful contribution.  The Council comprises a majority of medical and dental professionals, complemented by experienced Non-Executive Directors from sectors relevant to our business operations.
Director responsibilities	A 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.	In 2024, the Council oversaw the development of a new strategy focused on long-term sustainable growth for MPS.
Opportunity and risk	A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.	The Council reviewed MPS's strategy to 2027 at its annual strategy day in 2023, to identify opportunities for MPS to create and preserve long-term value and to oversee the identification and mitigation of risks.
Remuneration	A Board should promote Executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.	During 2024, Council reviewed and considered the Group's long-term strategy. To ensure that MPS is able to attract, retain and motivate key talent at Executive level, to deliver the strategy, the Remuneration and Nominations Committee conducted an in-depth review of total remuneration for the Executive team.  This review of existing remuneration structures took place within the context of:  <ul style="list-style-type: none"><li>continuing to provide value to members,</li><li>our agreed reward philosophy, policy and principles</li><li>pay and conditions elsewhere in MPS and,</li><li>external market practice in comparable organisations.</li></ul> See the Remuneration and Nominations Committee section on page 44 for further information.
Stakeholder relationships and engagement	Directors should foster effective stakeholder relationships aligned to the company's purpose.  The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.	The Council has reviewed key stakeholder relationships to ensure they remain effective and closely aligned with the Company's purpose. In its decision-making, the Council has carefully considered stakeholders' views, particularly those of members, acknowledging their vital role in the Company's success – for further information on this see the s172(1) Statement on pages 32 and 46.



Statement of corporate governance arrangements

The following sections provide details of MPS’s governance.

The Council

During 2024, the Council consisted of a Non-Executive Chair, 13 other Non-Executive Directors, the Chief Executive and the Chief Finance Officer. MPS’s constitution stipulates that the Chair and the majority of Council members must be Medical or Dental members of MPS.

Of the Non-Executive Directors (including the Chair), ten benefited from Medical or Dental Protection membership as at 31 December 2024.

Member of the Council	Number of meetings attended *	
	2024	2023
Samantha Blackie	6(6)	5(5)
Fiona Cornish	5(6)	4(5)
Ian Eardley (retired 12 September 2024)	4(4)	5(5)
Anthony Fung	6(6)	5(5)
Judith Husband (appointed 1 November 2024)	2(2)	–(–)
Damien Marmion	6(6)	5(5)
Karen Miller (appointed 13 February 2024)	6(6)	–(–)
Edmund Morris	6(6)	5(5)
Gozie Offiah	5(6)	4(5)
Meghana Pandit (retired 31 December 2024)	3(6)	4(5)
Richard Pile	6(6)	2(2)
Stuart Purdy	6(6)	5(5)
David Roytowski	6(6)	5(5)
Graham Stokes	6(6)	5(5)
Michael Urmston	6(6)	5(5)
Tom Weitzman	5(6)	5(5)
Callum Youngson	6(6)	5(5)

\*The number in brackets shows the number of eligible meetings.

All Non-Executive Directors, including the Chair, are considered independent. Non-Executive Directors who are not Medical or Dental Protection members have no financial interest in MPS beyond the fees they receive for their role on the Council. Non-Executive Directors who are Medical or Dental Protection members also receive fees for their role on the Council. Their personal membership of MPS is not deemed to compromise their independence.

MPS remains firmly committed to upholding Non-Executive independence in its decision-making and ensuring that all Directors fulfil their legal duties and responsibilities. To support this, all Directors are required to declare any interests for inclusion in a formal register, which is regularly reviewed. MPS also publishes an internal Code of Ethical Conduct that applies to all staff and Council members. Additionally, the roles of Chair and Chief Executive are kept separate, to maintain a clear distinction between the Council’s governance and the executive management of the business.

All Council members, except the Chief Executive and the Chair of Dental Protection Limited, must be elected by members at the first general meeting following their appointment, if they were not initially appointed at a general meeting. Furthermore, one-third of the Council members (excluding the Chief Executive and the Chair of Dental Protection Limited) are required to retire at each general meeting. Retiring members, if willing, eligible, and recommended by the Council, may stand for re-election. Non-Executive members of the Council typically serve for a maximum of eight full years from the date of their election by the membership.

The Chief Executive is appointed and may be removed by the Council. The Council is confident that exempting the Chief Executive from re-election does not compromise the independence or integrity of the Council.

The Chair of Dental Protection Limited serves on the Council ex-officio. Their appointment to the Dental Protection Limited Board, along with their fellow Directors of Dental Protection, and their role as Chair, is made by the Council of MPS. The Company maintains a formal schedule of matters reserved exclusively for Council decisions, including strategy, financial policy, and major acquisitions or disposals. All Council members have access to the advice and services of the Company Secretary. Additionally, procedures are in place to allow any Council member to obtain independent advice, at MPS’s expense.

Non-Executive members of the Council convene independently of the Executive members on occasions throughout the year. Additionally, provisions are in place for the Non-Executive members to meet without the Chair.

Activities in the year

During the year, the Council has:

- Reviewed and considered the Group’s long-term strategy.
- Reviewed and approved strategic transactions.
- Assessed and endorsed the Group’s five-year financial plan and approved the budget for the next financial year.
- Evaluated and approved the Group’s tax strategy.
- Conducted quarterly reviews of the Group’s financial performance.
- Approved the Annual Report and Financial Statements.
- Endorsed key policy statements, including the Modern Slavery policy.
- Reviewed the governance structure and activities of the Council’s sub-committees.
- Conducted competitor analysis and reviewed market positioning.

Council evaluation

During the year, the Council agreed to conduct an externally facilitated Board evaluation exercise. This activity will conclude in 2025.

Internal control

The Council holds overall responsibility for the Group’s system of internal controls and for monitoring its effectiveness, while management is tasked with implementing the Council’s policies on risk and control. MPS has a Chief Risk Officer who is responsible for promoting a member-focused and effective risk culture across the organisation, ensuring the financial security of the membership fund. The Chief Risk Officer also reports to the Audit and Risk Committee.

The system of internal controls is designed to manage, rather than eliminate, the risk of failing to achieve business objectives. As a result, internal controls provide reasonable but not absolute assurance against material misstatement or loss.

MPS has a continuous process for identifying, evaluating, and managing significant risks. This process has been in place throughout the financial year and up to the approval date of the Annual Report and Financial Statements. Regular reviews are conducted at both departmental and corporate levels, during which management identifies key risks and assesses their significance based on the likelihood of occurrence and potential impact on MPS. Management then determines cost-effective actions to address these risks.

The Council has delegated responsibility for monitoring the effectiveness of the internal control system and the risk management process to the Audit and Risk Committee. For more information, refer to the following “Audit and Risk Committee” section below.

The Council recognises the importance of regularly reviewing and monitoring its approach to overseeing the Company’s systems of risk management and control. Accordingly, it continues to adapt its approach, considering the economic climate, evolving corporate governance trends, and relevant FRC guidance on key risks. Through the Audit and Risk Committee, the Council remains focused on all aspects of risk management and conducts regular reviews of key risks and their mitigating controls.

Committees of the Council

The Council has several sub-committees, the members of which are listed on page 40.

In addition, the separate Board of Dental Protection Limited, comprising a majority of Non-Executive dental practitioners, met four times.

Audit and Risk Committee

The Audit and Risk Committee held five meetings through the year. Meetings were attended by MPS’s external auditors, the Chief Executive, the Chief Finance Officer, the Chief Risk Officer, and internal audit. At least once a year, the Committee holds separate discussions with internal and external audit, without management present. Additionally, senior managers may be invited to attend specific agenda items at the Committee’s request.

As outlined above, the Audit and Risk Committee evaluates the adequacy and effectiveness of risk management and control systems on behalf of the Council, overseeing internal audit activities and reviewing their reports.

The Chair of the Audit and Risk Committee reports meeting outcomes to the Council, including any recommendations. The Council also receives the full minutes of each meeting.

MPS re-engaged PwC to provide internal audit services for the financial year.

The internal audit function is responsible for providing assurance on a broad range of issues, including financial, corporate, and operational risks. This assurance is delivered through reporting and providing opinions based on monitoring activities, discussions, and reviews. Independent of all operational departments, the internal audit function operates under the oversight and co-ordination of the Audit and Risk Committee. The Committee reviews summaries of all internal audit reports, oversees the approval of the annual internal audit plan, and has the opportunity to question internal auditors during each meeting. Additionally, it monitors and, when necessary, challenges management’s progress in addressing and resolving agreed audit recommendations promptly.

The Audit and Risk Committee also reviews the scope and outcomes of the external audit, assessing its quality, effectiveness, value for money, and the independence and objectivity of the auditor.

The Committee maintains a written policy to ensure the continued independence of the external auditor. This policy requires the auditor to provide a statement affirming their independence, imposes limits on the volume of non-audit work they can undertake, and outlines guidelines for commissioning non-audit services from the auditor.

The Committee receives referrals for ethical guidance, oversees MPS’s anti-bribery and corruption policies, and is responsible for the ‘anti-bribery’ risk assessment, including the fraud risk related to management override of controls. Additionally, the Committee oversees the whistleblowing policy and reviews the annual financial statements and related information in the Annual Report and Financial Statements prior to publication.

Activities in the year

During the year, the Audit and Risk Committee:

- Assessed the appropriateness of the Group’s Annual Report and Financial Statements.
- Reviewed key judgements made by management in relation to the Group’s financial statements.
- Liaised with the external auditor to discuss their audit approach and identify any additional assessments of internal controls, or risk management, beyond their statutory duties, before assessing their findings and conclusions, in conjunction with management.
- Initiated and reviewed reports from management, as necessary, on systems of internal control and the effectiveness of risk management.
- Engaged with internal audit to define an annual work plan, confirm resource requirements, and then review audit outcomes through examination of reports issued.
- Reviewed the risk management process, including how the Group’s risk strategy and appetite are determined.
- Reviewed quarterly updates from the Chief Risk Officer.



- Recommended the tax strategy to the Council for approval.

- Reviewed the Group's key accounting policies and the treatment of major transactions throughout the year.

- Reviewed the stress and scenario assessment.

- Monitored compliance with the Wates Corporate Governance Principles for Large Private Companies and adherence to related reporting requirements.

**Management Oversight Committee**

The Management Oversight Committee was responsible for overseeing all aspects of MPS's day-to-day operations not addressed by other Council committees or subsidiary Boards.

The committee convened once during the reporting period before the Council formally approved its dissolution. Its responsibilities were consolidated into a new framework, which also introduced the Technology Transformation Oversight Committee.

**Asset and Liability Committee**

The Asset and Liability Committee oversees MPS's investment strategy, reserve quantification, and capital position.

The Committee comprises primarily the Board members of MPI (London) Limited, a subsidiary of MPS, who, through this largely shared membership, jointly manage the Group's investment portfolio.

**Activities in the year**

During the year, the Asset and Liability Committee undertook the following activities:

- Reviewed the Group's quarterly investment performance.

- Received and considered the Group's investment strategy.

- Received reports on the Group's capital modelling.

- Reviewed liquidity and rebalancing activities.

- Considered quarterly funding updates.

- Assessed the approach to statistical reserving for reported claims and for potential unreported claims (EPFC), along with the procedures for an independent peer review by external consulting actuaries.

- Assessed assumptions for claims reserves and for potential unreported claims and reviewed provision reports.

- Approved the Claims Reserving Policy.

**Medical Committee**

The Medical Committee advises the Council on developments in medicine, sharing insights that could impact MPS and its medical members. It also offers guidance on engaging with medical members and addressing their concerns and needs.

**Dental Board**

The Board of the wholly-owned subsidiary, Dental Protection Limited, supports MPS by providing equivalent advice on developments in dentistry and sharing insights that may affect MPS and its Dental members. The Board also advises the Council on engaging with Dental members and addressing their concerns and needs.

**Technology Transformation Oversight Committee**

The Technology Transformation Oversight Committee was formed in 2024, and is responsible for providing strategic guidance and oversight of the Company's technology and digital transformation initiatives. Its role includes:

- monitoring the effectiveness, risk management, and alignment of technology investments with the organisation's overall strategy.

- ensuring that major technology projects deliver value, support innovation, and are implemented securely, efficiently, and ethically.

**Remuneration and Nominations Committee**

The Remuneration and Nominations Committee (Remco) met seven times in 2024. Our President, Professor Dame Jane Dacre, the Chief Executive and the Chief People Officer were also in attendance for some of these meetings. No-one takes part in discussions concerning their own remuneration.

The Committee has clearly defined terms of reference and is responsible for:

- Recommending to the Council the overarching principles and parameters of the remuneration policy of MPS and overseeing the operation of a reward approach in line with this. The principles of our remuneration policy are:

- alignment to the business strategy and goals

- consistent application

- differentiation for performance

- being competitive.

MPS seeks to apply a remuneration policy appropriate for a mutual society.

- Establishing the salary and performance reward of the Executive members of the Council, and for reviewing the salary and performance reward proposals of other Executives who are not members of the Council.

- Overseeing the effectiveness, capability and development of the Council and its members and for approving the remuneration of the Council, its Committees and subsidiary Committees.

- Succession planning for the Council and its Committees and ensuring the right balance, structure and composition of the Council and its Committees, and for recommending new Council appointments and appointments to subsidiary Boards and Committees.

**Activities in the year**

**Remuneration policy**

In order to ensure MPS is able to attract, retain and motivate key talent at Executive level, to deliver the new strategy and the other areas of global cultural transformation, the Remuneration and Nominations Committee conducted an in-depth review of total remuneration for the Executive team during 2024.

Existing remuneration structures for Executive roles (which are both members and non-members of Council) were reviewed and took place within the context of:

- Continuing to provide value to members.

- Our agreed reward philosophy and principles.

- Pay and conditions elsewhere in MPS.

- External market practice within comparable organisations.

Following this review the Committee identified that some key policy changes were required and made recommendations to Council for approval. These included:

- The introduction from 2025 of a cash-based Long-Term Incentive Plan (LTIP) for members of the Executive team. This scheme will operate over a three year period and is subject to achievement of clearly defined measures and targets aligned to the strategy.

- An interim LTIP to act as a retention tool was granted during 2024 whilst the terms of the main scheme were finalised.

- The review of the annual bonus structure for members of the Executive team to ensure a clear stretch in performance is reflected in the bonus opportunity available and underpinned by clear goal setting aligned to the strategy.

- A review of the policy regarding annual bonus deferrals to ensure a three year deferral period is maintained but remains relevant and appropriate given the introduction of the LTIP.

- Review the MPS remuneration principles in order to ensure fairness remains at the heart of what we do. We comply with the Real Living Wage globally, where there is either a prescribed rate or relevant guidance. We also aspire to achieve future Real Living Wage UK accreditation, to formally recognise our commitment.

- A review of remuneration structures for our wider colleague population is also underway and changes to bonus frameworks were implemented for the 2024 performance year, with a further review of our reward philosophy and total reward packages planned during 2025.

**Equality, Diversity and Inclusion**

We introduced ethnicity pay gap reporting as part of our 2023 EDI Report (published in February 2024), as a further way to demonstrate our commitment to the principle of fairness and the continued application of an EDI lens to all remuneration and performance related decisions.

**Remuneration paid**

The standard remuneration for all Non-Executive members of the Council (other than the Chair) increased by 5%, to £30,958 (2023: £29,422), as of April 2024, which was in line with the 5% budget that was allocated to colleague increases. Details on emoluments can be found in note 8 of the Financial Statements on page 58.

Most Non-Executive members of the Council also received fees for appointments to various subsidiary Boards and Committees, the details of which are also set out in note 8 of the Financial Statements.

The President of the Council received a fee of £44,295 (2023: £42,592). Details of Council member appointments can be found on page 40.

Non-Executive members of Council do not receive a performance related bonus. In addition to fees, Non-Executive members of Council are reimbursed for travel and accommodation expenses for attending Council and Committee meetings.

No Executive members of the Council (2023: none) were members of MPS's defined benefit pension scheme, details of which are set out in note 9 of the Financial Statements. Two members of the Council (2023: none) were members of the defined contribution pension scheme during 2024.

MPS regularly reviews Council and Committee remuneration, through analysis and benchmarking data. Council members take no part in discussions concerning their own remuneration.

**Nominations**

Council is structured to ensure it has an appropriate combination of skills, experience, knowledge and diversity and that over half of the members are qualified medics or dentists. During 2024, the Committee reviewed the succession plan for its Non-Executive Directors to ensure the right level of capability is brought into these roles, whilst ensuring the Council is diverse, as and when positions become available at the end of a tenure.

In preparation for anticipated future recruitment needs, the Committee commenced a review of our Council role profiles and skills matrix. Our current fee structures for Council members were also reviewed to ensure our remuneration approach is fit for purpose, reflective of market practice and is aligned with our reward philosophy.

**Council related appointments**

The Remuneration and Nominations Committee continued to review succession plans and requirements for various roles across the Council. During 2024, recommendations were made to the Council for a number of roles, with appointments being made in 2024.

During the year:

- Graham Stokes was appointed as the new Council Chair

- Karen Miller was appointed as Chief Executive Officer and an ex-officio member of the Council

- Judith Husband was appointed as a Non-Executive Director and a member of the Council.

In addition, Rory Kelly was appointed as Company Secretary.

The Committee also oversaw the smooth transition between the incoming and outgoing Chairs, including a robust induction for the incoming role holder.

**Political donations**

No political donations were made in the financial year, which is Group policy (2023: £nil).

**Directors' and Officers' liability insurance**

The Group maintains insurance cover for the protection of Directors and senior management from personal liabilities and costs which may arise in the course of fulfilling their duties. This insurance was in force during the year ended 31 December 2024 and up to the date of approval of the Group's financial statements.



Statement by the Council in performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

Our people, and how the Council engages with colleagues and takes account of their interests

Council is committed to engaging with colleagues through formal and informal channels, to understand their views and to consider their interests as part of the decision-making process.

To do this, the Council monitors and seeks to act on feedback received from colleagues through:

- Colleague Engagement Surveys
- People Metrics
- Culture Diagnostic Project
- Meet and Greet events for Council members and colleagues.

Colleagues have at least one formal meeting with their manager each month, at which they are encouraged to discuss their work, personal development, the wider MPS business or any other matter they wish.

In 2024, MPS introduced a new meeting cadence keep colleagues informed about our organisation. Updates from our quarterly business reviews are shared by the Executive team at a detailed level with our senior leaders, and then with all colleagues applying a little more brevity – all helping colleagues to appreciate how we are performing. Divisional meetings follow these, where teams can discuss the update and its relevance to their team and their role.

MPS also engages with colleagues through Employee Engagement Forums, divisional updates, and other colleague-run forums and networks. You can read more about this in our [Equity, Diversity and Inclusion Report](#).

During 2024, we surveyed our colleagues, focusing on our culture and global belonging. The results have been used to inform our approach to people and workplace initiatives.

Supporting colleagues remains very important to us and people leaders have received training on how to support the wellbeing of their teams.

In 2024, we partnered with external expert organisations to support the continuing development of our Executive team and our senior leaders. These leadership programmes will continue in 2025, with a programme launch for all People Leaders. These development programmes are aligned to our new strategy, values and behaviours.

Equal opportunities

The rights of disabled persons and the responsibilities of the Group are embedded within our Diversity, Equality and Inclusion policy. The needs of disabled colleagues, including workplace modifications for example, are given priority and accommodated whenever possible. All colleagues are required to comply with the policy and to act in accordance with its objectives to remove any barriers to equal opportunity.

Going concern

Members of the Council consider that MPS has adequate resources to continue in operation for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

In forming this view, members of the Council have considered the UK's Financial Reporting Council (FRC) guidance for non-Code companies on the Going Concern Basis of Accounting. The members of the Council have approved short-term, detailed budget plans and financial forecasts, and have received and discussed a report detailing the current financial position of MPS, the implications of this over various time periods, the longer-term strategy and the actions being taken by MPS to ensure that it remains a going concern.

In considering the above, the members of the Council have concluded that there are no material uncertainties which cast significant doubt on MPS's ability to continue as a going concern for at least 12 months from the date of signing the financial statements.

Auditors

At the Annual General Meeting in June 2024, BDO LLP were re-appointed as the external auditor of the Group and its subsidiary entities across the globe.

Statement of the Council's responsibility for the financial statements

The Council is responsible for preparing the Strategic Report, the Report of the Council and the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 *“The Financial Reporting Standard Applicable in the UK and Republic of Ireland”*.

Under company law, the Council 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 comprehensive income of the Parent Company and Group for that period.

In preparing these financial statements, the Council is 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 Council is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, 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. It is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Council confirm that:

- so far as each Council member is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Council members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Council is 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 financial statements may differ from legislation in other jurisdictions.

Approval

This report was approved by the Council on 9 April 2025 and signed on its behalf on 20 May 2025 by:



Rory Kelly  
Company Secretary

Independent Auditor’s Report To The Members Of The Medical Protection Society Limited

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 Protection Society Limited (“the Parent Company”) and its subsidiaries (“the Group”) for the year ended 31 December 2024 which comprise The Consolidated Statement of Comprehensive Income, The Consolidated and Company Balance Sheets, The Consolidated Statement of Cash Flow, The Consolidated Statement of Changes in Equity 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 Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the Council 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 Report of the Council.

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:

- 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; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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; and
- 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.

Our procedures in respect of the above included:

- Review of minutes of meeting 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.

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;
- Performed a risk assessment, in conjunction with our actuarial specialists, for each class of business through assessment of volatility, tail-length, size of reserve and EPFC, and any significant change in incurred claims or exposure;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.

- Review of minutes of meeting 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; and
- 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 valuation of provisions for liabilities and the disclosure of estimated potential future costs (EPFC).

Our procedures, in conjunction with our actuarial specialists, in respect of fraud included:

- Performed independent projections using MPS historical data and our own actuarial techniques to assess the reasonableness of the level of EPFC disclosed;
- Challenged key assumptions, methods and actuarial models used to ensure estimates are objective and reasonable; and
- Reconciled data used in Actuarial projections to underlying systems.

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.

Thomas Reed  
(Senior Statutory Auditor)

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

Date: 22 May 2025

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

Financial Statements

Consolidated Statement Of Comprehensive Income

Year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
<b>Income</b>			
Members' subscriptions and other income		312,569	303,836
<b>Expenditure</b>			
Claims costs and associated legal costs	17	152,470	156,755
Advisory costs and associated legal costs	17	62,697	46,415
Movement in projected insurance recoveries		(6,641)	(5,063)
Education, publications and external relations	5a	7,898	9,639
Administration expenses	5b	67,465	53,060
Impact of discounting	17	24,184	32,491
Loss/(gain) on exchange movements	5c	7,257	(9,384)
		315,330	283,913
<b>(Deficit)/Surplus of members' subscriptions and other income over expenditure</b>		(2,761)	19,923
Net income from investments	6	158,212	167,369
Net interest income	9	362	1,267
Change in fair value of investments	12a	41,681	(5,911)
Change in fair value of derivatives	12a	(82,202)	(88,660)
<b>Contribution before taxation</b>		115,292	93,988
Tax charge on investment income and gains/(losses)	7a	(28,775)	(17,685)
<b>Net contribution for the year to funds available for members</b>		86,517	76,303
<b>Other comprehensive income</b>			
Remeasurements of defined benefit pension scheme	9	(29,882)	(11,508)
<b>Total comprehensive income for the financial year</b>		56,635	64,795

The Consolidate Statement of Comprehensive Income has been prepared on the basis that all activities relate to continuing operations.

The notes on pages 53 to 74 form part of these financial statements.



Consolidated and Company Balance Sheets

Year ended 31 December 2024

	Notes	2024	2023	2024	2023
		Group	Group	Company	Company
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	10	11,194	11,408	11,320	11,552
Tangible assets	11	33,806	24,574	33,669	24,331
Investments	12a	2,898,441	2,546,372	1,338,701	1,338,701
Derivative assets	12a	25,263	136,790	-	-
		2,968,704	2,719,144	1,383,690	1,374,584
<b>Current assets</b>					
Debtors - receivable within one year	14	140,655	110,331	198,991	199,126
- receivable after one year	14	14,466	21,027	28,205	33,033
Defined benefit pension asset - due after one year	9	5,506	35,026	5,506	35,026
Bank deposit accounts		183,140	386,777	15,829	15,079
Cash at bank and in hand		42,596	64,909	37,813	35,303
		386,363	618,070	286,344	317,567
Creditors: amounts falling due within one year	15	(180,246)	(196,798)	(225,707)	(227,276)
<b>Net current assets</b>		206,117	421,272	60,637	90,291
<b>Total assets less current liabilities</b>		3,174,821	3,140,416	1,444,327	1,464,875
Creditors: amounts falling due after one year	16	(585)	(463)	(585)	(463)
Provision for liabilities	17	(771,094)	(764,121)	(734,580)	(732,500)
Derivative liabilities	12a	(140,926)	(170,251)	-	-
<b>Net assets</b>		2,262,216	2,205,581	709,162	731,912
<b>Accumulated funds</b>					
Income and expenditure		2,262,216	2,205,581	709,162	731,912
Funds available for members	22	2,262,216	2,205,581	709,162	731,912

The Parent Company's net contribution for the financial year was a surplus of £7.1m (2023: £5.9m surplus).

The financial statements were approved and authorised for issue by the Council on 9 April 2025 and were signed on it's behalf on 20 May 2025.



Graham Stokes  
Chair of the Council



Karen Miller  
Chief Executive

The Medical Protection Society Limited  
Registered Company No. 00036142

The notes on pages 53 to 74 form part of these financial statements.

Consolidated Statement Of Cash Flows

Year ended 31 December 2024

	2024	2023
	£'000	£'000
<b>Cash flows from operating activities</b>		
Net contribution for the year to funds available for members	86,517	76,303
<i>Adjustments for:</i>		
Amortisation of intangible assets	3,832	3,873
Depreciation of tangible assets	1,857	1,643
Revaluation of investment property	-	930
Foreign exchange translation	7,257	(9,384)
Interest received	(33,858)	(26,082)
Dividends received from fixed asset investments	-	(34)
Taxation charge	28,775	17,685
Net fair value losses recognised in Statement of Comprehensive Income	40,521	94,571
Losses on disposal of tangible fixed assets	432	11
Loss on disposal of intangible fixed assets	-	37
Increase in debtors	(66,472)	(38,624)
Increase in creditors	49,592	47,979
Increase in provisions	(10,192)	(24,029)
Net interest on defined benefit pension asset	(362)	(1,267)
<b>Cash from operations</b>	107,899	143,612
Income taxes paid	(37,276)	(22,969)
<b>Net cash generated from operating activities</b>	70,623	120,643
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(3,618)	(134)
Purchase of tangible assets	(11,521)	(910)
Proceeds from sale of fixed asset investments	922,825	930,727
Purchase of fixed asset investments	(1,351,164)	(527,292)
Interest received	33,858	26,082
Dividends received from fixed asset investments	-	34
<b>Net cash (used)/from investing activities</b>	(409,620)	428,507
<b>Net cash used in financing activities</b>	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	(338,997)	549,150
Foreign exchange translation	(4,903)	14,049
Cash and cash equivalents at beginning of year	944,592	381,393
<b>Cash and cash equivalents at end of year</b>	600,692	944,592

The notes on pages 53 to 74 form part of these financial statements.

Analysis Of Changes In Net Funds

	At 1 Jan 2024	Cash flow movement	Foreign exchange	At 31 Dec 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	64,909	(21,448)	(865)	42,596
Bank deposit accounts	386,777	(207,633)	3,996	183,140
Cash with investment managers	492,906	(109,916)	(8,034)	374,956
Net funds	944,592	(338,997)	(4,903)	600,692

Of the net funds held by MPS, £15.4m (2023: £14.7m) is held in trust on behalf of the MPS Periodical Payments Trust, which was established to provide security for payments to be made in satisfaction of periodical payment orders. The Trust’s funds, which are invested in a segregated managed cash portfolio, can only be used to meet liabilities resulting from periodical payment orders and are not available to settle any other MPS liabilities.

Funds at Lloyd’s are held in cash deposits but are not deemed to be readily available and therefore are not considered to meet the definition of cash or cash equivalents. See note 12a.

Consolidated Statement Of Changes In Equity

Year ended 31 December 2024

	Income and Expenditure  £'000
At 1 January 2023	2,140,786
Net contribution for the year	76,303
Actuarial losses	(11,508)
Total comprehensive income for the year	64,795
At 31 December 2023	2,205,581
Net contribution for the year	86,517
Actuarial losses	(29,882)
Total comprehensive income for the year	56,635
At 31 December 2024	2,262,216

Company Statement Of Changes In Equity

Year ended 31 December 2024

	Income and Expenditure  £'000
At 1 January 2023	737,564
Net contribution for the year	5,856
Actuarial losses	(11,508)
Total comprehensive income for the year	(5,652)
At 31 December 2023	731,912
Net contribution for the year	7,132
Actuarial losses	(29,882)
Total comprehensive income for the year	(22,750)
At 31 December 2024	709,162

The notes on pages 53 to 74 form part of these financial statements.

Notes to the Financial Statements

1 Company information

The Medical Protection Society Limited is a private company, limited by guarantee, registered in England with company number 00036142 at Level 19, The Shard, 32 London Bridge Street, London, SE1 9SG.

2 Basis of preparation of the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis, except for the modification to a fair value basis for certain financial instruments and investment property, as specified in the accounting policies below.

The financial statements are presented in Sterling (£) and are rounded to the nearest thousand (£'000).

The Group’s financial statements consolidate the financial statements of The Medical Protection Society Limited and its subsidiary undertakings, as detailed in note 13. The consolidation is prepared as at 31 December each year.

After reviewing the Company’s forecasts and projections, members of the Council have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For further detail on this assessment, see the Going Concern section, in the Report of the Council, which forms part of these financial statements, on page 46. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

3 Significant accounting judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below.

Provision for the future cost of claims (note 17)

Provision is made, as appropriate, for estimated future costs and damages, legal costs and claims handling costs expected to arise from all requests for assistance, which have been notified to MPS by 31 December, and in respect of which the Council has exercised its discretion to provide indemnity. These provisions require management’s best estimate of the costs that will be incurred. The timing of cash flows and the discount rates used to establish the net present value of the future settlements require management’s judgement and are detailed in the relevant accounting policy (note 4(k)).

No provision is made in the financial statements for potential claims that may arise from incidents that occurred before 31 December, but which had not been reported to MPS at that date. This is a key judgement area which the Council has considered in detail, concluding that these potential claims do not constitute a liability, as recognition is dependent on the exercise of discretion by the Council; and there is no constructive or legal obligation to recognise them until such discretion is exercised. The exercise of discretion by the Council is set out in the Articles of Association in paragraph 40.

In reaching this judgement, the Council considered whether members have a valid expectation that assistance will be provided, in full, with regards to all submitted claims. Having considered how discretion is exercised by MPS, the Council concluded that there cannot be a valid expectation that all requests for assistance will be met in full, and therefore that it is not appropriate to make a provision for potential claims that have not been reported by 31 December. However, the Council believes it is appropriate to make an estimate of the cost of these potential future claims when assessing the adequacy of MPS’s funding position. This estimate is disclosed in note 22.

Defined benefit pension scheme (note 9)

The Group has obligations to pay pension benefits to current and past employees who are members of the defined benefit pension scheme (“the scheme”). The cost of these benefits and the present value of the obligation are dependent on a number of factors, such as life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors, with guidance from external actuaries, in order to determine the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends.

Valuation of unlisted investments (note 12a)

Some of the investments held by the Group are not traded on active markets and so it is not possible to value the asset or liability using a quoted price in an active market. Where there is no quoted price available, it is sometimes possible to use observable market data for valuation; examples include forward foreign exchange contracts and interest rate swaps. Where there is an absence of quoted prices and observable market data, the Company relies on the valuation methodology applied by the investment manager to ascertain the fair value of the assets; these are disclosed in level 3 of the fair value hierarchy in note 12d.

The Council has judged that the valuation policies and controls, which the investment managers have in place for unlisted investments, are sufficient to be able to use the valuations provided to account for the investments at fair value.

Further details on the valuation of investments and derivatives are disclosed in the accounting policies section in notes 4(h) and 4(i).

Deferred tax (note 18)

In preparing the financial statements, members of the Council made the assumption that the equity investments, as shown in note 12(a), are held for long-term investment. The deferred tax payable on the change in fair value of these investments is taxable only at the point of disposal.

4 Principal accounting policies

(a) Consolidation

The Group financial statements comprise a consolidation of the financial statements of the Parent Company (the “Company”) and all of its subsidiary undertakings (together, the “Group”) as at 31 December and as identified in note 13.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at the fair value at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

As a Consolidated Statement of Comprehensive Income is published, the Parent Company has taken advantage of the exemption in section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements.

As a Consolidated Statement of Cash Flows is published, the Parent Company has taken advantage of the exemption in paragraph 1.12(b) of FRS 102 and has not included its own statement of cash flows in these financial statements.

(b) Subscription income

Subscription income comprises amounts receivable during the year, apportioned to accounting periods based on actual membership periods and stated at the fair value of the consideration receivable. It is recognised when the Company has performed its obligation to provide a period of membership, which allows members to seek assistance for incidents occurring during that period, and in exchange obtained the right to consideration. Income is not deferred beyond the end of the period of membership, as future benefits arising from that period of membership will be subject to the Council exercising its discretion to provide such benefits.



No geographical analysis of subscription income is shown because, in the opinion of the Council, it would be seriously prejudicial for the Group to do so.

**(c) Intangible assets and amortisation**  
Intangible assets are recognised at cost. Amortisation is provided on a straight-line basis against the cost of intangible assets so as to write them down to nil value over their expected useful lives. Where there is evidence of impairment, intangible assets are written-down to their current valuation, with any such write down being charged against net contribution to funds, within the Statement of Comprehensive Income. The expected useful lives of intangible assets are:

Intellectual property rights	5 years
Copyrights	22 years
Software	5-10 years

**(d) Tangible assets and depreciation**  
Tangible assets are recognised at cost. Depreciation is provided on a straight-line basis against the cost of tangible assets so as to write them down to their estimated residual value over their expected useful lives. Where there is evidence of impairment, tangible assets are written-down to recoverable amounts. Any such write down is recognised immediately against net contribution to funds, within the Statement of Comprehensive Income. The expected useful lives of tangible assets are:

Freehold buildings	40 years
Leasehold property	the term of the lease
Computers	4 years
Furniture and fittings	20 years
Office equipment	6.5 years
Motor vehicles	3 years
Land is not depreciated.	

**(e) Investment properties**  
Investment properties, for which the fair value can be measured reliably on an ongoing basis, are measured at fair value, annually, with any change recognised in net contribution to funds, within the Statement of Comprehensive Income.

**(f) Translation of foreign currency transactions**  
Income and expenditure in foreign currencies are translated to the Sterling equivalent at the rate ruling at the transaction date. Monetary assets and liabilities appearing in the balance sheet are translated at the rate of exchange ruling at 31 December. Any gains or losses are taken to net contribution to funds, within the Statement of Comprehensive Income.

**(g) Net investment income**  
Investment income is made up of interest, dividends, realised gains/losses and derivative income. Interest receivable is brought into account on an accruals basis, under the effective interest method, with derivative income and realised gains/losses accounted for when received/paid.

As equity investments are in pooled funds and unit trusts, dividend income is reinvested rather than distributed. Such income is therefore included within the fair value movement on investments rather than being recorded as dividend income.

**(h) Investments**  
Investments are recognised initially at fair value which is normally the transaction price. They are then subsequently measured as follows:

Listed investments (which include cash held by the investment managers awaiting investment) are subsequently measured at fair value, through the net contribution to funds, within the Statement of Comprehensive Income, using the bid-price. Changes in fair value are recognised in net contribution to funds.

Unlisted investments, for which an independent market valuation is available, are measured at fair value, through the net contribution to funds, within the Statement of Comprehensive Income.

Unlisted infrastructure funds are measured at fair value using a discounted cash flow valuation methodology. In this methodology the future cash flows that are expected to be generated by an asset and made available to the fund, for example through dividends or loan repayments, are estimated, and these are discounted back to the valuation date. The discount rate comprises a risk premium reflecting the uncertainty associated with the cash flows, and the risk-free interest rate applicable in the country in which the asset is located. The risk premium is determined as the implied risk premium at acquisition, unless there is an inherent change in the risk profile of the business which may necessitate a change. Foreign assets are converted using the exchange rate on the valuation date. Changes in fair value are recognised in net contribution to funds, within the Statement of Comprehensive Income.

The direct lending fund is carried at fair value. Fair value is determined by using the funds valuation approach which is based on a net asset value. Unlisted direct lending funds are measured at par value, including any deferred interest which has been capitalised up to the valuation date. If the senior debt or bond has an S&P Rating of “CCC+” or lower, a fair value is determined by applying a standardised valuation approach. Thereby, the fair enterprise value of the respective company is derived based on a fair enterprise value (EV) determination. The EV is computed using a variety of techniques including, but not limited to, determination based on latest EBITDA figures (or forecast/budgeted EBITDA figures) using public and private transaction multiples as comparables. Where the fair enterprise value determined above is less than the underlying company's net debt position, the investment is written-down to the fair value, calculated correspondingly.

The inflation opportunities portfolio and multi-asset credit investments are measured using the net asset values provided by the fund managers. The funds contain a variety of assets that are measured at fair value through the net contribution to funds, within the Statement of Comprehensive Income. 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. Collective Investment Schemes (CIS) are priced based on the valuation supplied by the administrator of the CIS. Financial assets include investments in open-ended investment funds. Fair value is based on the underlying fund administrator's calculation of net asset value per share, which will be the latest mid-prices published by the collective investment schemes, unless any adjustments are required for illiquidity, low trading volumes or any such factors that indicate that the mid-price may not be fair value.

For real estate debt funds, any underlying properties are valued in accordance with Practice Statement 4.2 of the Appraisal and Valuation Manual (1995) of the Royal Institution of Chartered Surveyors (RICS). For the ground rent element where the investment is in “strips”, the fair value is deemed to be equal to the historical cost, adjusted for amortisation and other payments received, less any impairment.

Investments in subsidiaries are stated at cost, less provision for impairment, where necessary, to reduce the book value to the recoverable amount.

**(i) Derivative financial instruments**  
Derivative financial instruments are recognised at fair value using a specified valuation technique (see below), with any gains or losses being reported in the Statement of Comprehensive Income. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

MPS currently targets a liability hedge of 100%, using a mix of physical assets and derivative exposures. This strategy is designed to cover both recognised liabilities and potential future costs; that is, costs related to incidents which have not yet been notified to us but where MPS may, in the future, apply discretion to support such requests. Collateral is received/given, in cash, to support derivative assets/liabilities, as appropriate. Gilt repurchases are used to generate cash for collateral when required. Any cash given remains an asset of MPS and any cash received is not recognised until the derivative position is realised. MPS retains economic ownership of gilts posted as collateral.

Interest rate swaps are valued on a daily basis by MPS's investment managers, using a detailed valuation methodology for a zero-coupon interest rate swap. Interest rate curves using real-time quotes from a number of market sources are used to value the swaps along with interpolation required to calculate the cash flow due, or payable, on each swap's floating rate leg. The investment manager reconciles the valuations on a daily basis, between their own systems and those of the counterparty. In addition, an independent third-party agent is also used to value the trades. A three-way reconciliation process ensures that the valuations are in line with the market on any given day and enables variations in valuation between the investment manager and the counterparty to be investigated in a timely manner.

A third-party currency management system is utilised by MPS's investment managers to obtain valuations for foreign exchange forward contracts. This system uses WM Reuters Fix rate to value the open market contracts against the traded rate. The number of contracts and market value difference is reconciled against counterparties daily and material variances flagged for further investigation.

In addition, the Group's investment managers are permitted to hold derivative financial instruments to enhance investment returns. These instruments are measured at fair value, with any changes in value, and gains or losses, credited or charged against net contribution to funds, within the Statement of Comprehensive Income.

The currency swaps are not designed to be a perfect hedge and the Group has not adopted any form of hedge accounting.

**(j) Cash deposits**  
Cash deposits (consisting of bank deposit accounts, and cash at bank and in hand) are held to meet working capital requirements or when awaiting long-term investment within MPS's managed portfolios. A range of deposit accounts and cash equivalents, such as liquidity funds, are used for this purpose. The funds are kept liquid with the vast majority available on call.

Cash equivalents are short-term, highly liquid assets, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(k) Provisions for liabilities Costs and damages for claims**  
Provisions are created, as appropriate, for estimated future costs and damages, legal costs and claims handling costs expected to arise from all claims that have been notified to MPS by 31 December in respect of which the Council has exercised its discretion to provide indemnity. The estimate of these costs is provided on an individual basis, by claims managers, along with an estimation of the likelihood that MPS will have to settle the claim. These estimates are stated before deducting estimated recoveries from insurers, which are disclosed separately within debtors. Estimated recoveries are reassessed quarterly.

The discounted future settlement values are deemed to be the best estimate of these costs. The unwinding of the discount is separately identified in the claims provision (note 17) and is disclosed as the impact of discounting within net contribution to funds, in the Statement of Comprehensive Income.

**Incurred but not reported (IBNR)**  
As a result of our Syndicate activities through the Lloyd's of London market, provisions are created, as appropriate, for estimated future claims costs which are expected to arise from insurance contracts where incidents have not been reported to the Syndicate at 31 December, but which are expected to be valid claims. The value of such claims is based on actuarial estimates, which take

into consideration the average settlement period. Due to the nature of these policies, these claims are not discounted, however, claims inflation was estimated to be 5.7% (2023: 8.7%). The Syndicate is separate to the discretionary activities of MPS and therefore this provision is only recognised on consolidation. Further information is available in note 17.

**Dilapidations**  
Provisions are created, as appropriate, for the estimated future cost of restoring leasehold property assets back to their original condition. Estimates are based on the present value of the expected cost required to settle the obligation, discounted, where appropriate, at a rate which is linked to the Group's return on investments.

**Onerous lease**  
Provisions are created, as appropriate, for the estimated, unavoidable, future cost of any lease commitment where those costs are deemed to be in excess of the future economic benefits. Any such provision is recognised at the point that the lease becomes onerous.

Provisions for onerous leases are reversed where the economic benefits of a given lease outweigh the committed cost.

**(l) Tax**  
Current tax is recognised for the amount of corporation tax payable in respect of the taxable surplus for the current or past reporting periods, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except otherwise as indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable gains. 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 difference.

The tax (charge)/credit is presented either in net contribution to funds, within the Statement of Comprehensive Income, or in equity, depending on the transaction that resulted in the tax (charge)/credit.

Deferred tax liabilities are presented within provisions and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the Group has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to taxes levied by the same taxation authority.

**(m) Pensions**  
MPS operates two types of pension scheme: defined contribution and defined benefit.

A defined contribution scheme is a pension scheme under which the Group pays fixed contributions and provides no guarantee as to the quantum of retirement benefits that those contributions will ultimately purchase. A defined benefit scheme is one that is not a defined contribution scheme. The assets of both schemes are invested and managed independently of MPS's finances.

**Defined contribution schemes**  
The costs of the defined contribution pension schemes (the contributions) are charged to the Statement of Comprehensive Income in the year to which they relate.

**Defined benefit schemes**  
The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current cost period to calculate current service cost, and to the current and prior periods to determine the present value of defined benefit obligations, and is based on actuarial advice. When a settlement or a curtailment occur, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss, which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit asset/liability by the discount rate at the start of the period, taking into account any changes in the net defined benefit asset/liability during the period as a result of contribution and benefit payments. The net interest is recognised in net contribution to funds, within the Statement of Comprehensive Income, as other finance income, or cost.

Remeasurements, including actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit asset/liability (excluding amounts included in net interest), are recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to net contribution to funds, within the Statement of Comprehensive Income, in subsequent periods.

The defined benefit pension asset, or liability, in the Balance Sheet comprises the total present value of the defined benefit obligation, calculated using a discount rate based on UK gilts, less the fair value of plan assets, out of which the obligations are to be settled. Fair value is based on market price information, and in the case of quoted securities, is the published bid price.

Defined benefit pension scheme surpluses are limited to the extent they are considered recoverable, either through reduced contributions or agreed refunds from the scheme.

The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the scheme, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, the Company considers the rate of return from UK gilts and future RPI inflation by deriving a single-weighted average over the appropriate Bank of England curve (extrapolated for years beyond 25) taking account of the scheme's projected benefit cash flows at each duration. The mortality rate is based on publicly available mortality tables for the UK.

Further information on the structure of the defined benefit scheme is contained within note 9.

**(n) Operating leases**  
Leases where substantially all of the risks and rewards of ownership are not transferred to the Group are treated as operating leases. Rentals under operating leases are charged against net contribution to funds, within the Statement of Comprehensive Income, on a straight-line basis, over the period of the lease.

Operating lease incentives are recognised, on a straight-line basis, as a reduction of the rental expense, over the term of the lease.

**(o) Current assets and liabilities**  
Current assets and liabilities (except in relation to the defined benefit pension scheme) are measured at the present value of future cash flows. These amounts are tested for impairment, with any impairment charged against net contribution to funds, within the Statement of Comprehensive Income.

5a Education, publications and external relations

Included under this classification are costs associated with developing and delivering education and risk management services to members, the aim of which is to reduce risk; liaising with regulators, legislators and professional representative bodies around the world, on behalf of members and wider healthcare professions, on matters relevant to MPS and to members.

5b Administration expenses

	2024	2023
	£'000	£'000

Included under this classification are:

Operating lease rentals:		
- Land and buildings	2,756	2,697
- Office equipment	158	54
Depreciation of fixed assets	1,857	1,643
Amortisation of intangible assets	3,832	3,873
Employer contributions to defined contribution pension schemes	8,364	7,657
Onerous lease provision	-	(7,932)

Auditor's remuneration:

Services to the Company and its subsidiaries		
Fees payable to the Company's auditor for the audit of the annual financial statements	260	221

Fees payable to the Company's auditor and its associates for other services:		
Audit of the financial statements of the Company's subsidiaries pursuant to legislation	136	129

Services to the Company's associated pension scheme		
Audit of the financial statements of the Scheme pursuant to legislation	16	15

The largest proportion of Administration expenses relates to wages and salaries costs, along with associated employee benefits. See note 8 for further details.

5c Exchange movements

The majority of the (gains)/losses in exchange movements relate to the restatement of cash and investment assets held to match those liabilities denominated in foreign currencies. These (gains)/losses are substantially offset by a corresponding increase/decrease within regional claim liabilities, which are included in Claims costs and associated legal costs within the Consolidated Statement of Comprehensive Income.

6 Net income from investments

	2024	2023
	£'000	£'000
Bond and gilt interest	87,580	92,741
Bank interest	33,858	26,082
Other investment (cost)/income	(3,693)	13,233
Derivative gains	40,467	35,279
Dividend income	-	34
	158,212	167,369

Other investment income includes distributions from the infrastructure, real estate debt, multi-asset credit and inflation opportunities funds.

As disclosed in note 4(g), dividend income from MPS's equity investments is not distributed but is reinvested and therefore included in the change in fair value of investments rather than as net income from investments in the Consolidated Statement of Comprehensive Income.

7a Tax charge on income and gains/(losses) from investments

	2024	2023
	£'000	£'000
Current tax:		
UK corporation tax	17,287	23,312
Adjustments in respect of prior years	5,427	493
Overseas taxation	2,236	114
Total current tax	24,950	23,919

Deferred tax:		
Origination and reversal of timing differences	10,465	(2,718)
Changes in the tax rate	-	112
Adjustment in respect of prior years	(6,640)	(3,628)
Total deferred tax	3,825	(6,234)

Tax charge on investment incomeand gains/(losses) in the consolidated statement of comprehensive income	28,775	17,685
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7b Factors affecting the tax charge for the year

The effective tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the United Kingdom at 25%, (2023: 23.5% hybrid rate). The differences are explained as follows:

	2024	2023
	£'000	£'000
Contribution before tax	115,292	93,988

Income and net gains from investments multiplied by the standard rate of corporation tax in the UK of 25% (2023: 23.5% hybrid rate)

	28,823	22,087
RPI linked indexation	(481)	(595)
Adjustment in respect of prior years – current tax	5,427	493
Adjustment in respect of prior years - deferred tax	(6,640)	(3,628)
Disallowable mutual trade activity	(610)	(719)
Overseas taxes paid	-	105
Difference in tax rates	-	(138)
Foreign tax	2,236	37
Deferred tax not recognised	39	72
Utilisation of losses brought forward	(19)	(29)
Tax charge for the year	28,775	17,685

The disallowable mutual trade activity above is the balance of members' subscription income less related expenditure, which, due to MPS's mutual status, is not subject to corporation tax.

The aggregate current and deferred tax relating to items that are recognised as items of Other Comprehensive Income is £nil (2023: £nil).

7c Factors that may affect future tax charges

The UK corporation tax rate for the year is 25% (2023: 23.5% hybrid rate). An increase in the main rate of UK corporation tax, to 25%, was enacted in 2021, with an effective date of 1 April 2023. Consequently, deferred tax has been provided at 25% on all investments held (2023: 25%), that are expected to be retained beyond 2024. Any increase in the UK corporation tax rate will increase future tax charges and balances accordingly.



8 Directors and employees

The average number of people, including Directors and all members of the Council, employed in the provision of services to members during the year was 1,006 for the Group (2023: 1,019) and 940 for the Company (2023: 952). Costs in respect of these employees were:

	2024	2023	2024	2023
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Wages and salaries	52,417	50,514	49,810	47,512
Social security costs	5,785	5,315	5,605	5,221
Pension costs	8,626	8,187	8,314	7,858
	66,828	64,016	63,729	60,591

Employee costs are apportioned between Claims costs and associated legal costs, Advisory costs and associated legal costs, Administration expenses, and Education, publications and external relations, within the Consolidated Statement of Comprehensive Income. The apportionment reflects the benefits obtained across these areas.

	Salary/fees £'000	TB £'000	PR <sup>1</sup> £'000	Other £'000	PEN £'000	Total £'000	EXPS <sup>2</sup> £'000	2023 £'000
<b>Executive members</b>								
Simon Kayll (Chief Executive) (retired 31 December 2023)	-	-	-	-	-	-	-	589
Karen Miller (Chief Executive) <sup>3</sup> (appointed 13 February 2024)	373	11	47	105	20	556	-	-
Richard Pile (appointed 26 July 2023)	292	14	119	-	26	451	-	155
<b>Non-Executive members</b>								
Ian Eardley	62	-	-	-	-	62	2	93
Fiona Cornish	43	-	-	-	-	43	-	45
Stuart Purdy	61	-	-	-	-	61	6	58
David Roytowski	40	-	-	-	-	40	22	38
Graham Stokes	82	-	-	-	-	82	12	54
Michael Urmston	51	-	-	-	-	51	1	49
Tom Weitzman	40	-	-	-	-	40	-	46
Callum Youngson	52	-	-	-	-	52	3	51
Meghana Pandit	38	-	-	-	-	38	1	38
Edmund Morris	44	-	-	-	-	44	2	41
Gozie Offiah	48	-	-	-	-	48	2	40
Damien Marmion	48	-	-	-	-	48	-	49
Samantha Blackie <sup>4</sup>	75	-	-	-	-	75	2	49
Anthony Fung	35	-	-	-	-	35	-	34
Judith Husband	12	-	-	-	-	12	-	-
	1,396	25	166	105	46	1,738	53	1,429

Key:

TB Taxable Benefits - Includes car allowance and medical benefits.

PR Performance Reward - Includes the amount earned in the year for targets achieved in the current year as well as an amount earned in the year which was deferred from previous years, where performance thresholds have been met in the current year and approval has been provided by the Remuneration and Nominations Committee. These amounts are paid in the following March.

PEN Employer pension contributions – Includes contributions to defined contribution schemes or via alternative arrangements.

EXPS Non-Executive Directors are reimbursed for expenses incurred. In some cases, these are grossed up to account for any Tax or National Insurance liability in order that the expenses incurred is fully reimbursed.

<sup>1</sup>An additional performance reward is deferred and payable in three years, subject to certain performance thresholds being met and approval provided by the Remuneration and Nominations Committee. That bonus will be paid in March 2028.

<sup>2</sup>The total value of expenses reimbursed in the prior year was £23,000.

<sup>3</sup>The value shown in OTHER represents a payment made in March 2024 which was agreed as part of the recruitment process. MPS agreed to incorporate bonuses and awards that would be forfeited upon joining as part of the new CEO's remuneration package.

<sup>4</sup>Remuneration includes payments from 2023 in line with the date appointed as Senior Independent Director.

During the year, final payments of £138k were made to former Directors in relation to their services in that role (2023: Nil).

Executive Director performance reward achieved in 2024

	In-year 2024 Payable £'000	Deferred 2024 Payment (Potentially payable from 2025 - 2027) £'000
Karen Miller (Chief Executive)	47	47
Richard Pile	49	49

	In-year 2023 Payable £'000	Deferred 2024 Payment (Potentially payable 2024-2026) £'000
Simon Kayll (Chief Executive)	28	28
Richard Pile	18	42

9 Pensions

MPS operates two types of pension scheme: a funded, defined benefit pension scheme, which is administered under Trust, and a defined contribution pension scheme, which is overseen by the Defined Contribution Oversight Committee. The assets of both schemes are held independently of MPS's finances.

Contributions to the defined contribution scheme are charged to the Statement of Comprehensive Income in the year to which they relate.

Contributions to the defined benefit scheme were paid to the scheme in accordance with the Schedule of Contributions agreed between the Trustees and MPS. The defined benefit scheme was closed to new entrants on 1 November 2013, at which time the defined contribution scheme was introduced. On 30 September 2018, the defined benefit scheme was closed to future accrual, meaning no additional service has been accrued since that date and pension increases until retirement will be limited to RPI, rather than any assumptions on pay increases.

The funding of the defined benefit scheme is based on a triennial valuation. The last full actuarial valuation completed, and agreed, was as at 31 December 2023. This was signed on 30 January 2025. The valuation indicated that, on the agreed funding basis, the defined benefit scheme had a surplus of £3.8m. This compares to a surplus of £18m at the previous valuation, as at 31 December 2020. The valuation has then been further updated to the accounting date by an independent qualified actuary, including updating underlying membership data to reflect scheme membership as at 31 December 2024.

As a result of the funding position, there are currently no deficit contributions payable and therefore there is no 'minimum funding requirement' in force.

At the start of 2024, the Pension Trustees entered into a buy-in transaction with Rothesay, to match the liabilities of the MPS defined benefit pension scheme with an insurance policy. The liabilities will transfer to Rothesay and the pension scheme will be fully transferred in the next financial year.

The following tables set out, as at the reporting date, the key assumptions used for the defined benefit scheme, the fair values of the assets, analysed by asset class, the present value of the scheme liabilities, and the resulting pension surplus. Since the closure of the scheme to future accrual, any asset would not be recoverable through a reduction in future contributions to the scheme, however, it is recoverable on conclusion of the buy-out.

9Pensions

Amounts recognised in the Balance Sheet

	2024	2023
	£'000	£'000
Fair value of scheme assets	107,899	139,549
Present value of obligations	(102,393)	(104,523)
Defined benefit pension asset	5,506	35,026

Movement in the defined benefit pension asset

	2024	2023
	£'000	£'000
Opening defined benefit pension asset	35,026	45,267
Gain in net contribution to funds	362	1,267
Amount recognised in other comprehensive income	(29,882)	(11,508)
Closing defined benefit pension asset	5,506	35,026

Amounts recognised in the Statement of Comprehensive Income

	2024	2023
	£'000	£'000
Net interest income on defined benefit pension asset	1,549	2,086
Scheme administration fees	(1,187)	(819)
Total gain recognised in net contribution to funds	362	1,267
Remeasurements	(29,882)	(11,508)
Amounts recognised in other comprehensive income	(29,882)	(11,508)

Assets	2024		2023	
	%	£'000	%	£'000
Liability driven investment	-	-	82	114,469
Cash and net current assets	7	7,144	18	25,080
Annuity policy	93	100,755	-	-
Total	100	107,899	100	139,549

The fair value of scheme assets moved over the year as follows:

	2024	2023
	£'000	£'000
Opening fair value of scheme assets	139,549	143,072
Interest on assets	6,183	6,568
Benefits paid	(3,156)	(2,856)
Expenses paid	(1,187)	(819)
Actual return on plan assets less interest	(33,490)	(6,416)
Closing fair value of scheme assets	107,899	139,549
Actual return on assets	(27,307)	152

Liabilities

The present value of obligations moved over the year as follows:

	2024	2023
	£'000	£'000
Opening fair value of scheme assets	104,523	97,805
Interest on obligation	4,634	4,482
Benefits paid	(3,156)	(2,856)
Actuarial (gain)/loss	(3,608)	5,092
Closing fair value of scheme liabilities	102,393	104,523

Actuarial assumptions

	2024	2023
	% pa	% pa
Price RPI inflation	3.4	3.3
Discount rate	5.5	4.5
Pension increases (RPI 5%)	3.2	3.0
Pension increases (RPI 3%)	2.4	2.2

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 25.5 years (2023: 26.1 years) and a female pensioner currently aged 60 would be expected to live for a further 28.0 years (2023: 29.0 years). Allowance is made for future improvements in life expectancy.

As the scheme was closed to future accrual in September 2018, MPS did not make contributions during the year to 31 December 2024 (2023: £nil). No contributions are payable under the current schedule of contributions, as agreed with the Trustees.



10Intangible assets

	Software £'000	Copyrights £'000	Assets under construction £'000	Total £'000
<b>Group</b>				
<b>Cost</b>				
At 1 January 2024	33,824	16	-	33,840
Additions	1,310	-	2,308	3,618
Disposals	(393)	-	-	(393)
<b>At 31 December 2024</b>	<b>34,741</b>	<b>16</b>	<b>2,308</b>	<b>37,065</b>
<b>Amortisation</b>				
At 1 January 2024	22,416	16	-	22,432
Provided in year	3,832	-	-	3,832
Released on disposal	(393)	-	-	(393)
<b>At 31 December 2024</b>	<b>25,855</b>	<b>16</b>	<b>-</b>	<b>25,871</b>
<b>Net book value</b>				
<b>At 31 December 2024</b>	<b>8,886</b>	<b>-</b>	<b>2,308</b>	<b>11,194</b>
At 31 December 2023	11,408	-	-	11,408

	Software £'000	Copyrights £'000	Assets under construction £'000	Total £'000
<b>Company</b>				
<b>Cost</b>				
At 1 January 2024	33,805	394	-	34,199
Additions	1,310	-	2,308	3,618
Disposals	(393)	-	-	(393)
<b>At 31 December 2024</b>	<b>34,722</b>	<b>394</b>	<b>2,308</b>	<b>37,424</b>
<b>Amortisation</b>				
At 1 January 2024	22,397	250	-	22,647
Provided in year	3,832	18	-	3,850
Released on disposal	(393)	-	-	(393)
<b>At 31 December 2024</b>	<b>25,836</b>	<b>268</b>	<b>-</b>	<b>26,104</b>
<b>Net book value</b>				
<b>At 31 December 2024</b>	<b>8,886</b>	<b>126</b>	<b>2,308</b>	<b>11,320</b>
At 31 December 2023	11,408	144	-	11,552

Software additions include £nil (2023: £0.1m) of capital expenditure relating to the member administration IT system. The remaining amortisation relating to this asset at the end of 2024 is £7.5m, which will be released over its remaining useful economic life of two years.

The Group's intangible assets include intellectual property rights, being copyrights for educational training material, acquired by a Group company, The Cognitive Consulting Group Pty Limited (note 13).

The Company's intangible assets include copyrights purchased by the parent company, The Medical Protection Society Limited, from The Cognitive Consulting Group Pty Limited.

Assets under construction relate to the long-term development of membership systems which will further support claims and non-claims administration activity. As the assets is not yet available for use, no depreciation has been charged.

11Tangible assets

	Investment property £'000	Freehold land and buildings £'000	Leasehold property £'000	Computers, furniture, fittings and office equipment £'000	Total £'000
<b>Group</b>					
<b>Cost or valuation</b>					
At 1 January 2024	8,870	16,553	5,026	10,620	41,069
Additions	-	5	-	11,516	11,521
Disposals	-	(34)	-	(1,111)	(1,145)
<b>At 31 December 2024</b>	<b>8,870</b>	<b>16,524</b>	<b>5,026</b>	<b>21,025</b>	<b>51,445</b>
<b>Depreciation</b>					
At 1 January 2024	-	6,367	2,141	7,987	16,495
Charge in year	-	466	434	957	1,857
Disposals	-	(8)	-	(705)	(713)
<b>At 31 December 2024</b>	<b>-</b>	<b>6,825</b>	<b>2,575</b>	<b>8,239</b>	<b>17,639</b>
<b>Net book value</b>					
<b>At 31 December 2024</b>	<b>8,870</b>	<b>9,699</b>	<b>2,451</b>	<b>12,786</b>	<b>33,806</b>
At 31 December 2023	8,870	10,186	2,885	2,633	24,574

	Investment property £'000	Freehold land and buildings £'000	Leasehold property £'000	Computers, furniture, fittings and office equipment £'000	Total £'000
<b>Company</b>					
<b>Cost or valuation</b>					
At 1 January 2024	8,870	16,553	4,708	10,433	40,564
Additions	-	5	-	11,519	11,524
Disposals	-	(34)	-	(1,111)	(1,145)
<b>At 31 December 2024</b>	<b>8,870</b>	<b>16,524</b>	<b>4,708</b>	<b>20,841</b>	<b>50,943</b>
<b>Depreciation</b>					
At 1 January 2024	-	6,367	1,990	7,876	16,233
Charge in year	-	466	351	937	1,754
Disposals	-	(8)	-	(705)	(713)
<b>At 31 December 2024</b>	<b>-</b>	<b>6,825</b>	<b>2,341</b>	<b>8,108</b>	<b>17,274</b>
<b>Net book value</b>					
<b>At 31 December 2024</b>	<b>8,870</b>	<b>9,699</b>	<b>2,367</b>	<b>12,733</b>	<b>33,669</b>
At 31 December 2023	8,870	10,186	2,718	2,557	24,331

The investment properties were acquired in 2016 and 2017 in open market, arm's length transactions. The revaluation was conducted by an independent, third-party valuer, Jones Lang LaSalle, on an open market basis as at 31 December 2024.

The historical cost of investment properties held at fair value is £18.5m (2023: £18.5m).

All of the leasehold properties held at 31 December 2024, by the Group and by the Company, are short leaseholds.

Capital commitments

Capital expenditure approved and contracted for amounted to £3.4m in total (2023: £nil). £1.6m relates to the claims and non-claims cases administration system held in intangibles and £1.8m in relation to further redevelopment of property assets.

11a      Operating leases

The Company leases a small number of properties to third parties. These non-cancellable leases have remaining terms of between 1 and 8 years. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2024	2023	2024	2023
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Within one year	1,399	1,399	1,399	1,399
Between one and five years	3,785	4,513	3,785	4,513
Over five years	1,132	7,678	1,132	7,678
	6,316	13,590	6,316	13,590

12a      Investments and derivatives

Group		Total investments £'000	Total derivatives £'000
Valuation at 1 January 2024		2,546,372	(33,461)
Investment additions		1,351,164	-
Disposals at carrying value		(931,966)	-
Movement in cash balances		(108,810)	-
Transfers		-	-
Fair value adjustments		41,681	(82,202)
At 31 December 2024		2,898,441	(115,663)

Company		Total investments £'000
Investment in subsidiaries (note 13)		
Cost as at 1 January 2024		1,338,701
At 31 December 2024		1,338,701

Investments comprise	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Listed investments	1,466,409	767,619	-	-
Unlisted investments	1,005,125	1,243,036	-	-
Shares in group undertakings	-	-	1,338,701	1,338,701
	2,471,534	2,010,655	1,338,701	1,338,701
Funds at Lloyd's deposits	51,952	-	-	-
Cash	374,955	535,717	-	-
	2,898,441	2,546,372	1,338,701	1,338,701
Derivative financial instruments (12b):				
- assets	25,263	136,790	-	-
- liabilities	(140,926)	(170,251)	-	-
	(115,663)	(33,461)	-	-

For further information on derivative financial instruments, see note 12b.

All other fixed asset investments are measured at fair value with changes in value reflected in the net contribution to funds, within the Statement of Comprehensive Income.

Funds at Lloyd's deposits are held in cash deposits but are not deemed to be readily available.

12b      Derivative Financial Instruments

The following derivative financial instruments, recognised in note 12a, were held at the end of the year:

Interest Rate Swaps

Duration	Nature of contract	Notional value £'000	Asset £'000	Liability £'000
2yrs-10yrs	Pay fixed for floating	1,158,810	6,338	(131,525)

Forward Foreign Exchange Contracts

Duration	Nature of contract	Notional value bought ('000)	Asset £'000	Liability £'000
3 Months	Sell USD Buy HKD	2,200,000	-	(321)
3 Months	Sell USD Buy ILS	35,000	298	-
3 Months	Sell USD Buy MYR	142,000	-	(1,591)
3 Months	Sell USD Buy SGD	87,000	-	(2,877)
3 Months	Sell EUR Buy GBP	226,000	-	(3,745)
2 Months	Sell USD Buy GBP	95,832	-	(867)
3 Months	Sell GBP Buy USD	422,000	15,354	-
3 Months	Sell ZAR Buy GBP	144,470	3,273	-
			18,925	(9,401)
Total derivatives			25,263	(140,926)

12c      Collateral amounts given/received

The following collateral balances at fair value were held at the end of the year, relating to amounts given/received against unrealised losses/gains respectively on derivative financial instruments shown in note 12b.

Derivative held	Form of collateral	Given £'000	Received £'000
Interest rate swaps	Cash	144,850	-



12d Fair value hierarchy

Financial assets at fair value through net contribution to funds

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
<b>At 31 December 2024</b>				
Equities	170,123	-	-	170,123
Government and other bonds	851,899	-	-	851,899
Infrastructure	-	-	261,011	261,011
Multi-asset credit	444,387	-	123,095	567,482
Inflation opportunities portfolio	-	-	223,627	223,627
Real estate debt and ground rent	-	-	113,115	113,115
Direct Lending	-	-	284,277	284,277
	<b>1,466,409</b>	<b>-</b>	<b>1,005,125</b>	<b>2,471,534</b>
Derivative financial instruments	-	25,263	-	25,263
	<b>1,466,409</b>	<b>25,263</b>	<b>1,005,125</b>	<b>2,496,797</b>
<b>At 31 December 2023</b>				
Equities	183,836	-	-	183,836
Government and other bonds	336,347	-	-	336,347
Infrastructure	-	-	307,199	307,199
Multi-asset credit	247,436	-	319,543	566,979
Inflation opportunities portfolio	-	-	229,672	229,672
Real estate debt and ground rent	-	-	87,172	87,172
Direct Lending	-	-	299,450	299,450
	<b>767,619</b>	<b>-</b>	<b>1,243,036</b>	<b>2,010,655</b>
Derivative financial instruments	-	136,790	-	136,790
	<b>767,619</b>	<b>136,790</b>	<b>1,243,036</b>	<b>2,147,445</b>

Financial liabilities at fair value through net contribution to funds

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
<b>At 31 December 2024</b>				
Derivative financial instruments	-	(140,926)	-	<b>(140,926)</b>
<b>At 31 December 2023</b>				
Derivative financial instruments	-	(170,251)	-	<b>(170,251)</b>

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1
- Valued using quoted prices in active markets for identical assets.
- Level 2
- Valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1.
- Level 3
- Valued by reference to valuation techniques using inputs that are not based on observable market data.

13 Investments in subsidiary undertakings

The Parent Company has the following interests in subsidiary undertakings, with associated cost of parent investment as follows:

Name	Interest <sup>1</sup>	Cost (£'000)	Registered office	Nature of business
Dental Protection Limited	100%	-	32 London Bridge Street, SE1 9SG, England.	To provide insight on dental issues which impact MPS.
A.C.N 050132833 Pty Ltd	100%	-	RSM Australia, Level 13, 60 Castlereagh St, Sydney, NSW 2000	Holding company.
DPL Australia Pty Limited	100%	-	RSM Australia, Level 13, 60 Castlereagh St, Sydney, NSW 2000	To manage the administrative affairs of dental members in Australia and to act as a corporate authorised representative of MDA National.
MPS Holdings Australia Pty Limited	100%	10	RSM Australia, Level 13, 60 Castlereagh St, Sydney, NSW 2000	Holding company.
The Cognitive Consulting Group Pty Limited <sup>2</sup>	100%	-	RSM Australia, Level 13, 60 Castlereagh St, Sydney, NSW 2000	To provide communication skills and risk management training to healthcare professionals.
MPI (London) Limited	100%	1,307,001	32 London Bridge Street, SE1 9SG, England.	To manage the investment portfolio for MPS.
MPS Periodical Payment Trustee Limited	100%	40	32 London Bridge Street, SE1 9SG, England.	Corporate Trustee.
MPS (Hong Kong Services) Pte Ltd	100%	-	5/F Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong	To provide administration, training and oversight functions relating to MPS members in Hong Kong.
MPS South Africa Services (Pty) Ltd	100%	-	Executive City, Cnr Cross Str and Charmaine Ave, President Ridge, Randburg, Gauteng, 2194, South Africa.	To provide administration, training and oversight functions relating to MPS members in South Africa.
MPS (Singapore Services) Pte. Ltd	100%	-	10 Changi Business Park Central 2, #05-01, Hansapoint @CBP, Singapore (486030).	To provide administration, training and oversight functions relating to MPS members in Singapore.
MPSUW Limited	100%	500	32 London Bridge Street, SE1 9SG, England.	An approved Lloyd's of London Coverholder; distributing medical malpractice insurance policies to corporate healthcare providers.
MPSUW South Africa (Pty) Limited <sup>2</sup>	100%	-	1st Floor Block B North Park Black River Park, 2 Fir Street, Observatory, Western Cape, 0000, South Africa.	Setup to facilitate the distribution of medical malpractice insurance to corporate healthcare providers in South Africa.
MPSUW Ireland Limited <sup>2</sup>	100%	-	25-28 North Wall, Dublin 1, D01H104, Ireland	Setup to facilitate the distribution of medical malpractice insurance to corporate healthcare providers in Ireland.
MPSCM Limited	100%	31,150	32 London Bridge Street, SE1 9SG, England.	A Corporate Member of Lloyd's of London; supporting the underwriting activities of the MPS Lloyd's syndicate.
Medical and Dental Defence Services Limited	100%	-	6A Palmiste Drive Philippine, La Romain, 651222, Trinidad & Tobago.	To provide administration, training and oversight functions relating to MPS members in Trinidad & Tobago.
MPSJS Limited	100%	-	48 Duke Street, Kingston CSO, Kingston, Jamaica.	To provide administration, training and oversight functions relating to MPS members in Jamaica.
<b>1,338,701</b>				

<sup>1</sup>Parent interest in ordinary shares and voting rights. No changes through the current year.  
<sup>2</sup>Indirectly owned by MPS.

All of the subsidiaries listed operate principally in their country of registration.

14Debtors

	2024	2023	2024	2023
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Receivable within one year				
Membership debtors	95,996	89,817	95,996	89,817
Trade debtors	18,080	2,580	17,361	396
Recoverable insurance claims	8,079	11,249	9,610	12,583
Amounts due from subsidiary undertakings	-	-	68,322	89,529
Other debtors	9,356	788	288	755
Prepayments	3,476	5,897	7,414	5,847
Corporation tax recoverable	5,668	-	-	199
	140,655	110,331	198,991	199,126
Receivable after one year				
Deferred tax asset	38	-	-	-
Recoverable insurance claims	14,428	21,027	28,205	33,033
	14,466	21,027	28,205	33,033
Total debtors	155,121	131,358	227,196	232,159

One of the loan balances within amounts due from subsidiary undertakings, to the Parent Company, is interest bearing at a rate of SONIA +3% (2023: SONIA +3%) and is subject to a fixed charge over the investments, interest, dividends and other income of the subsidiary as well as a floating charge over the whole of that company's undertakings. Such arrangements are repayable on demand.

All other amounts are non-interest bearing, unsecured and repayable on demand.

Recoverable insurance claims relate to amounts due from historical contracts of insurance, entered into by the Company, to reduce the impact of the highest value claims made against our members. These contacts are underwritten by a number of insurers with funds recovered over extended periods. Based on past experience, it is estimated that the largest proportion of the recoverable will be received after more than one year.

15Creditors: amounts falling due within one year

	2024	2023	2024	2023
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Trade creditors	18,323	16,721	17,939	16,161
Other creditors and accruals	16,825	29,241	61,597	67,189
Deferred subscription income	143,105	142,184	143,078	140,115
Amounts owed to subsidiary undertakings	-	-	976	1,813
Corporation tax	-	6,562	168	-
Other taxes and social security	1,993	2,090	1,949	1,998
	180,246	196,798	225,707	227,276

Amounts owed to subsidiary undertakings from the Company are unsecured and repayable on demand.

16Creditors: amounts falling due after one year

	2024	2023	2024	2023
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Other creditors and accruals	585	463	585	463

17Provision for liabilities

	Deferred tax	Reported negligence claims	Reported other claims	Claims handling	IBNR	Property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
At 1 January 2024	20,792	592,703	44,231	88,027	10,711	7,657	764,121
Movements in the Statement of Comprehensive Income:							
- Claims costs and associated legal costs	-	134,189	-	17,229	1,052	-	152,470
- Advisory costs and associated legal costs	-	-	38,769	23,928	-	-	62,697
- Deferred taxation	3,825	-	-	-	-	-	3,825
- Impact of discounting	-	21,975	2,209	-	-	-	24,184
Paid	-	(149,676)	(27,742)	(58,785)	-	-	(236,203)
At 31 December 2024	24,617	599,191	57,467	70,399	11,763	7,657	771,094

The provision for reported negligence claims, is the estimated, discounted, future settlement values for damages and legal costs, in respect of all negligence claims, notified by 31 December, where discretion has been exercised to support the claim.

The provision for reported other claims is the estimated, discounted, future settlement value of legal costs relating to other cases, notified by 31 December.

The provision for claims handling is the estimated cost of managing all recognised claims to conclusion, that is, where MPS has been notified and discretion has been exercised to support the claim.

MPS uses its internal staff to determine accurate estimates for individual claims, based on past experience and factors relevant to each claim. In addition, MPS uses the experience of its internal actuarial team, to review the internal, individual claim estimates, and historical claims data, to arrive at a statistical reserve for the likely cost of all reported claims.

The principal financial assumptions used in the calculation of the claims provision are that average claims inflation will be similar to an average of historic inflation, per annum, over the period to payment. The allowance for inflation is now applied implicitly by the internal actuarial team using standard actuarial techniques, with the approach having been approved by the Asset and Liability Committee. This is a change to previous years where estimates of historical inflation were stripped out of historical data and explicit assumptions estimated and applied by territory, by the internal actuarial team, having been approved by the Asset and Liability Committee.

The assumed investment returns used to discount future claims payments back to the Balance Sheet date, are based on risk-free yield curves published by the European Insurance and Occupational Pensions Authority (EIOPA), as at the year end. For Ireland and South Africa, the yield curves for these countries are used. For all other regions the UK yield curve is used. The average period to payment is estimated as 3.4 years (2023: 2.1 years). The payment delay is estimated by region, by the internal actuarial team.

The impact of discounting reflects the unwinding of the discount in the provision. The calculation of the finance cost used the EIOPA risk-free yield curves as at the end of the prior year to unwind the discount over the current year, with the UK yield curve used for all business other than South Africa, which used the South African yield curve.

The timing of individual claim payments is uncertain, as they are the subject of litigation.

There are no amounts charged in the year for deferred tax relating to items of Other Comprehensive Income (2023: £nil).

The provision for IBNR relates to insurance contracts, bound under our arrangements through Lloyd's of London.

Property provisions relate wholly to leasehold properties. The balance relates in part to dilapidations, being the estimated cost for restoring two leasehold property assets back to their original condition. More significantly, the total balance includes a charge for the future commitments, until the end of the lease, for the currently vacant proportion of one of those properties.



17 Provision for liabilities

	Reported negligence claims £'000	Reported other claims £'000	Claims handling £'000	Dilapidation £'000	Total £'000
Company					
At 1 January 2024	592,704	44,231	87,908	7,657	732,500
Movements in the year:					
Charged to the statement of comprehensive income					
- Claims costs and associated legal costs	142,468	-	17,171	-	159,639
- Advisory costs and associated legal costs	-	38,769	23,928	-	62,697
- Impact of discounting	21,975	2,209	-	-	24,184
Paid	(157,955)	(27,742)	(58,743)	-	(244,440)
At 31 December 2024	599,192	57,467	70,264	7,657	734,580

18 Deferred tax

Deferred tax, provided at 25% (2023: 25%) in the Financial Statements, is set out below:

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Timing differences on fixed asset equity investments	24,617	20,792	-	-

19 Commitments

MPS has guaranteed that its subsidiaries have adequate resources to meet their liabilities as they fall due.

Capital commitments are disclosed in note 11. For operating commitments, the future minimum operating lease payments for the Group and the Company, under non-cancellable commitments are as follows:

Operating lease commitments

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Land and buildings:				
Within one year	2,627	2,576	2,542	2,486
Between one and five years	9,752	9,650	9,752	9,585
Over five years	4,239	6,590	4,239	6,590
	16,618	18,816	16,533	18,661
Office equipment:				
Within one year	52	13	52	12
Between one and five years	115	8	115	7
	167	21	167	19

20 Financial assets and liabilities

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Financial assets measured at fair value through net contribution to funds				
- Listed investments	1,466,409	767,619	-	-
- Unlisted investments	1,005,125	1,243,036	-	-
- Interest rate swaps	6,338	133,002	-	-
- Forward foreign exchange contracts	18,925	3,788	-	-
	2,496,797	2,147,445	-	-

Financial assets that are debt instruments measured at amortised cost

- Amounts due from subsidiary undertakings	-	-	68,322	89,529
- Cash held within fixed asset investments	426,907	535,717	-	-
- Bank deposit accounts	183,140	386,777	15,829	15,079
- Cash at bank and in hand	42,596	64,909	37,813	35,303
- Membership debtors	95,996	89,817	95,996	89,817
- Trade debtors	17,380	524	17,361	396
- Other debtors	9,347	774	288	755
- Reinsurance debtors	22,507	32,276	37,815	45,616
	797,873	1,110,794	273,424	276,495

Financial liabilities at fair value through net contribution to funds

- Interest rate swaps	(131,525)	(148,406)	-	-
- Forward foreign exchange contracts	(9,401)	(21,845)	-	-
	(140,926)	(170,251)	-	-

Financial liabilities measured at amortised cost

- Amounts owed to subsidiary undertakings	-	-	(976)	(1,813)
- Other creditors	(30)	(29)	-	-
- Accruals	(14,947)	(26,533)	(59,837)	(65,040)
- Trade creditors	(18,322)	(16,721)	(17,939)	(16,161)
	(33,299)	(43,283)	(78,752)	(83,014)

The Group purchases forward foreign currency contracts to hedge specific currency exposure. The assets and liabilities are held at fair value through net contribution to funds as at the Balance Sheet date and are determined using quoted prices. Further details on the valuation of derivatives are provided in note 4(i).

21 Financial risk management

The Group has a centralised treasury function which manages the investment strategy, liquidity and other financial risks in accordance with Council approved Treasury Policies. The objective of the policies and controls that are established is to mitigate the risk of an adverse impact on the performance of the Group as a result of its exposure to financial risks arising from the Group's operations. It is the Group's policy not to engage in speculative trading of financial instruments.

The Council retains ultimate responsibility for treasury activity and is involved in key decision making. The Asset and Liability Committee is established to provide governance and oversight to treasury activity, within delegated authority limits, and formally reports to the Council.

Market risk

Subscriptions collected in any one year are invested until such time as they may be needed to pay the costs arising from the year in which the subscriptions were received. The greater the investment return which MPS aims to achieve from these invested assets, the greater the fluctuations in the value of those assets, and thus, the greater the risk

that MPS will see a fall in the value of those assets. Such volatility in the value of MPS's assets is, when asset values fall, damaging to the strength of the Balance Sheet, and significant volatility in investment returns makes it more difficult to plan for the longer-term.

MPS has historically adopted a prudent investment strategy which carefully identifies and sets limits on the levels of risk acceptable in its portfolio, thereby reducing the likely volatility of returns. These limits necessarily restrain the potential returns achievable from the portfolio but help safeguard against significant deterioration in the strength of the Balance Sheet. External professional advice is regularly sought, and investment performance is subject to detailed review in conjunction with advisers. Wherever practical, risks arising from currency fluctuation and investment liquidity are minimised.

The risk of asset value volatility is addressed in a number of ways. Firstly, a significant portion of assets is held in bonds and short-term money market funds, which generally have a lower level of volatility. Secondly, those assets held primarily to achieve an investment return are invested

in a diverse portfolio. The equity element of these assets is held in a number of different portfolios, each investing in different geographic areas; and the equities are augmented by other return-seeking assets which help to reduce volatility further, because returns from these assets are less than perfectly correlated with the returns from equities.

Interest rate/inflation risk

MPS currently holds a significant, portion of its invested assets in bonds. An increase in interest rates will cause a fall in the price (value) of bonds, as bond prices move inversely to changes in interest rates.

Interest rate exposure for bond assets has historically been mitigated by having a broad range of bond holdings, with different sensitivities to interest rate movements. Further mitigation is provided by the ability to reduce the tax charge as a result of indexation.

The impact on MPS's liabilities is more complicated. The main influences on the cost of large claims, particularly in the UK, are those elements that reflect compensation for future costs or losses; these are mainly loss of earnings and the cost of future care. An estimate of the lump sum required to provide for these future costs is determined by reference to the personal injury discount rate. The discount rate might be expected to change with changing interest rate expectations, but as noted in the Reserving Risk section, page 72, in the UK it is in fact fixed, by the Lord Chancellor.

MPS manages the risk inherent in our liabilities and in our estimate of potential future costs (see note 22), firstly by ensuring we have an appropriate investment make-up to closely match those liabilities and secondly by ensuring we have sufficient assets to allow a margin, in case of unexpected changes in interest and inflation rates. A derivative swap programme is in place to ensure that the overall portfolio maintains an appropriate level of interest rate and inflation expectation exposure matching for the associated liability risks, including those estimates for potential future costs (see note 22).

Credit risks

This is the risk that a third party, who owes money to MPS, will fail to pay. MPS has little risk from a failure by members to pay subscriptions, because if payments are not made, the non-paying members will not be entitled to the benefits of membership (such as advice or assistance with claims). MPS's main credit risk arises from a failure of our insurers, failure of a bank with which we hold deposits, or a failure of some of the counterparties involved in certain investments, including defaults within the direct lending portfolio and derivative financial instruments that form part of the investment portfolio.

MPS has a stated policy on the acceptable risk profile for its insurers. This policy states the requirement to spread the risk across a number of insurers and dictates the acceptable financial security rating for insurers. Bank credit ratings are reviewed before deposits are made with specific institutions, and deposits are spread across a number of counterparties to mitigate against bank failure. MPS does not review the credit risk of counterparties in derivative financial instruments but instead agrees parameters with its investment managers as to what security rating is acceptable for such counterparties. MPS does, however, receive collateral on revalued derivative positions, when appropriate. For the direct lending fund, the main mitigant against default risk is that the fund aims to be, and is, heavily weighted to senior secured debt, and as such direct lending benefits from better recovery rates than bond investors.

During the current year, MPS has maintained its position in credit funds in order to achieve modest increases to contractual returns and reduce market risk. These portfolios are held with experienced credit fund managers. Credit risk is managed by careful portfolio selection and diversification across managers.

Foreign currency risk

MPS holds assets to meet the costs of reported claims and potential future requests for assistance. Given that MPS supports members in several different countries, these costs may fall due in a number of different currencies. If the assets are not held in the same currency as the costs, then there is a risk that movement in exchange rates will alter the relative value of the assets to the costs.

MPS's strategy is to minimise currency mismatches between assets and future costs. This is achieved by either holding assets in the same currency, and to the same value, as the expected costs, or through a currency hedging programme designed to protect against currency mismatches.

Liquidity risk

This is the risk that MPS may have insufficient liquid assets available to meet payments when they fall due. This could either result in an inability to meet a required payment or the need to realise an illiquid investment before maturity, which could be costly.

In managing liquidity risk, MPS needs to balance the ability to gain an investment return on assets and the ability to have sufficient funds to pay liabilities as they fall due. MPS operates a sophisticated system through major clearing banks to ensure that an appropriate level of funds is available on a daily basis, when required, but that these are invested in pooled money market and liquidity funds at other times. In addition, these cash funds are supplemented by substantial holdings in liquid assets.

Reserving risk

MPS provides discretionary indemnity to members for the costs and damages associated with clinical negligence claims and the costs associated with other claims. At any time, there are, as a result of past adverse incidents, claims that have already been reported and claims that have not yet been reported (unreported potential claims). Subject to discretion, MPS will be responsible for all of these claims.

For MPS to be responsible for paying these claims, we need to be able to assess the value and ensure that MPS has sufficient assets (reserves) to meet the expected total costs. The value of these claims is estimated by MPS, and the reserving risk is that the eventual payments required to meet the claims may exceed the sums estimated.

The uncertainty around estimating the value of all claims is greater for unreported potential claims than for those that have been reported. For unreported potential claims, the uncertainties include the number and severity of claims arising, how long it is likely to take from the date of an adverse incident to the reporting of a claim, and how many of these may become large claims. The uncertainties for the reported claims are narrower, but still considerable. Note 22 includes further details on potential future claims.

In addition to the variation inherent in the claims, there are also external factors – mainly changes in legislation – which can have a profound impact on claim estimates.

The likelihood that our estimates for reported claims and unreported potential claims vary from the eventual payments required diminishes with the increasing size of the portfolio of risk. The geographical diversity of the portfolio also helps to reduce the overall variation between our estimates and the eventual payments required. A larger, more diversified portfolio of risk is less likely to be affected overall by a change that affects a subset of that portfolio.

MPS maintains a large, geographically diverse portfolio of risk and this is a key step in helping to reduce the variation of outcome around the expected mean.

A further step relates to ensuring the accuracy of the expected outcome in the first place, which relies heavily on the accuracy of data used and the quality of analysis in determining the expected outcome. We use the skill of our internal staff to determine accurate estimates for individual claims and ensure that skills are maintained through ongoing training initiatives.

Checks and balances in our internal systems allow regular review and monitoring of these estimates to help ensure a high degree of accuracy and consistency. MPS's internal actuarial team use the internal individual claim estimates, and relevant membership data, to advise on an appropriate statistical reserve for the likely cost of all reported claims and estimates of the potential future costs of unreported requests for assistance (see note 22).

Underwriting risk

MPS charges a subscription which is based, in part, on the expected volume and value of claims and cases that may arise against those members paying the subscription. There is a risk that the volume or value of claims and cases brought against those members will exceed the expectations contained within the subscriptions, resulting in MPS having not collected sufficient subscription income.

Again, the skill of staff and advisers is important, as is the quality of internal systems. In addition, MPS carefully reviews all membership applications and makes an assessment on those risks which we are willing to accept. MPS also runs an internal programme to identify individual members who appear to represent a higher-than-normal risk and seeks to work with them to reduce their risk. In a limited number of cases, members are not accepted into, or do not continue in membership, as their risks are considered to be too high. We continue to invest in improving and developing the systems, resources and processes involved in the management of member risk and have previously purchased insurance to reduce the impact of the highest value claims made against members.

22 Funds available for members

MPS seeks to hold a long-term surplus which is available to support requests for assistance that may arise in the future, both from current and past members. The principal reason this surplus is held is to meet the cost of potential claims against members for incidents that have already occurred, but which have not been notified to MPS prior to the year end. The cost of these potential claims is not recognised as a liability until MPS exercises its discretion to assist. However, the Council needs to take these potential future costs into careful consideration when managing the financial position of the Group. These Estimated Potential Future Costs (EPFC) are a key part in assessing the longer-term viability of the Group.

MPS estimates the expected cost of future requests for assistance, arising from incidents which have already incurred, by reference to past experience and projected trends of the potential number and magnitude of these requests. As discretionary indemnity is provided on an occurrence year basis and the period for actual claims to be made can be many years, the estimated projections require financial modelling over long emergence periods.

The Council engages its internal actuaries to help model and determine likely levels of future claims in accordance with relevant actuarial guidance. The level of future claims is, however, an estimate, and given the long-term nature of these potential requests, the actual costs of assisting with those matters, where assistance is granted, could vary considerably. MPS retains the absolute right not to assist but seeks to act in the interests of members, as a whole, when deciding to accept liability for claims emerging, and for the purposes of this disclosure has modelled the acceptance of requests at levels projected in line with prior years.

As at 31 December 2024, the Council's estimate of this potential future cost (EPFC), if it agrees to assist, is £813m (2023: £842m). A breakdown of this estimate is included below.

	Negligence claims £'000	Other claims £'000	Total £'000
Group			
At 1 January 2024	741,656	100,413	842,069
Movements:			
- Impact of foreign exchange	(10,852)	171	(10,681)
- Potential future claims costs and associated legal costs	3,393	5,803	9,196
- Potential future claims handling expenses	(6,359)	(2,241)	(8,600)
- Impact of discounting	(19,381)	73	(19,308)
At 31 December 2024	708,457	104,219	812,676

These potential costs do not constitute a liability, contingent or otherwise, and are therefore not recognised in the Balance Sheet, because recognition of the liability is subject to MPS exercising its discretion to assist, or not, (see accounting policy note 4(k) for further details). These potential requests may, to the extent to which the Council exercises that discretion to indemnify, become an MPS liability over time, under the occurrence basis of indemnity, which MPS provides to members, at which point such liabilities would be recognised in the Balance Sheet.

The disclosures above align to the requirements of the UK Code of Practice. Whilst the Code of Practice is specific to the UK, our estimate of potential future costs (EPFC) and the related assumptions cover all regions in which MPS operates, ensuring the longer-term viability assessment is relevant to the Group as a whole.

The estimate for negligence claims is the discounted, future settlement values for damages and legal costs, in respect of potential negligence claims which have not been notified to MPS but where an incident may have occurred prior to 31 December. Discretion has not been exercised to support such claims but may be exercised in the future, dependent on the individual circumstances.

The estimate for other claims is the discounted, future settlement value of legal costs relating to potential other cases, which have not been notified to MPS but where an incident may have occurred prior to 31 December. Discretion has not been exercised to support such cases but may be exercised in the future, dependent on the individual circumstances.

The estimate cost of handling potential future negligence and other non-claim cases to conclusion, should MPS exercise discretion to support these claims, is included within the total estimates above.

MPS uses its internal staff to determine accurate estimates for future claims based on past experience and factors relevant to each type of claim. MPS also uses the experience of its internal actuarial team along with historical claims data, to arrive at a statistical estimate for the potential cost of future claims.

Average future claims inflation is assumed to be similar to an average of historic inflation, per annum, over the period to payment. The allowance for inflation is applied implicitly by the internal actuarial team using standard actuarial techniques, with this approach having been approved by the Asset and Liability Committee.

Estimates of future claims payments are discounted back to the year end date using assumed investment returns based on risk-free yield curves published by EIOPA as at the year end. For Ireland and South Africa the yield curves for these countries are used. For all other regions the UK yield curve is used.



The longer-term funding adequacy of the Group is assessed by comparing EPFC against Funds available to members, as at the year end, to ensure MPS has sufficient net funds available to members to support requests for assistance now and in the future.

	2024	2023
	£'000	£'000
Group		
Funds available to members	2,262,216	2,205,581
EPFC	(812,676)	(842,069)
Net funds available to members	1,449,540	1,363,512

23 Summary of indemnity estimates

	2024	2023
Group	£'000	£'000
Indemnity Estimates		
- Reported negligence claims and other claims	743,074	719,770
- Estimated Potential Future Costs	1,004,607	1,008,144
- Discount credit	(346,527)	(304,083)
- Claims handling expenses	150,208	153,770
- Insurance recoveries	(11,892)	(18,386)
Total indemnity estimates	1,539,470	1,559,215

24 Obligations of Members

MPS has the right to call each year for additional funds from its members up to an amount equal to the annual subscription.

25 Guarantee

MPS is limited by guarantee not exceeding £1 per member.

26 Related party transactions

The Parent Company has taken advantage of the exemption in s33.1A of FRS 102 from disclosing transactions with wholly owned subsidiaries of The Medical Protection Society Limited.

As noted in the Report of the Council on page 42, ten (2023: ten) Non-Executive members of the Council have personal membership of MPS, which is purchased on a basis consistent with that of other members.

MPS considers the Council, members of its committees and the Executive Committee together to be its Key Management Personnel. The Executive Committee includes the Executive members of Council (as detailed on page 40), plus other Executive Directors of MPS that are not members of Council. This combined Group has aggregate remuneration of £4.4m (2023: £4.0m).





# A new world

The evolution of MPS

The Medical Protection Society Limited

2024 Annual Report  
& Financial Statements



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