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FORM AR21

To be used for reporting years starting on or after 6 April 2015

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	British Medical Association
Year ended:	31 December 2016
List no:	397T
Head or Main Office:	BMA House Tavistock Square London WC1H 9JP
Website address (if available)	www.bma.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	Dr Mark Porter
Telephone Number:	020 7383 6000
Contact name for queries regarding	Jay Patel
Telephone Number:	020 7383 6293
E-mail:	jpatel@bma.org.uk

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2017)

RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	77,339	2,709	80	1,736	82,864
FEMALE	74,883	2,876	60	1,025	78,844
TOTAL	153,222	5,585	140	2,761	A 161,708

Number of members included in totals box 'A' above for whom no home or authorised address is held:

2,203

Number of members at end of year contributing to the General Fund

155,552

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
President	Sir Al Aynsley-Green	Professor Pali Hungin	July 2016
Chair of RB	Dr Ian Wilson	Dr Anthea Mowat	July 2016

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

British Medical Association

Report and financial statements 2016

Officers and professional advisers

Members of Council

BMA council generally has 34 voting members, although this may be increased to a maximum of 38 voting members. Each is directly elected by the membership to give a geographical and cross-branch of practice mix. There are also a number of ex-officio non-voting members, including those who chair the many committees reporting to council.

Council sets the strategic direction of the BMA in line with policy decided by the representative body at the annual representative meeting. Council is responsible for the formulation of policy throughout the year and for ensuring the implementation of that policy. Council is the principal executive committee of the trade union.

Council also appoints members to central boards and committees, can establish additional committees and working groups.

Dr David Bailey
Dr JS Bamrah
Dr Philip Banfield
Dr Rob Barnett
Mr Charles John Mackinnon Bell
Dr Peter Bennie
Dr Keith Brent
Mr Harrison Carter
Dr John Chisholm
Dr Andrew Collier
Ms Amanda Cool
Dr Peter Curry
Professor Peter Dangerfield
Dr Jacqueline Davis
Dr Andrew Dearden (Treasurer)
Dr Thomas Dolphin
Dr Sam Everington
Dr Helen Fidler
Dr Claire Gerada
Dr Sundeep Grewal
Dr Sara Ann Hedderwick
Dr Peter Holden
Professor Pali Hungin (President)
Dr Marie-Louise Irvine
Mr Dominic Ian Aubrey-Jones
Dr Iain Thomas Robert Kennedy

Mr Amit Kochhar
Dr Flamed Nadeem Khan
Professor Parveen J Kumar
Mr Joseph Lippincott III
Mr Derek Machin
Dr Johann Malawana
Dr J Brendan McKeating
Dr Helena McKeown (Deputy chair of representative body)
Dr Lewis Morrison
Dr Kitty Mohan
Dr Anthea Mowat (Chair of representative body)
Dr Chaand Nagpaul
Dr Kevin O'Kane
Dr Clive Peedell
Dr Trevor Pickersgill
Dr Allyson Mary Pollock
Dr Mark Porter (Chair of council)
Professor Michael Rees
Professor Wendy Savage
Dr Radhakrishna Shanbhag
Dr Richard Vautrey
Dr Stephen Watkins
Dr Mark James Stewart Weir
Mr Rajiv Wijesuriya
Dr David Wrigley (Deputy chair of council)

BMA board of directors

The directors are responsible for the management of the finances and general administration of the BMA. They ensure the implementation of the strategic and operational objectives and resolutions made by council, pursuant to the Articles of the Association.

Dr Mark Porter, Chair of council
Mr Keith Ward, Chief executive
Dr Andrew Dearden, Treasurer
Dr Lewis Morrison (Council member)
Mrs Joan Howard, Lay member
Dr Anthea Mowat (appointed 23rd June 2016)

Mr Patrick Murphy, Finance and corporate services director
Dr JS Bamrah (appointed 11th August 2016)
Dr Clive Peedell (appointed 11th August 2016)
Dr Kailash Chand (Council member) (resigned 23rd June 2016)
Dr John Chisholm (Council member) (resigned 10th August 2016)
Dr Ian Wilson, Chair of the representative body (resigned 23rd June 2016)

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Officers and professional advisers

BMJ Publishing Group Limited board of directors

Mr Joseph Lippincott III (Chair)	Dr David Berger
Mr Timothy Brooks (resigned 31 st December 2016)	Dr Hamish Meldrum
Mr Peter Ashman (appointed 1 st January 2017)	Dr Kiran Patel
Dr Fiona Godlee	Mr Keith Ward
Mr Patrick Spencer	Mrs Jill Ainscough
Mr Alex Ritchie (appointed 26 th January 2017)	Ms Sharmila Nebhrajani
Dr Justin Whatling	

BMA Investments Limited board of directors

Mr Keith Ward	Dr Andrew Dearden
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Finance committee

Dr Andrew Dearden (Chair)	Dr Kitty Mohan
Dr David Bailey	Dr Andrea Mowat
Dr John Chisholm	Mr Patrick Murphy
Mr Jon Collins	Dr Mark Porter
Dr Clare Gerada	Mr Arslan Sharif
Dr Peter Holden	Dr Trevor Pickersgill
Mr Derek Machin	Mr Keith Ward

BMA audit and risk committee

Mr Stuart Cruickshank (Chair)	Dr J David Watts
Mr Jacques Cadranel	Dr Fay Wilson
Dr Helena McKeown	

Lawyers

Gateley Ship Canal House 98 King Street Manchester M2 4WU	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
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Bankers

NatWest
Tavistock Square Branch
PO Box 83
Tavistock House
Tavistock Square
London
WC1H 9XA

Registered Office

BMA House
Tavistock Square
London
WC1H 9JP

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

and names:

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GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		
Investment income (as at page 12)		
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		
Total of other income (as at page 4)		
		TOTAL INCOME
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		
		TOTAL EXPENDITURE
Surplus (deficit) for year		
Amount of general fund at beginning of year		
Amount of general fund at end of year		

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
TOTAL OTHER INCOME		
TOTAL OF ALL OTHER INCOME		

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	
		Education and Training services	
Representation – Non Employment Related Issues			
		Negotiated Discount Services	
Communications			
		Salary Costs	
Advisory Services			
		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
carried forward		Total (should agree with figure in General Fund)	

(See notes 24 and 25)

FUND 2		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 3		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

Number of members contributing at end of year

(See notes 24 and 25)

FUND 4		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 5		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

Number of members contributing at end of year

(See notes 24 and 25)

FUND 6		Fund Account	
Name:		£	£
Income			
From members			
Investment income (as at page 12)			
Other income (specify)			
	Total other income as specified		
	Total Income		
Expenditure			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 7		Fund Account	
Name:		£	£
Income			
From members			
Investment income (as at page 12)			
Other income (specify)			
	Total other income as specified		
	Total Income		
Expenditure			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

Number of members contributing at end of year

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£	£
Income	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union	
		£	£
Income	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount held on behalf of trade union political fund at beginning of year		
	Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

	£
Administrative Expenses	
Remuneration and expenses of staff	
Salaries and Wages included in above	£
Auditors' fees	
Legal and Professional fees	
Occupancy costs	
Stationery, printing, postage, telephone, etc.	
Expenses of Executive Committee (Head Office)	
Expenses of conferences	
Other administrative expenses (specify)	
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	
Mortgages	
Other loans	
Depreciation	
Taxation	
Outgoings on land and buildings (specify)	
Other outgoings (specify)	
Total	
Charged to:	
General Fund (Page 3)	
Fund (Account)	
Fund (Account)	
Fund (Account)	
Fund (Account)	
Total	

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary	Employers N.I. contributions	Benefits		Total	
	£	£	Pension Contributions £	Other Benefits		£
				Description	Value £	
Chair of BMA	40,348	4,449	0	0	0	44,797
Treasurer – Elected Official	110,769	13,249	15,508	0	0	139,526
Chair of RB – Elected Official	28,496	3,373	0	0	0	31,869

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
		Total investment income	
		Credited to:	
		General Fund (Page 3)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	

BALANCE SHEET as at

(see notes 47 to 50)

Previous Year		£	£
	Fixed Assets (at page 14)		
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Loans to other trade unions		
	Sundry debtors		
	Cash at bank and in hand		
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
	Total of other assets		
	TOTAL ASSETS		
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
	Sundry creditors		
	Accrued expenses		
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		
	TOTAL ASSETS		

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold Leasehold	£ £				
Cost or Valuation						
At start of year						
Additions						
Disposals						
Revaluation/Transfers						
At end of year						
Accumulated Depreciation						
At start of year						
Charges for year						
Disposals						
Revaluation/Transfers						
At end of year						
Net book value at end of year						
Net book value at end of previous year						

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)		
Market Value of Quoted Investment		
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		

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ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?

YES

NO

If YES name the relevant companies:

COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)

Are the shares which are controlled by the union registered in the names of the union's trustees?

YES

NO

If NO, state the names of the persons in whom the shares controlled by the union are registered.

COMPANY NAME	NAMES OF SHAREHOLDERS

(see notes 58 and 59)

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	51,313,000	0	51,313,000
From Investments	4,126,000	0	4,126,000
Other Income (including increases by revaluation of assets)	80,572,000	0	80,572,000
Total Income	136,011,000	0	136,011,000
EXPENDITURE (including decreases by revaluation of assets)	(162,201,000)	0	(162,201,000)
Total Expenditure	(26,190,000)	0	(26,190,000)
Funds at beginning of year (including reserves)	104,282,000	0	104,282,000
Funds at end of year (including reserves)	78,092,000	0	78,092,000
ASSETS			
Fixed Assets			11,056,000
Investment Assets			114,937,000
Other Assets			48,445,000
		Total Assets	174,438,000
LIABILITIES		Total Liabilities	(96,346,000)
NET ASSETS (Total Assets less Total Liabilities)			78,092,000

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

See statutory accounts.

ACCOUNTING POLICIES

(see notes 74 and 75)

See statutory accounts.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: _____ Name: <u>KEITH WARD</u> Date: _____	Chairman's Signature: _____ (or other official whose position should be stated) Name: <u>Dr M. PORTER</u> Date: <u>24 May 2017</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES

See below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
(See section 36(3) of the 1992 Act, set out in note 83)

In respect of (a) and (c) please refer to the auditor's report in the attached BMA group annual report and consolidated financial statements for the year ended 31 December 2016, which gives the equivalent opinion.

We confirm for (b) that we have carried out such investigations to confirm that the trade union has maintained a satisfactory system of control over its transactions in accordance with the requirements of section 28.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
(See section 36(4) of the 1992 Act set out in rule 83)

In respect of (a) please refer to the auditor's report in the attached BMA group annual report and consolidated financial statements for the year ended 31 December 2016, which gives the equivalent opinion.

In respect of (b), YES, we are of the opinion that the union has complied with section 28 of the 1992 Act and has established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

See attached BMA group annual report and consolidated financial statements for the year ended 31 December 2016.

AUDITOR'S REPORT (section one)

The above responses merely reference matters set out in our attached independent auditor's report to the British Medical Association on the financial statements of the British Medical Association for the year ended 31 December 2016 dated 13 April 2017 (the "annual financial statements auditor's report"). This report is not a substitute for reading the "annual financial statements auditor's report and the financial statements to which they relate. We have not performed any additional procedures in giving this report except for agreeing that the amounts and disclosures in the return are accurately extracted from the attached annual financial statements.

The above responses and the annual financial statements auditor's report, including the opinion, are made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature(s) of auditor or auditors:	See attached audit opinion.	
Name(s):	Reza Motazed	
Profession(s) or Calling(s):	Partner – Head of Charity and Not for Profit	
Address(es):	Deloitte LLP 2 New Street Square London EC4A 3BZ	
Date:	30/05/17	
Contact name and telephone number:	020 7007 7646	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

Independent auditor's report to the members of British Medical Association

We have audited the financial statements of British Medical Association for the year ended 31 December 2016 which comprise the Consolidated and Company income expenditure, the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

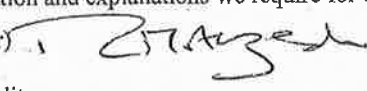
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

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

Matters on which we are required to report by exception

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

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

Reza Motazedzi (Senior Statutory Auditor) 
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

13/1/2017

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

YES/

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

1. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/


2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	Richard Thomas – Partner Capital Law
Address	Capital Law Solicitors, Capital Building, Tyndall Street, Cardiff, CF10 4AZ
Date	09 February 2018
Contact name and telephone number	Richard Thomas – 02920 474436

Company Registration No. 8848

British Medical Association

**Annual Report Financial Statements
for the year ended 31 December 2016**

British Medical Association

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British Medical Association

Report and financial statements 2016

Officers and professional advisers

Members of Council

BMA council generally has 34 voting members, although this may be increased to a maximum of 38 voting members. Each is directly elected by the membership to give a geographical and cross-branch of practice mix. There are also a number of ex-officio non-voting members, including those who chair the many committees reporting to council.

Council sets the strategic direction of the BMA in line with policy decided by the representative body at the annual representative meeting. Council is responsible for the formulation of policy throughout the year and for ensuring the implementation of that policy. Council is the principal executive committee of the trade union.

Council also appoints members to central boards and committees, can establish additional committees and working groups.

Dr David Bailey	Mr Amit Kochhar
Dr JS Bamrah	Dr Hamed Nadeem Khan
Dr Philip Banfield	Professor Parveen J Kumar
Dr Rob Barnett	Mr Joseph Lippincott III
Mr Charles John Mackinnon Bell	Mr Derek Machin
Dr Peter Bennie	Dr Johann Malawana
Dr Keith Brent	Dr J Brendan McKeating
Mr Harrison Carter	Dr Helena McKeown (Deputy chair of representative body)
Dr John Chisholm	Dr Lewis Morrison
Dr Andrew Collier	Dr Kitty Mohan
Ms Amanda Cool	Dr Anthea Mowat (Chair of representative body)
Dr Peter Curry	Dr Chaand Nagpaul
Professor Peter Dangerfield	Dr Kevin O'Kane
Dr Jacqueline Davis	Dr Clive Peedell
Dr Andrew Dearden (Treasurer)	Dr Trevor Pickersgill
Dr Thomas Dolphin	Dr Allyson Mary Pollock
Dr Sam Everington	Dr Mark Porter (Chair of council)
Dr Helen Fidler	Professor Michael Rees
Dr Claire Gerada	Professor Wendy Savage
Dr Sundeep Grewal	Dr Radhakrishna Shanbhag
Dr Sara Ann Hodderwick	Dr Richard Vautrey
Dr Peter Holden	Dr Stephen Watkins
Professor Pali Hungin (President)	Dr Mark James Stewart Weir
Dr Marie-Louise Irvine	Mr Rajiv Wijesuriya
Mr Dominic Ian Aubrey-Jones	Dr David Wrigley (Deputy chair of council)
Dr Iain Thomas Robert Kennedy	

BMA board of directors

The directors are responsible for the management of the finances and general administration of the BMA. They ensure the implementation of the strategic and operational objectives and resolutions made by council, pursuant to the Articles of the Association.

Dr Mark Porter, Chair of council	Mr Patrick Murphy, Finance and corporate services director
Mr Keith Ward, Chief executive	Dr JS Bamrah (appointed 11th August 2016)
Dr Andrew Dearden, Treasurer	Dr Clive Peedell (appointed 11th August 2016)
Dr Lewis Morrison (Council member)	Dr Kailash Chand (Council member) (resigned 23rd June 2016)
Mrs Joan Howard, Lay member	Dr John Chisholm (Council member) (resigned 10th August 2016)
Dr Anthea Mowat (appointed 23rd June 2016)	Dr Ian Wilson, Chair of the representative body (resigned 23rd June 2016)

British Medical Association

Report and financial statements 2016

Officers and professional advisers

BMJ Publishing Group Limited board of directors

Mr Joseph Lippincott III (Chair)	Dr David Berger
Mr Timothy Brooks (resigned 31 st December 2016)	Dr Hamish Meldrum
Mr Peter Ashman (appointed 1 st January 2017)	Dr Kiran Patel
Dr Fiona Godlee	Mr Keith Ward
Mr Patrick Spencer	Mrs Jill Ainscough
Mr Alex Ritchie (appointed 26 th January 2017)	Ms Sharmila Nebhrajani
Dr Justin Whatling	

BMA Investments Limited board of directors

Mr Keith Ward	Dr Andrew Dearden
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Finance committee

Dr Andrew Dearden (Chair)	Dr Kitty Mohan
Dr David Bailey	Dr Andrea Mowat
Dr John Chisholm	Mr Patrick Murphy
Mr Jon Collins	Dr Mark Porter
Dr Clare Gerada	Mr Arslan Sharif
Dr Peter Holden	Dr Trevor Pickersgill
Mr Derek Machin	Mr Keith Ward

BMA audit and risk committee

Mr Stuart Cruickshank (Chair)	Dr J David Watts
Mr Jacques Cadranet	Dr Fay Wilson
Dr Helena McKeown	

Lawyers

Gateley Ship Canal House 98 King Street Manchester M2 4WU	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
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Bankers

NatWest
Tavistock Square Branch
PO Box 83
Tavistock House
Tavistock Square
London
WC1H 9XA

Registered Office

BMA House
Tavistock Square
London
WC1H 9JP

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

British Medical Association

Report and financial statements 2016

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Strategy Review

In the UK, we represent doctors both individually and collectively on a wide variety of employment issues and, since the inception of the NHS, we have been formally recognised for collective bargaining purposes within national negotiating machinery and by individual employers at a local level.

As a professional body, through research and publishing we lead debate on key ethical, scientific and public health matters and award grants to encourage individual research in medicine.

Our strategic mission remains to “look after doctors so they can look after you” as this is designed to ensure we place our members and all doctors at the heart of what we do, so that they can concentrate on ensuring patients receive the best possible care, as we stand as one profession of doctors.

Governance

Representative body

The BMA policies are determined by doctors in local, regional and national forums. They send motions to the representative body (RB), which is the main policy-making body. The representative body is made up of 560 doctors from all parts of the profession. They come together at the annual representative meeting (ARM) to debate the motions and vote on them to formulate policy of the BMA.

Council

Council sets the strategic direction of the BMA in line with policy decided by the representative body at the annual representative meeting. Council is responsible for the formulation of policy throughout the year and for ensuring the implementation of that policy. Council is the principal executive committee of the trade union.

Board

The BMA board is tasked with directing the activities of the company in accordance with the Companies Act. The relationship with Council is via two routes:

- The articles of association of the company, which require the Board to ensure the implementation of strategic and operational objectives. Provided they are legal and do not constitute a breach of fiduciary duty to the company, all resolutions made by the BMA Council (who in turn maintain the existing relationship with the Representative Body), must be translated into the policy and activity of the company.
- The Audit and risk committee, which is the primary source of oversight accountable to Council, tasked with risk management, the monitoring of effective controls and ongoing operational effectiveness.

Our vision: A profession of valued doctors delivering the highest quality health services

Our values are designed to ensure we place our members and all doctors at the heart of what we do.

- Expert: we are an indispensable source of credible information, guidance and support throughout doctors' professional lives.
- Committed: we are committed to all doctors and place them at the heart of every decision we make.
- Reliable: we are doctors' first port of call because we are trusted and dependable.
- Challenging: we are unafraid to challenge effectively on behalf of all doctors.
- Leading: we are an influential leader in supporting the profession and improving the health of our nation.

Our strategic goals are:

- All doctors have strong representation and expert guidance, whenever and wherever they need it
- All doctors have their individual needs responded to, through career long support and professional development
- All doctors are championed by the BMA and their voices are sought, heard and acted upon

British Medical Association

Report and financial statements 2016

Strategic report

Key performance indicators (continued)

- All doctors can connect with each other as a professional community
- All doctors can influence the advancement of health and the profession
- All staff and elected members are supported by effective business systems and processes

The BMJ Publishing Group Limited (BMJ), which is a wholly owned subsidiary of the BMA, seeks to advance healthcare by sharing knowledge and expertise to improve experiences, outcomes and value worldwide and aims to do this by stimulating and informing debate on health and healthcare as well as by creating the best evidence - based services and tools.

Business Review

BMA Group income grew by 2.9% to £133.9m (2015: £130.1m). The increase in revenue was largely attributable to membership numbers being high as a result of the junior doctor contract dispute in England. This in turn led to increased expenditure in supporting our members in this dispute on a number of fronts.

The group net worth of the association remains good at £78.1m (2015: £104.3m). BMA House remains on the balance sheet at nominal value and is considerably more in value than the book value. The defined benefit pension scheme, under the new FRS102 is now showing a deficit of £36.0m (2015: surplus £11.2m). This deficit was largely attribute to the adverse market conditions of bond and gilts yields.

Our investment portfolio held by BMA Investments Limited has grown by 11 percent to £114.9m in 2016, reflecting a positive performance which was in line with the various benchmarks within the investment portfolio for 2016.

BMA membership revenue grew by 9.4 percent to £51.3m, again for third year without the need to increase the membership rate. Revenue from rental income, events and financial services performed well during the period, £5.3m (2015: £4.4m). BMJ Publishing Group Limited (BMJ), seeks to advance healthcare by sharing knowledge and expertise to improve experiences, outcomes and value worldwide aiming to do this by stimulating and informing debate on health and healthcare as well as by creating the best evidence-based services and tools. The group continued to make good progress towards these objectives during the year, in particular the continued growth of international revenues.

In conclusion, the BMA Group remains strong financially, despite difficult political and economic factors in the UK and globally. Our financial stability and strength enables us to continue our core work of supporting doctors and promoting the health of the nations.

Principal risks and uncertainties

It is clear the health system in the UK continues to face crisis after crisis which is well documented in all forms of media. Added to this, with the dispute in England with Junior Doctors contracts, the profession is facing unparalleled pressure from all possible sources. This is further complicated with the devolution of health across the four UK nations.

The BMA needs to ensure that it continues to influence policy and change within the UK health service. In addition, the BMA continues to increase its relevance to all doctors through all of our services to members and the profession e.g. leading negotiations for pay and benefits, providing support through employment disputes, career advice and life-long learning.

The key business risks and uncertainties affecting the BMJ are considered to relate to competition from other publishers, and the company recognises the need to invest and innovate to retain its market leading position which it will continue to do in 2017.

Key performance indicators (KPI)

The BMA's most important KPI is its membership which stood at 161,708 at the end of the financial year. By ensuring that we are representative and provide up to date, relevant services, the BMA aims to retain and grow its membership. With our membership, this ensures the BMA can maintain its position as a key player when negotiating and influencing health related policy.

British Medical Association

Report and financial statements 2016

Strategic report

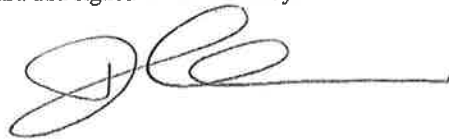
Key performance indicators (KPI) (continued)

BMJ measures performance by reference to its profitability and its influence in the medical community. Influence is monitored by a number of measures, including readership (both online and in print) and article citations.

The present benchmark used for the pool of investments held within BMA Investments Limited, is LIBOR + 3%.

Approval

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A Dearden', written over a horizontal line.

Dr A Dearden
Treasurer

22 / 3 / 2017

British Medical Association

Report and financial statements 2016

Directors' report

The directors present their report and the audited consolidated financial statements of the British Medical Association (BMA) for the year ended 31 December 2016.

Principal activities

The principal activity of the British Medical Association (BMA) is to provide personal professional and representation services for its members.

BMJ Publishing Group Limited (BMJ) and BMA Investments Limited are both wholly owned subsidiaries of the BMA. BMJ and its subsidiaries' principal activities are the production and distribution of medical information through various media including the flagship journal The BMJ.

Employment matters and information

The BMA is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, age, colour, disability or sexual orientation. The BMA gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the BMA. If members of staff become disabled the BMA continues employment, either in the same or an alternative position, with appropriate retraining being given.

Employee involvement

The BMA systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

Employee involvement in the BMA is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the BMA. The BMA encourages the involvement of employees by means of an internal magazine, notice boards, information bulletins and circulars. In addition, regular meetings are held with staff representatives on general and specific matters.

Political and charitable donations

The BMA made no political donations during the year. It made various charitable donations totalling £237,000 (2015: £205,000). £207,000 was donated to medical education and research and £30,000 was donated to the humanitarian support of doctors.

BMA House valuation

The directors consider that the market value of BMA House, London, based on its existing use, was in the region of £75m at 31 March 2012. As stated in note 12 to the financial statements, this is significantly higher than the carrying value included within the balance sheet.

Qualifying third party indemnity provision

A qualifying third party indemnity provision which was in force during the financial year and also at the date of approval of the financial statements is held on behalf of the directors of the BMJ by the company's ultimate parent undertaking, the BMA.

Independent auditors

Deloitte LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

British Medical Association

Report and financial statements 2016

Directors' report

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement required by the Trade Union and Labour Relations (Consolidation) Act 1992

A member who is concerned that some irregularity may be occurring, or has occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct. The member may raise any such concern with one or more of the following as it seems appropriate to raise with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police. Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he/she should consider obtaining independent legal advice.

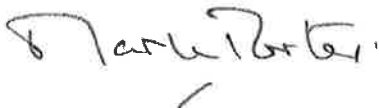
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Dr M Porter
Chair of Council

22 March 2017

British Medical Association

Report and financial statements 2016

Directors' report

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the group and parent company financial statements (the "financial statements") in accordance with applicable law and regulations.

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

British Medical Association

Report and financial statements 2016

Report of the audit and risk committee for inclusion in the 2016 report of the directors

Audit and risk committee's report

During 2016, the audit and risk committee comprised the following members: Stuart Cruickshank (chair), Jacques Cadranel, Dean Marshall, David Watts and Fay Wilson.

In addition, Andrew Dearden (treasurer), Keith Ward (chief executive), Patrick Murphy (director of finance and corporate services), Jay Lippincott (BMJ board chair) and Alex Ritchie (BMJ finance director) normally attend meetings. Other senior representatives of management, as well as the external and internal auditors, are invited to attend as and when required.

The committee met six times in 2016 and its agendas are designed to enable it to meet the requirements of its terms of reference, including:

Integrity of financial reporting

The committee receives regular reports from the director of finance and corporate services and the treasurer regarding the financial performance, systems and processes operating within the BMA and its subsidiary, the BMJ Publishing Group Ltd. The committee considers the annual directors' report and financial statements and recommends their approval to BMA council. The audit and risk committee obtained sufficient assurance that the integrity of the Association's financial reporting was maintained during 2016.

External auditors

The committee receives regular reports from the external auditors throughout the year. The committee is responsible for approving the proposed audit strategy, for agreeing the schedule of audit fees and for receiving the auditors' final report at the conclusion of their audit work. In addition, the committee continues to ensure the independence and objectivity of the external auditors by:

- Setting out an appropriate policy on the provision by the external auditor of non-audit work; and
- Receiving written confirmation of their continued independence from the auditors, having carried out sufficient internal enquiries within their firm as they considered necessary.

Governance and management process

The audit and risk committee is responsible for monitoring the ongoing effectiveness of the BMA's governance regime.

Internal audit

The internal audit function is provided by KPMG and in this capacity reports to the chair of the audit and risk committee. The director of finance and corporate services exercises day to day management control over KPMG and during 2016 eight audit assignments were completed.

KPMG's audit findings produced recommendations for improvements in a number of areas. Each assignment results in a detailed report of the actions which have been agreed with managers to improve systems and controls and the audit and risk committee monitors management's progress in implementing agreed actions by way of regular reports from management.

One of the audit assignments in 2016 was a review by KPMG of BMJ governance. This report had been received by the audit and risk committee which had set up a working group to take forward the recommendations. This work is still ongoing and expected to be completed early in 2017.

The audit and risk committee approved a detailed plan of internal audit work to be undertaken during 2016.

British Medical Association

Report and financial statements 2016

Report of the audit and risk committee for inclusion in the 2016 report of the directors

Risk assessment/management

The processes surrounding the identification, mitigation and control of risk form a major part of the audit and risk committee agenda. The risks the committee considers fall within three broad categories; financial, operational and reputational, with certain risks culminating in exposure across all categories.

The committee dynamically concerns itself with the changing risk landscape and through its programme of work seeks to ensure that the efficacy of the risk management controls within the Association are fit for purpose.

To this end the committee works closely with the chief officers and senior management. A risk register identifies risk and actions taken or proposed by management in mitigation and receives close scrutiny by the committee. It also periodically reviews risk assessment methodology to ensure that it is appropriate to the current circumstances of the BMA Group and changes are introduced as appropriate.

BMA external audit function

The audit and risk committee considered the proposals from the shortlisted candidates to provide external audit services at a specially convened meeting on 5 October 2016. The candidates were Deloitte, Grant Thornton, PriceWaterhouse Coopers and RSM. The committee agreed to appoint Deloitte as the BMA's external auditors from October 2016.

Stuart Cruickshank

Chair, Audit and risk committee

British Medical Association

Company and consolidated income expenditure

For the year ended 31 December 2016

	Note	BMA		Consolidated			Group 2015 £000
		2016 £000	2015 £000	Group 2016 £000	Continuing operations 2015 £000	Discontinued operations 2015 £000	
Income							
Memberships subscriptions		51,313	46,891	51,313	46,891	-	46,891
Income from other activities		7,620	7,137	5,272	4,371	-	4,371
Publishing:							
Subscriptions		-	-	31,959	28,727	1,380	30,107
Advertising and other income		-	-	45,267	47,375	1,307	48,682
		<u>58,933</u>	<u>54,028</u>	<u>133,811</u>	<u>127,364</u>	<u>2,687</u>	<u>130,051</u>
Expenditure							
Member's services		65,406	63,945	65,554	64,178	-	64,178
Other activities		2,816	2,883	-	-	-	-
Publishing		-	-	68,309	67,532	4,667	72,199
		<u>68,222</u>	<u>66,828</u>	<u>133,863</u>	<u>131,710</u>	<u>4,667</u>	<u>136,377</u>
Operating (deficit)/surplus							
Members' services		(9,289)	(12,800)	(8,969)	(12,916)	-	(12,916)
Publishing		-	-	8,917	8,570	(1,980)	6,590
Operating (deficit)/surplus		<u>(9,289)</u>	<u>(12,800)</u>	<u>(52)</u>	<u>(4,346)</u>	<u>(1,980)</u>	<u>(6,326)</u>
Income from fixed assets	5	7,721	9,595	4,067	3,818	-	3,818
Interest receivable	6	3	15	59	55	-	55
Interest payable (inter-company)	7	(69)	(115)	-	-	-	-
Other finance income/expenditure	11	(497)	(392)	(497)	(392)	-	(392)
(Deficit) on sales of fixed asset investments		-	-	(697)	-	-	-
(Deficit)/surplus on ordinary activities before taxation	8	<u>(2,131)</u>	<u>(3,697)</u>	<u>2,880</u>	<u>(865)</u>	<u>(1,980)</u>	<u>(2,845)</u>
Taxation	10	(920)	(706)	(2,853)	(2,089)	(9)	(2,098)
(Deficit)/net surplus for the year	19	<u><u>(3,051)</u></u>	<u><u>(4,403)</u></u>	<u><u>27</u></u>	<u><u>(2,954)</u></u>	<u><u>(1,989)</u></u>	<u><u>(4,943)</u></u>

On 30th November 2015, the company disposed of its 100% investment in Informatica Systems Limited and the results to the date of disposal are shown as discontinued operations above. All other operations relate to continuing activities.

There are no material differences between the deficit on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Independent auditor's report to the members of British Medical Association

We have audited the financial statements of British Medical Association for the year ended 31 December 2016 which comprise the Consolidated and Company income expenditure, the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

Reza Motazedzi (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

13/4/2017

British Medical Association

Company and consolidated statement of comprehensive income

For the year ended 31 December 2016

	Note	BMA		Consolidated	
		2016 £000	2015 £000	2016 £000	2015 £000
(Deficit)/net surplus for the financial year		(3,051)	(4,403)	27	(4,943)
Other comprehensive income:					
Remeasurements of net defined benefit obligation after deferred tax		(38,376)	227	(36,211)	227
Unrealised gains on investments		-	-	10,726	1,275
Deferred tax on revaluation of investment		-	-	(732)	(13)
Total comprehensive (expense)/income for the year, net of tax		<u>(41,427)</u>	<u>(4,176)</u>	<u>(26,190)</u>	<u>(3,454)</u>

British Medical Association

Company and consolidated balance sheet

For the year ended 31 December 2016

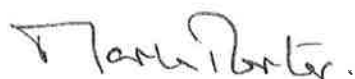
	Note	BMA		Consolidated	
		2016 £000	2015 £000	2016 £000	2015 £000
Fixed assets					
Intangible assets	12	778	951	1,783	2,440
Tangible	13	9,216	9,291	9,273	9,372
Investments	14(a)(b)	-	-	114,937	103,578
Subsidiary undertaking	14(c)	140,878	140,878	-	-
		<u>150,872</u>	<u>151,120</u>	<u>125,993</u>	<u>115,390</u>
Current assets					
Inventories	15	-	-	133	122
Debtors	16	3,018	2,866	26,291	20,778
Cash held in liquidity fund		-	-	3,674	3,662
Cash and bank balances		2,510	4,855	18,347	14,491
		<u>5,528</u>	<u>7,721</u>	<u>48,445</u>	<u>39,053</u>
Creditor: amounts falling due within one year	17	<u>(32,852)</u>	<u>(32,781)</u>	<u>(56,965)</u>	<u>(47,587)</u>
Net current liabilities		<u>(27,324)</u>	<u>(25,060)</u>	<u>(8,520)</u>	<u>(8,534)</u>
Total assets less current liabilities		123,548	126,060	117,473	106,856
Provisions for other liabilities	18	(182)	(140)	(3,341)	(2,574)
Defined pension scheme		(38,205)	-	(36,040)	-
Net assets		<u>85,161</u>	<u>125,920</u>	<u>78,092</u>	<u>104,282</u>
Capital and reserves					
Revaluation reserve – freehold property	13	454	454	454	454
Revaluation reserve – investments	20	-	-	36,339	25,613
Revaluation reserve – subsidiary undertakings	14(d)	59,000	59,000	-	-
Retained earnings	19	25,707	66,466	41,299	78,125
Total equity		<u>85,161</u>	<u>125,920</u>	<u>78,092</u>	<u>104,282</u>

The financial statements of British Medical Association (registered number 8848) were approved by the board of directors and authorised for issue on 22nd March 2017. They were signed on its behalf by:

Dr A Dearden
Treasurer



Dr M Porter
Chair of council



British Medical Association

Company and consolidated statement of changes in equity For the year ended 31 December 2016

	Other reserves £000	BMA retained earnings £000	Total equity £000	Other reserves £000	Consolidated retained earnings £000	Total equity £000
Balance at 1 January 2015	59,454	70,477	129,931	24,792	82,944	107,736
Actuarial loss on pension scheme	-	392	392	-	227	227
Deferred tax on revaluation of investments	-	(4,403)	(4,403)	-	(13)	(13)
Net deficit for the financial year	-	-	-	-	(4,943)	(4,943)
Unrealised gains on investments	-	-	-	1,275	-	1,275
Balance at 31 December 2015	59,454	66,466	125,920	26,067	78,215	104,282
Balance at 1 January 2016	59,454	66,466	125,920	26,067	78,215	104,282
(Loss) / profit for the financial year	-	(3,051)	(3,051)	-	27	27
Other comprehensive income for the year	-	497	497	-	(732)	(732)
Net pension deficit	-	(38,205)	(38,205)	-	(36,211)	(36,211)
Unrealised gains on investments	-	-	-	10,726	-	10,726
Balance at 31 December 2016	59,454	25,707	85,161	36,793	41,299	78,092

British Medical Association

Consolidated statement of cash flows For the year ended 31 December 2016

	Note	Consolidated	
		2016 £000	2015 £000
Net cash from operating activities	a	4,179	(2,510)
Taxation paid		209	(2,693)
Net cash (used)/generated from operating activities		<u>4,388</u>	<u>(5,203)</u>
Cash flow from investing activities			
Purchase of intangible assets		(50)	(901)
Purchase of tangible assets		(1,057)	(892)
Proceeds from disposals of tangible assets		91	22
Interest received		59	55
Dividends received		437	446
Net cash used in investing activities		<u>(520)</u>	<u>(1,270)</u>
Net increase in cash and cash equivalents	b	3,868	(6,473)
Cash and cash equivalents at the beginning of the year		<u>18,153</u>	<u>24,626</u>
Cash and cash equivalents at the end of the year		<u><u>22,021</u></u>	<u><u>18,153</u></u>
Cash and cash equivalents consists of:			
Cash held in liquidity fund		3,674	3,662
Cash and bank balances		18,347	14,491
Cash and cash equivalents		<u><u>22,021</u></u>	<u><u>18,153</u></u>

British Medical Association

Consolidated statement of cash flows (continued) For the year ended 31 December 2016

	Note	Consolidated	
		2016 £000	2015 £000
Note a: Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities			
Net surplus / (Deficit) for the year		27	(4,943)
Adjustments for:			
Tax on profit on ordinary activities		2,853	2,098
Income from fixed assets		(4,067)	(3,818)
Income from current assets		(59)	(55)
Other finance expenditure		497	392
Deficit on sale on fixed assets investments		697	-
Operating deficit		(52)	(6,326)
Difference between pensions charged and cash contributions		(668)	(165)
Surplus on rental income		2,299	2,160
Depreciation of tangible assets		1,157	1,101
Amortisation of intangible assets		707	605
Profit on disposal of tangible fixed assets		(91)	(36)
Working capital movements:			
Increase/(Decrease) in creditors		6,351	(702)
(Increase)Decrease in debtors		(5,513)	839
(Increase)/Decrease in inventories		(11)	14
Net cash inflow/(outflow)from operating activities		4,179	(2,510)
Note b: Reconciliation of net cash flow to movements in net (deficit)/funds			
Increase / (Decrease) in cash in the year		3,856	(6,487)
Increase in cash held in liquidity fund		12	14
Change in net funds / (deficit)		3,868	(6,473)

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

1. Statutory information

British Medical Association is a company incorporated in England and Wales, registration number 8848. The registered office is BMA House, Tavistock Square, London, WC1H 9JP. The Association is a company limited by guarantee, the liability of members being limited to one pound sterling each.

2. Compliance with accounting standards

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 24.

a Basis of preparation

These consolidated financial statements have been prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard FRS102. The financial statements have been prepared on the historical costs basis except for the revaluation of freehold premises, revaluation of fixed asset investments and for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. The accounting policies have been applied consistently. The format of the income and expenditure account in the financial statements departs from the requirements of the Companies Act 2006, which states that a company's profit and loss account shall show all the items as listed in any one of its prescribed formats. This departure is, in the opinion of the board members, necessary to give a true and fair view of the activities of the Association. The remainder of the financial statements have been prepared in accordance with the Companies Act 2006. The financial statements are presented in Sterling (£).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Associations accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimated are significant to the financial statements are disclosed in note 4.

b Basis of consolidation

The consolidated financial statements are of the British Medical Association and its 100% owned subsidiaries – BMA Investments Ltd, BMA Law Limited, BMJ Publishing Group Ltd, Informatica Systems Ltd, BMJ Publishing Inc. (incorporated and registered in California, USA), BMJ Group India Private Limited, BMJ (Beijing) Medical Science and Technology Co Limited and Medelect Limited. Intra-group sales and profits are eliminated on consolidation. Profits and losses of companies entering or leaving the Association are included from the date of acquisition or up to the date of disposal. Profits relating to Informatica Systems Ltd have been included within the consolidated financial statements in accordance with FRS 102 under the heading discontinued operations, up until the divestment date of 30th November 2015. Subsidiaries are fully consolidated from the date on which control is transferred to the Association. Control exists when the Association has the power directly or indirectly, to govern the financial and operating policies. The net assets of subsidiaries acquired are included on the basis of their fair value at the date consideration passes, or an offer is declared unconditional. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Association.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

3. Accounting policies (continued)

c Revenue recognition

(i) Membership subscriptions

All subscriptions are taken into income in the year to which they relate. Amounts received by the balance sheet date in respect of future years are deferred and any income earned under future contracts is accrued.

(ii) Publishing subscriptions and advertising

Income and expenditure relating to publications is accounted for in the year within which the date of the publication falls. Income from publications subscriptions and service contracts are deemed to accrue evenly over the period of the subscription and service delivery respectively. The proportion of subscriptions invoiced but unearned at the balance sheet date is deferred and any income earned under service contracts is accrued. Advertising income is recognised as soon as obligations are fulfilled. Where results relate to discontinued activities, these are disclosed separately on the face of the income statement. Any income from learning events and conferences are accounted for in the financial year in which the events and conferences are held.

(iii) Venue event hire

Income and expenditure relating to venue event hire is accounted for in the year in which the date of the event occurs. Deposits received by the balance sheet date in respect of events in future periods are deferred.

d Foreign exchange

The Association maintains certain monetary assets and liabilities in foreign currencies. These have been converted at the midmarket rate ruling at the year-end. All such exchange differences are taken to the income and expenditure account. Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period and the results of foreign subsidiaries are translated at the average rates of exchange. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies, and from the translation of the results of these companies at average rate, are taken to reserves and are reported in the statement of total recognised gains and losses. Other transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date and exchange differences are included in operating profit.

e Financial instruments

The Association uses derivative financial instruments to hedge its exposures to fluctuations in foreign exchange rates however hedge accounting is not being applied. Sales made in foreign currencies are recognised in the income and expenditure account at the exchange rate ruling at the date of the transaction. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income and expenditure under finance costs or income as appropriate

f Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

3. Accounting policies (continued)

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

g Employee benefits

The Association provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plan

A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity. Once the contributions have been paid the Association has no further obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Association in independently administered funds.

(iii) Defined benefit pension plan

The Association operated a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

Defined benefit scheme assets are measured using market value. Liabilities are measured using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities expected to arise from employee service in the period is charged to operating profit. The expected return on the assets and the increase during the period in the present value of the liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the consolidated statement of comprehensive income. The individual companies within the Association have taken advantage of the multi-employer exemption provided by FRS 102 and account for the defined benefit scheme as if it were a defined contribution scheme. This is because they are unable to identify their share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis.

h Goodwill and amortisation

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's net assets at acquisition date. Goodwill is capitalised in the Association's balance sheet and amortised in equal instalments over its expected useful life which is estimated to be 20 years. Where the Association is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. The Association evaluates the carrying value of goodwill in each financial year if a trigger of impairment has occurred to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the income and expenditure account.

(i) Impairment

The company reviews its goodwill for triggers of impairment each year; however no trigger of impairment has been identified in 2016. In accordance with Accounting Standards any impairment would be charged to the income statement in the year.

i Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. Software is currently 20% per year and is amortised to the expenditure account.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

3. Accounting policies (continued)

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Association are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development cost previously recognised as an expense are not recognised as an asset in a subsequent period.

j Tangible assets

(i) Freehold premises

With the exception of a surplus of £454,000 that arose on the revaluation of BMA House, London in 1957, all acquisitions of, and additions to, freehold premises are shown in the balance sheet at cost. Expenditure since 1957 is capitalised where it is probable that future economic benefit in excess of that valuation will flow as a result of that expenditure. Depreciation on this expenditure is calculated on a straight-line basis over the estimated useful lives of the asset categories, the rates of depreciation varying from 1% to 33.3%. All other expenditure is treated as an expense.

(ii) Long leasehold improvements

Expenditure on leasehold improvements is depreciated over the term of the lease.

(iii) Plant and office equipment and motor vehicles

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Items of plant and office equipment and motor vehicles costing more than £1,500 are capitalised at cost, except for laptop computers which are capitalised even if they cost less than £1,500. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives vary according to the asset category. Plant and office equipment and laptop computers 10% – 33.33%, Motor vehicles 25%.

k Leases

Costs and rental income in respect of operating leases (net of any incentives) are recognised on a straight-line basis over the lease term.

l Investments

Investments mainly comprise equities, unit trusts and gilts, which are included at market value. These are treated as fixed asset investments due to the permanent nature of the investment fund. Profit / loss on disposal of investments is the difference between the proceeds of sale and book value. Investments are carried at market value. The carrying book value is the market value at the previous year end (or cost if purchased during the year of sale). Market value is calculated using the weighted average basis. Where there is a current tax charge on the movement in market value, this is then taken to the revaluation reserve through the statement of comprehensive income to the extent that the revaluation reserve is utilised. Increases and temporary decreases in market value are taken to the revaluation reserve whereas permanent decreases below book value are recognised in the profit and loss account. The tax on profit of investments recognised in the revaluation reserve is taken to reserves through the statement of comprehensive income instead of through the income and expenditure account. This avoids inconsistency between the tax and accounting treatments.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

3. Accounting policies (continued)

m Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the income and expenditure statement as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rat basis.

n Inventories

Inventories comprise of paper only and are stated at the lower of cost and estimated selling price, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first in first out) method.

o Liquid resources

Liquid resources are defined as being cash balances held on deposit that are readily available (they usually require less than 24 hours' notice in order to be accessed).

4. Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's and the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Association considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Provisions are made for doubtful debts at the end of each financial year. This requires management to consider the recoverability of debtor balances and with regard to those deemed to be doubtful in nature to estimate the risk of doubtful debts becoming irrecoverable based on existing knowledge and past experience.

The Association has obligations to pay out pensions at retirement based on service and final pay. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

5. Income from fixed assets

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Gross rental income	4,517	4,015	2,987	2,718
Less				
- Service & maintenance costs	(606)	(619)	(398)	(359)
- Refurbishment costs	(290)	(201)	(290)	(199)
Net property income	3,621	3,195	2,299	2,160
Dividends and interest	4,100	6,400	1,965	1,880
Investment management fees	-	-	(197)	(222)
	<u>7,721</u>	<u>9,595</u>	<u>4,067</u>	<u>3,818</u>

6. Interest receivable

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Interest on bank deposit accounts	3	15	59	55
	<u>3</u>	<u>15</u>	<u>59</u>	<u>55</u>

7. Interest payable (inter-company)

Interest payable by the BMA relates to interest paid to other group companies.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

8. (Deficit)/surplus on ordinary activities before taxation

(Deficit)/surplus on ordinary activities before taxation is stated after charging:

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Wages and salaries	24,813	24,789	51,280	51,268
Social security costs	2,566	2,385	5,112	4,894
Other pension costs – defined benefit	(24)	28	(24)	28
Other pension costs – defined contribution	2,651	2,600	5,058	5,188
	<u>30,006</u>	<u>29,802</u>	<u>61,426</u>	<u>61,378</u>
	Number	Number	Number	Number
Monthly average number of employees during year:				
Members' services	495	507	495	507
Publishing	-	-	452	465
	<u>495</u>	<u>507</u>	<u>947</u>	<u>972</u>
Depreciation of tangible assets	1,097	1,152	1,157	1,101
Amortisation of intangible assets	-	-	707	605
Profit on disposal of fixed assets	80	26	91	36
Auditors' remuneration				
Audit of financial statements - BMA	53	67	53	67
Audit of financial statements - subsidiaries	-	-	109	82
Other services relating to taxation	-	-	41	32
Other services	-	11	5	28
Operating lease rentals:				
Land and buildings	272	342	472	393

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

9. Directors' emoluments

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Aggregate emoluments/honoraria (excluding pensions)	749	699	1,943	1,736
Aggregate pension – defined contribution scheme	39	38	94	105
Highest paid director				
Total amount of emoluments	307	280	-	-
Total amount of emoluments and amounts receivable under long-term incentive plans	-	-	441	352

The chair of council Dr Mark Porter chooses to forgo his full entitlement. The highest paid director of the group operates within the BMJ.

10. Taxation on (deficit)/surplus on ordinary activities

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Current tax				
UK corporation tax @ 20% (2015: 20.25%)	843	647	2,464	1,561
Adjustments in respect of prior years	34	38	34	69
Foreign tax	-	-	250	111
Total current tax	<u>877</u>	<u>685</u>	<u>2,748</u>	<u>1,741</u>
Deferred tax				
Origination and reversal of timing differences	(3)	2	53	371
Changes in tax rates or laws	(11)	(16)	(9)	2
Adjustments in respect of prior years	57	35	61	(16)
Total deferred tax	<u>43</u>	<u>21</u>	<u>105</u>	<u>357</u>
Total taxation on (deficit)/surplus on ordinary activities	<u>920</u>	<u>706</u>	<u>2,853</u>	<u>2,098</u>

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

10. Taxation on (deficit)/surplus on ordinary activities (continued)

UK taxation is based on the surplus for the year arising on income from properties, investments, publishing and financial services activities.

Reconciliation of total tax charge	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
(Deficit)/surplus before tax	(2,131)	(3,305)	2,880	(4,057)
(Deficit)/surplus before tax multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(426)	(669)	576	(822)
Expenses/(income) not (chargeable)/deductible for	2,086	1,353	1,436	2,113
Other timing differences	-	-	76	-
Adjustments in respect of prior years	91	73	94	53
Goodwill and amortisation	-	-	753	765
Group relief	-	(35)	-	52
Pension costs charge/curtailment loss	-	(16)	-	-
Rate change	(11)	-	(9)	2
Foreign tax	-	-	197	(65)
Income not taxable	(820)	-	(266)	-
Capital allowances in excess of depreciation	-	-	(4)	-
Total tax charge for the year	920	706	2,853	2,098
Deferred tax	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Provision for deferred tax				
Accelerated capital allowances	(182)	(140)	(160)	(105)
Revaluation of investments	-	-	(3,166)	(2,434)
Short term timing differences	-	-	111	111
Pensions	-	-	-	50
	(182)	(140)	(3,215)	(2,378)
At 1 January	(140)	(116)	(2,378)	(2,008)
Deferred tax charge in income and expenditure	(42)	(24)	(105)	(357)
Deferred tax in statement of comprehensive	-	-	(732)	(13)
At 31 December	(182)	(140)	(3,215)	(2,378)

The above consolidated deferred tax liability of £3,215,000 (2015: £2,378,000) represents the net of the deferred tax asset of £126,000 (2015: £202,000) per note 16 and the £3,341,000 (2015: £2,574,000) deferred tax liability per note 18.

Factors that may affect future tax charges

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, as the group has no liability to additional taxation should such amounts be remitted due to the availability of double taxation relief and or UK tax legislation.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

11. Post-employment benefits

The British Medical Association ("Association") has applied FRS102 and the following disclosures relate to this standard.

The Association operates a defined benefit scheme called the BMA Staff Pension Scheme (the "Scheme") that pays out pensions at retirement based on service and final pay. The scheme operates under UK trust law and the trust is a separate legal entity from the Association. The assets of the Scheme are held separately from those of the Association, being invested in trustee administered funds, mainly through investment management agreements with specialist Fund Managers. Pension costs are charged to the income and expenditure account so as to spread the cost of the defined benefit scheme over the employees' period of employment with the Association, based on the advice of an independent qualified actuary using the projected unit method.

The most recent formal actuarial valuation of the Scheme was at 31 March 2015 and at this date there were no contributing members in the Scheme. The majority of the pensions in the Scheme, in excess of Guaranteed Minimum Pension (GMP), increase in payment in line with RPI inflation. Other pensions, in excess of GMP, increase in payment in line with RPI subject to a maximum of 5% each year. The actuarial valuation assumed that present and future pensions would increase at a rate of 2.95% per annum, and pensions with capped increases would increase at 2.90% pa.

The actual return on assets over the year to 31 December 2016 was a gain of £43.1 million.

The Association expects to make nil contributions to the Scheme in the next financial year.

	2016 £000	2015 £000
Principal actuarial assumptions:		
Future pension increases		
- Increasing in line with RPI	3.45%	3.40%
- Increasing in line with RPI subject to a maximum of 5%	3.25%	3.20%
Discount rate	2.65%	3.80%
RPI inflation	3.45%	3.40%
CPI inflation	2.45%	2.40%

The life expectancy for mortality tables used to determine benefit obligations at:

	2016 £000	2015 £000
Male member age 65 (current life expectancy)	22.2	22.1
Male member age 40 (life expectancy at age 65)	23.9	23.8
Female member age 65 (current life expectancy)	25.0	24.9
Female member age 40 (life expectancy at age 65)	26.9	26.8

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

11. Post-employment benefit (continued)

	Value at 31 December	
	2016 £000	2015 £000
Equities	163,700	145,615
Indexed Linked Government Bonds	77,300	59,977
Fixed interest Government Bonds	-	1,783
Corporate Bonds	51,300	71,288
Property	37,400	30,860
Liability Driven Investment (LDI)	9,000	5,806
Hedge Funds	-	-
Other	29,788	6,273
	<u>368,488</u>	<u>321,602</u>
Fair value of scheme assets	368,488	321,602
Present value of funded obligations	(406,693)	(310,065)
	<u>(38,205)</u>	<u>11,537</u>
Scheme surplus (deficit)	(38,205)	11,537
Adj relating to asset ceilings and minimum funding requirements	-	(11,537)
Deferred tax on scheme deficit	2,165	-
	<u>(36,040)</u>	<u>-</u>
Net defined benefit asset after deferred tax	(36,040)	-

The movement in the fair value of scheme assets during the year was as follows:

	2016 £000	2015 £000
Fair value of scheme assets at 1 January	321,602	308,144
Interest income on scheme assets	12,071	10,959
Actuarial gain	43,092	10,364
Employer contributions	668	165
Members' contributions	-	-
Benefits paid from scheme	(8,448)	(7,638)
Scheme administration expenses	(497)	(392)
	<u>368,488</u>	<u>321,602</u>
Fair value of scheme at 31 December	368,488	321,602

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

11. Post-employment benefit (continued)

The movement in the present value of defined benefit obligation during the year was as follows:

	2016 £000	2015 £000
Defined benefit obligation at 1 January	310,065	300,225
Interest cost	11,623	10,671
Actuarial loss due to change in assumptions	93,453	1,134
Actuarial loss due to experience	-	5,673
Benefits paid from scheme	(8,448)	(7,638)
Defined benefit obligation at 31 December	<u>406,693</u>	<u>310,065</u>

The amounts recognised in profit or loss are as follows:

	2016 £000	2015 £'000
Scheme administration expenses	(497)	(392)
	<u>(497)</u>	<u>(392)</u>

Analysis of amount recognised in Other Comprehensive Income (OCI):

	2016 £000	2015 £000
Return on assets, excluding interest income	43,092	10,364
Experience (losses) gains on liabilities	-	(5,673)
Actuarial (losses) gains arising from changes in assumptions	(93,453)	(1,134)
Gain/(Loss) due to the asset ceiling	11,985	(3,330)
Deferred tax on scheme deficit	2,165	-
Total (loss)/gain recognised in the OCI at 31 December 2016	<u>(36,211)</u>	<u>227</u>

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

12. Intangible assets

	BMA Software £000	Goodwill £000	Consolidated Software £000	Total £000
At 1 January 2016				
Cost	951	1,489	951	2,440
Additions during the year	50	-	50	50
Amortisation	(223)	(484)	(223)	(707)
Closing net book amount	<u>778</u>	<u>1,005</u>	<u>778</u>	<u>1,783</u>

Intangible assets

The software intangible assets include the Association's new membership system and HR payroll systems, which were both created by external development firms for the Association's specific requirements and have a remaining amortisation period of 3.5 year and 4.5 years respectively.

Goodwill

The Drug and Therapeutics Bulletin (DTB), which was purchased by BMJ Publishing Ltd in 2006, has a carrying value as at 31 December 2016 of £194,000 (31 December 2015: £214,000) and has an estimated remaining useful life of 10 years. The Medelect Limited business, which was purchased by BMJ Publishing Ltd in 2009, has a carrying value as at 31 December 2016 of £811,000 (31 December 2015: £1,275,000) and has an estimated remaining useful life of 11 years.

13. Tangible assets

(i) BMA	Freehold premises £000	Long leasehold improvements £000	Plant and office equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
1 January 2016	16,024	520	9,868	914	27,326
Additions during year	563	-	172	287	1,022
Disposals during the year	-	-	-	(187)	(187)
31 December 2016	<u>16,587</u>	<u>520</u>	<u>10,040</u>	<u>1,014</u>	<u>28,161</u>
Less:					
Accumulated depreciation					
1 January 2016	(7,856)	(502)	(9,090)	(587)	(18,035)
Charge for the year	(478)	(14)	(411)	(194)	(1,097)
Disposals and amounts written off during the year	-	-	-	187	187
Accumulated depreciation 31 December 2016	<u>(8,334)</u>	<u>(516)</u>	<u>(9,501)</u>	<u>(594)</u>	<u>(18,945)</u>
Net book amount					
31 December 2016	<u>8,253</u>	<u>4</u>	<u>539</u>	<u>420</u>	<u>9,216</u>
At 31 December 2015	<u>8,168</u>	<u>18</u>	<u>778</u>	<u>327</u>	<u>9,291</u>

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

13. Tangible assets (continued)

(ii) Consolidated	Freehold premises £000	Long leasehold improvements £000	Plant and office equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
1 January 2016	16,024	520	10,382	976	27,902
Additions during year	563	-	207	287	1,057
Disposals during the year	-	-	1	(211)	(210)
	<u>16,587</u>	<u>520</u>	<u>10,590</u>	<u>1,052</u>	<u>28,749</u>
31 December 2016					
Less:					
Accumulated depreciation					
1 January 2016	(7,856)	(502)	(9,535)	(637)	(18,530)
Charge for the year	(478)	(14)	(465)	(200)	(1,157)
Disposals during the year	-	-	-	211	211
	<u>(8,334)</u>	<u>(516)</u>	<u>(10,000)</u>	<u>(626)</u>	<u>(19,476)</u>
Accumulated depreciation					
31 December 2016					
Net book amount					
31 December 2016	<u>8,253</u>	<u>4</u>	<u>590</u>	<u>426</u>	<u>9,273</u>
At 31 December 2015	<u>8,168</u>	<u>18</u>	<u>847</u>	<u>339</u>	<u>9,372</u>

With the exception of a surplus of £454,000 that arose on the revaluation of BMA House, London in 1957, all acquisitions of, and additions to freehold premises are shown in the balance sheet at cost. In the opinion of the directors, the market value of freehold premises at 31 December 2016 is significantly higher than the carrying value recorded above.

14. Investments

(a) Reconciliation of market value of investments	Consolidated	
	2016 £000	2015 £000
Market value at 1 January	103,579	101,091
Additions	632	1,212
Increase in market value	10,726	1,276
Total at 31 December	<u>114,937</u>	<u>103,579</u>
Cost at 31 December	<u>78,594</u>	<u>77,962</u>

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

14. Investments (continued)

(b) Analysis of market value of investments	Consolidated	
	2016 £000	2015 £000
UK equity passive index funds	23,745	20,507
Global equity passive index funds	36,717	28,945
Hedge fund of funds	15,039	15,736
Real return funds	22,585	21,579
Secured property income fund	16,851	16,811
	<u>114,937</u>	<u>103,578</u>

(c) Cost of investments in group undertakings	BMA	
	2016 £000	2015 £000
Balance at 1 January and 31 December	<u>140,878</u>	<u>140,878</u>

Entity name	Holding	Country of incorporation	Immediate parent company	Registered Office
BMJ Publishing Group Limited	100%	United Kingdom	BMA	BMA House, Tavistock Square, London
BMA Investments Limited	100%	United Kingdom	BMA	BMA House, Tavistock Square, London
BMA (2002) Limited*	100%	United Kingdom	BMA	BMA House, Tavistock Square, London
Medelect Limited*	100%	United Kingdom	BMJ Publishing Group Ltd	BMA House, Tavistock Square, London
BMJ Publishing Inc.	100%	Incorporated and registered in California, USA	BMJ Publishing Group Ltd	Two Hudson Place, Hooken, NJ 07030 USA
BMJ Group India Private Limited	99%	India	BMJ Publishing Group Ltd	Navkar Marol, Andheri, Mumbai, India
BMJ (Beijing) Medical Science and Technology Co Limited	100%	China	BMJ Publishing Group Ltd	1509 Silver Tower No2 East, Chaoyang District, Beijing 100027 China

*Both BMA (2002) Limited and Medelect Limited were dormant during the year.

(d) Revaluation reserve – investment in subsidiary

The £59,000,000 revaluation reserve for an investment in subsidiary in the BMA relates to the transfer of the trade and net assets of from BMA to BMJ Publishing Group Ltd on 1 January 2003.

The directors believe that the carrying value of the investments is supported by their underlying net assets and future cash flows

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

15. Inventories

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Raw materials and consumables	-	-	133	122
	-	-	133	122

16. Debtors

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Amounts falling due within one year:				
Trade debtors	1,177	548	19,563	13,180
Amounts owed by group undertakings	11	212	-	-
Other receivables	188	656	424	1,176
Deferred tax	-	-	126	202
Prepayments and accrued income	1,642	1,450	6,178	6,220
	3,018	2,866	26,291	20,778

17. Creditors: amounts falling due within one year

	BMA		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade creditors	1,756	2,377	3,452	4,037
Amounts owed to group undertakings	11,186	13,238	-	-
Corporation tax	456	214	1,385	365
Other taxation and social security	606	586	617	586
Other creditors	-	-	872	591
Accruals and deferred income	9,948	7,130	21,659	16,077
Subscriptions received in advance	8,900	9,236	28,980	25,931
	32,852	32,781	56,965	47,587

Amounts owed to group undertaking are interest free and repayable upon demand.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

18. Provisions for liabilities

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
At 1 January	140	116	2,574	2,537
Provided during the year in respect of deferred taxation	42	24	767	37
At 31 December	182	140	3,341	2,574
Amounts estimated to be released less than 12 months	-	73	-	73
Amounts estimated to be realised greater than 12 months	182	67	3,341	2,501
	182	140	3,341	2,574

19. Retained earnings

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Opening accumulated funds	66,466	70,477	78,215	82,944
Net (deficit)/surplus for the financial year	(3,051)	(4,403)	27	(4,943)
Actuarial (loss)/gain on pension scheme	(37,708)	392	(36,211)	227
Deferred tax on revaluation of investments	-	-	(732)	(13)
Closing accumulated funds	25,707	66,466	41,299	78,215

20. Revaluation reserve - investments

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
At 1 January	-	-	25,613	24,338
Increase in market value for year	-	-	10,726	1,275
At 31 December	-	-	36,339	25,613

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

21. Reconciliation of movements in funds employed

	BMA		Consolidated	
	2016 £000	2015 £000	2016 £000	2015 £000
Net (deficit)/surplus for the financial year	(3,051)	(4,403)	27	(4,943)
Net Actuarial gain/(loss) on pension scheme	(37,708)	392	(36,211)	227
Deferred tax on revaluation of investments	-	-	(732)	(13)
Increase in market value for year	-	-	10,726	1,275
	<u>(40,759)</u>	<u>(4,011)</u>	<u>(26,190)</u>	<u>(3,454)</u>
Net movement in funds employed	(40,759)	(4,011)	(26,190)	(3,454)
Opening shareholders' funds	125,920	129,931	104,282	107,736
	<u>85,161</u>	<u>125,920</u>	<u>78,092</u>	<u>104,282</u>
Closing accumulated funds	85,161	125,920	78,092	104,282

22. Related party transactions

Group entities

The Association is exempt from disclosing related party transactions with other companies that are wholly owned within the Association.

BMA Board, BMJ Publishing Group Board and Audit Committee members

Transactions the BMA has directly with individual BMA Board, BMJ Publishing Group Board and Audit Committee members, excluding transactions expected in order for the member to carry out their duties, are considered related party transactions.

Transactions occur with these related parties as many are medical practitioners and certain transactions will occur in the normal course of them undertaking that role. These have not been disclosed as they all have standard charges applicable to all medical practitioners and are considered necessary to undertake their role.

Other standard arm's length transactions occur in the normal course of business with Council members' practices, for example, licensing of software and payment for locum services. These are not disclosed here as the Council members would not be able to influence these transactions.

All related party transactions are carried out at arm's length and there were no material related party transactions. Council members are paid Honoraria amounts.

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries, the company of incorporation and effective percentage of ownership has been disclosed in note 14c.

British Medical Association

Notes to the financial statements

For the year ended 31 December 2016 (continued)

23. Financial instruments

The Association enters into forward currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 December 2016, the following outstanding contracts mature within three months (2015: three months) of the year end.

The Association had outstanding forward transactions to hedge foreign currencies as follows:

	Consolidated	
	2016	2015
	US\$000	US\$000
Maturing within one year:		
- To fund future revenues in US dollars	12,000	12,000

The forward currency contracts are measured at fair value, which is determined using valuation techniques that use observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The fair value of the forward-foreign currency contracts at 31 December 2016 was £1,610,000 (2015: £376,000).