

# Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## Annual Return for a Trade Union

Name of Trade Union:	<input type="text" value="British Medical Association"/>		
Year ended:	<input type="text" value="31 December 2020"/>		
List no:	<input type="text" value="397T"/>		
Head or Main Office address:	<input type="text" value="BMA House"/>		
	<input type="text" value="Tavistock Square"/>		
	<input type="text" value="London"/>		
	<input type="text"/>		
	<input type="text"/>		
Postcode	<input type="text" value="WC1H 9JP"/>		
Website address (if available)	<input type="text" value="www.bma.org.uk"/>		
Has the address changed during the year to which the return relates?	<input type="checkbox" value="Yes"/>	<input type="checkbox" value="No"/>	<input checked="" type="checkbox" value="X"/> ('X' in appropriate box)
General Secretary:	<input type="text" value="Dr Chaand Nagpaul"/>		
Telephone Number:	<input type="text" value="020 7383 6300"/>		
Contact name for queries regarding the completion of this return	<input type="text" value="Ushma Bharakhada"/>		
Telephone Number:	<input type="text" value="020 3058 7469"/>		
E-mail:	<input type="text" value="ubharakhada@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: 0330 109 3602

You should send the annual return to the following email address stating the name of the union in subject:

For Unions based in England and Wales: [returns@certoffice.org](mailto:returns@certoffice.org)

For Unions based in Scotland: [ymw@tcyoung.co.uk](mailto:ymw@tcyoung.co.uk)

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# 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	74,299	2,604	89	1,606	78,598
Female	75,474	3,031	70	960	79,535
Other	250	2		20	272
<b>Total</b>	<b>150,023</b>	<b>5,637</b>	<b>159</b>	<b>2,586</b>	<b>A 158,405</b>

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

149,898

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

3,447

## Change of Officers

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

Position Held	Name of Officer ceasing to hold Office	Name of Officer Appointed	Date of change
President	Professor Raanan Gillon	Sir Harry Burns	16 September 2020
Chair of DMS Publishing Group	Joseph Lippincott III	Roger Horton	20 April 2020

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:

and names:





## Analysis of income from federation and other bodies and other income

(see notes 19 and 20)

Description	£
<b>Federation and other bodies</b>	
<b>Total federation and other bodies</b>	
<b>Any Other Sources</b>	
<b>Total other sources</b>	
<b>Total of all other income</b>	

## Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

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

(See notes 21 and 23)

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

Fund 3		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
	Interfund Transfers IN		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	Interfund Transfers OUT		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		





(See notes 21 and 23)

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

Fund 7		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
	Interfund Transfers IN		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	Interfund Transfers OUT		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

(See notes 21 and 23)

Fund 8		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
	Interfund Transfers IN		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	Interfund Transfers OUT		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

Fund 9		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
	Interfund Transfers IN		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	Interfund Transfers OUT		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

## Political fund account

(see notes 24 to 33)

£

£

<b>Political fund account 1</b>		<b>To be completed by trade unions which maintain their own political fund</b>	
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
Other income (specify)			
		Total other income as specified	
		Total income	

**Expenditure under section (82) of the Trade Union and Labour Relations (Consolidation) Act 1992 on purposes set out in section (72) (1) where consolidation of expenditures from the political funds exceeds £2,000 during the period**

<b>Expenditure A</b> (as at page i)	
<b>Expenditure B</b> (as at page ii)	
<b>Expenditure C</b> (as at page iii)	
<b>Expenditure D</b> (as at page iv)	
<b>Expenditure E</b> (as at page v)	
<b>Expenditure F</b> (as at page vi)	
<b>Non-political expenditure</b> (as at page vii)	
	Total expenditure
	Surplus (deficit) for year
	Amount of political fund at beginning of year
	Amount of political fund at the end of year (as <u>Balance Sheet</u> )
	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 contribute to the political fund

**Political fund account 2 To be completed by trade unions which act as components of a central trade union**

<b>Income</b>	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	
<b>Expenditure</b>			
	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	
		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	

The following pages 9i to 9vii relate to the Political Fund Account Expenditure

**Political fund account expenditure (a)**

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates.

Contribution to the funds of, or on the payment of expenses incurred directly or indirectly by a political party

Name of political party in relation to which money was expended	Total amount spent during the period £
<b>Total</b>	



**Political fund account expenditure (c)**

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates.

Expenditure in connection with the registration of electors, the candidature of any person, the selection of any candidate or the holding of any ballot by the union in connection with any election to a political office

Title and Date of election	Name of political party/organisation	Name of candidate, organisation or political party (see 33(iii))	£
<b>Total</b>			





### **Political fund account expenditure (e)**

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates.

The expenditure of money on the holding of any conference or meeting by or on behalf of a political party or of any other meeting the main purpose of which is the transaction of business in connection with a political party

Name of political party	£
<b>Total</b>	

### **Political fund account expenditure (f)**

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates

On the production, publication or distribution of any literature, document, film, sound recording or advertisement the main purpose of which is to persuade people to vote for a political party or candidate or to persuade them not to vote for a political party or candidate

Name of organisation or political party	£
<b>Total</b>	

**Expenditure from the political fund not falling within section 72 (1) of the trade union & labour relations (consolidation) act 1992**

**For expenditure not falling within section 72 (1) the required information is-**

(a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one		£

Total expenditure

(b) the name of each organisation to which money was paid (otherwise than for a particular cause of campaign), and the total amount paid to each one		£

Total expenditure

(c) the total amount of all other money expended		£

Total expenditure

**Total of all expenditures**

## Analysis of administrative expenses and other outgoings excluding amounts charged to political fund accounts

(see notes 34 and 35)

			£
<b>Administrative Expenses</b>			
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)			
[ ]			
<b>Other Outgoings</b>			
[ ]			
Outgoings on land and buildings (specify)			
[ ]			
Other outgoings (specify)			
[ ]			
tretert			
<b>Total</b>			
Charged to:		General Fund (Page 3)	
<b>Total</b>			

## Analysis of officials' salaries and benefits

(see notes 36 to 46 below)

Office held	Gross Salary  £	Employers N.I. contributions  £	Benefits		Total  £
			Pension Contributions  £	Other Benefits	
				Description	
Chair of BMA - Elected Official	180,000	23,633			203,633
Treasurer - Elected Official	48,461	5,175	2,086		55,722
Chair of RB - Elected Official	88,461	6,695	10,615		105,771

## Analysis of investment income

(see notes 47 and 48)

	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)	
		Political Fund	
		Total Investment Funds	

## Balance sheet as at

(see notes 49 to 52)

Previous Year		£	£	
	Fixed Assets (at page 14)			
	Investments (as per analysis on page 15)			
	Quoted (Market value £ ( <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; vertical-align: middle;"></span> ) )			
	Unquoted			
	<b>Total Investments</b>			
	<b>Other Assets</b>			
	Loans to other trade unions			
	Sundry debtors			
	Cash at bank and in hand			
	Income tax to be recovered			
Stocks of goods				
Others (specify)				
<div style="background-color: #d3d3d3; height: 40px;"></div>				
<b>Total of other assets</b>				
		<b>Total assets</b>		
	General fund (page 3)			
	Political Fund Account			
<b>Liabilities</b>				
Amount held on behalf of central trade union political fund				
		<b>Total liabilities</b>		
		<b>Total assets</b>		

## Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
<b>Cost or Valuation</b>						
At start of year						
Additions						
Disposals						
Revaluation/Transfers						
At end of year						
<b>Accumulated Depreciation</b>						
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 58 and 59)

<b>Quoted</b>	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		
<b>Unquoted</b>		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Total unquoted (as Balance Sheet)		
Market Value of Unquoted Investments		

## Analysis of investment income (controlling interests)

(see notes 60 and 61)

**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

# Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>Income</b>			
From Members	49,384,000		49,384,000
From Investments	7,186,000		7,186,000
Other Income (including increases by revaluation of assets)	83,674,000		83,675,000
<b>Total Income</b>	140,245,000		140,245,000
<b>Expenditure</b> (including decreases by revaluation of assets)	-140,892,000		-140,892,000
<b>Total Expenditure</b>	-647,000		-647,000
<b>Funds at beginning of year</b> (including reserves)	130,384,000		130,384,000
<b>Funds at end of year</b> (including reserves)	129,737,000		129,737,000
<b>Assets</b>			
Fixed Assets			10,422,000
Investment Assets			139,517,000
Other Assets			53,833,000
		<b>Total Assets</b>	203,772,000
<b>Liabilities</b>		<b>Total Liabilities</b>	-74,035,000
<b>Net Assets (Total Assets less Total Liabilities)</b>			129,737,000

**Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet**

(see notes 74 to 80)

<p><b>Did the union hold any ballots in respect of industrial action during the return period?</b></p> <p>If Yes How many ballots were held: <input style="width: 50px;" type="text"/></p> <p>For each ballot held please complete the information below:</p>	<div style="border: 1px solid black; background-color: #cccccc; width: 40px; height: 20px; margin: 0 auto;">No</div>
<p><b>Ballot 1</b></p> <p>Number of individual who were entitled to vote in the ballot <input style="width: 80px;" type="text"/></p> <p><b>Number of votes cast in the ballot</b></p> <p>Number of Individuals answering "Yes" to the question <input style="width: 80px;" type="text"/> <sup>1</sup></p> <p>Number of individuals answering "No" to the question <input style="width: 80px;" type="text"/> <sup>2</sup></p> <p>Number of invalid or otherwise spoiled voting papers returned <input style="width: 80px;" type="text"/> <sup>3</sup></p> <p style="text-align: right;"><b>1-3 should total "Number of votes cast"</b></p> <p>Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot <input style="width: 60px;" type="text"/></p> <p>Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? <input style="width: 60px;" type="text"/></p> <p>If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot <input style="width: 60px;" type="text"/></p>	
<p><b>Ballot 2</b></p> <p>Number of individual who were entitled to vote in the ballot <input style="width: 80px;" type="text"/></p> <p><b>Number of votes cast in the ballot</b></p> <p>Number of Individuals answering "Yes" to the question <input style="width: 80px;" type="text"/> <sup>1</sup></p> <p>Number of individuals answering "No" to the question <input style="width: 80px;" type="text"/> <sup>2</sup></p> <p>Number of invalid or otherwise spoiled voting papers returned <input style="width: 80px;" type="text"/> <sup>3</sup></p> <p style="text-align: right;"><b>1-3 should total "Number of votes cast"</b></p> <p>Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot <input style="width: 60px;" type="text"/></p> <p>Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? <input style="width: 60px;" type="text"/></p> <p>If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot <input style="width: 60px;" type="text"/></p>	
<p><b>Ballot 3</b></p> <p>Number of individual who were entitled to vote in the ballot <input style="width: 80px;" type="text"/></p> <p><b>Number of votes cast in the ballot</b></p> <p>Number of Individuals answering "Yes" to the question <input style="width: 80px;" type="text"/> <sup>1</sup></p> <p>Number of individuals answering "No" to the question <input style="width: 80px;" type="text"/> <sup>2</sup></p> <p>Number of invalid or otherwise spoiled voting papers returned <input style="width: 80px;" type="text"/> <sup>3</sup></p> <p style="text-align: right;"><b>1-3 should total "Number of votes cast"</b></p> <p>Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot <input style="width: 60px;" type="text"/></p> <p>Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? <input style="width: 60px;" type="text"/></p> <p>If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot <input style="width: 60px;" type="text"/></p>	

**Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet**

**Ballot 4**

Number of individual who were entitled to vote in the ballot

**Number of votes cast in the ballot**

Number of Individuals answering "Yes" to the question  1

Number of individuals answering "No" to the question  2

Number of invalid or otherwise spoiled voting papers returned  3

**1-3 should total "Number of votes cast"**

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

**Ballot 5**

Number of individual who were entitled to vote in the ballot

**Number of votes cast in the ballot**

Number of Individuals answering "Yes" to the question  1

Number of individuals answering "No" to the question  2

Number of invalid or otherwise spoiled voting papers returned  3

**1-3 should total "Number of votes cast"**

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

**Ballot 6**

Number of individual who were entitled to vote in the ballot

**Number of votes cast in the ballot**

Number of Individuals answering "Yes" to the question  1

Number of individuals answering "No" to the question  2

Number of invalid or otherwise spoiled voting papers returned  3

**1-3 should total "Number of votes cast"**

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

**Ballots and Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet**

**Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet**

(see note 81)

**\*Categories of Nature of Trade Dispute**

- A: terms and conditions of employment, or the physical conditions in which any workers require to work;
- B: engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;
- C: allocation of work or the duties of employment between workers or groups of workers;
- D: matters of discipline;
- E: a worker's membership or non-membership of a trade union;
- F: facilities for officials of trade unions;
- G: machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

**Did Union members take industrial action during the return period in response to any inducement on the part of the Union? YES/NO**

If **YES**, for each industrial action taken please complete the information below:

**Industrial Action 1**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Industrial Action 2**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Industrial Action 3**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**use a continuation page if necessary**

**Industrial Action 4**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Industrial Action 5**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Industrial Action 6**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Industrial Action 7**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Industrial Action 8**

1. please tick the nature of the trade dispute for which industrial action was taken using the categories\* below:

A  B  C  D  E  F  G

2. Dates of the industrial action taken:  to

3. Number of days of industrial action:

4. Nature of industrial action.

**Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet**

# Notes to the accounts

(see notes 82 and 83)

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

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box is currently blank.



# Accounting policies


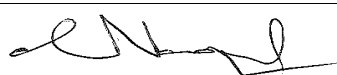
(see notes 84 and 85)

--

## Signatures to the annual return

(see notes 86 & 87)

Including the accounts and balance sheet contained in the return. Please copy and paste your electronic signature here

Secretary's Signature:  <hr/> Name: Trevor Pickersgill <hr/> Date: 21 June 2021	Chairman's Signature:  <hr/> (or other official whose position should be stated) Name: Chaand Nagpaul <hr/> Date: 21 June 2021
--	--

## Checklist

(see notes 88 to 89)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2 and Note 12)	Yes		No	
Has the list of officers in post been completed? (see Page 2 and Note 12)	Yes		No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes		No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes		No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes		No	
A member statement is: (see Note 80)	Enclosed		To follow	
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes		To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes		No	

## Checklist for auditor's report

(see notes 90 and 96)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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 related? (See section 36(1) and (2) of the 1992 Act and notes 92 and 93)

Please explain in your report overleaf or attached.

2. 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 note 92)

Please explain in your report overleaf or attached

3. Your auditors or auditor must include in their report the following wording:

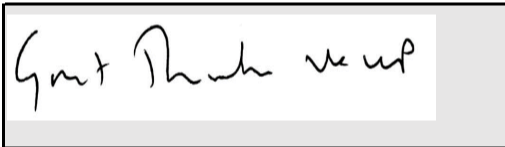
**In our opinion the financial statements:**

- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

## Auditor's report (continued)

The responses on page 24 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 2020 dated 22 April 2021 (the "Independent Auditor's Report"). This report is not a substitute for reading the "Independent Auditor's Report" and 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 Independent 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 and solely to the company in accordance with section 36(1) of the Trade Union and Labour Relations (Consolidation) Act 1992. 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:		
Name(s):	Nick Page	
Profession(s) or Calling(s):	Partner	
Address(es):	Grant Thornton UK LLP	
	30 Finsbury Square	
	Postcode	EC2A 1AG
Date	21-Jun-21	
Contact name for inquiries and telephone number:	Nick Page 020 7728 3001	

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

## Membership audit certificate

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

(See notes 97 to 103)

At the end of the reportign period proceding 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 inforamation 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
Address	Capital Law Limited, Capital Building, Tyndall Street, Cardiff CF10 4AZ
Date	23-Mar-21
Contact name and telephone number	Richard Thomas Tel: 029 2047 4436

## **BMA: MEMBERSHIP AUDIT CERTIFICATE – REPORT AND SUPPLEMENTAL INFORMATION FOR REPORTING PERIOD 2020/2021**

**23 March 2021**

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### **General background**

- The BMA (as a Special Register Body pursuant to Section 117 of the Trade Union and Labour Relations (Consolidation) Act 1992) is required to submit a Membership Audit Certificate at the same time as it presents its annual return to the Certification Officer.
- Section 24 of the Trade Union and Labour Relations (Consolidation) Act 1992 ("TULRCA") provides requirements on the BMA in relation to its register of members.
- Sections 24ZA to 24ZG (introduced by the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014) ("the Act") build on this duty by introducing a new statutory duty on the BMA to supply an annual assurance to the Certification Officer ("CO") in relation to its register of members.
- The annual assurance takes the form of a **Membership Audit Certificate ("MAC")** which the BMA needs to supply to the CO.
- The section 24 duty requires the BMA to compile and maintain a register of members' names and addresses and, **so far as is reasonably practicable** to secure that the entries in the register are accurate and kept up-to-date.
- The statutory duty requires the BMA to maintain the names and addresses of its members.
  - The BMA does not have to keep a record of a member's job title, branch or grade, etc.
  - The address to be recorded can be the member's home address or any such other address that the member has requested the BMA in writing to treat as their postal address.
  - Where the BMA does not have an address for a member it must ask for one.
  - To help meet statutory obligations, the BMA should have in place a system which encourages members to notify it of any changes of address.
- The BMA has more than 10,000 members at the end of the previous reporting period. As such, it is required to appoint an independent Trade Union Assurer to be able to confirm that the BMA has taken the reasonable steps to ensure the details of its members (including names and addresses) are up-to-date and provide an MAC for the relevant reporting period.

---

### **Appointment of a Trade Union Assurer**

- The Membership Audit Certificate (Qualified Independent Person) (Specified Conditions) Order 2015 sets out the conditions that a qualified independent person must satisfy for the purposes of Section 24ZB of TULRCA in articles 3, 4 and 5.
- An assurer can be one of the following recognised independent, qualified persons:
  - Solicitor (who holds a practising certificate issued by The Law Society of England and Wales or Scotland);
  - auditor; or
  - person who is qualified to act as scrutineer under the Trade Union Ballots and Elections (Independent Scrutineer Qualifications) Order 1993.

- 
- Apart from these statutory requirements, other terms of the appointment can be agreed by the union and its assurer.
  - The BMA has appointed Richard Thomas of Capital Law Solicitors, Capital Building, Tyndall Street, Cardiff CF10 4AZ, to be the Qualified Independent Person.

---

### Report of Trade Union Assurer

- This appointment confers a duty on the assurer to provide a MAC after carrying out such enquiries as the assurer considers necessary.
- As part of my enquiries I have taken reasonable steps to assess whether the BMA's systems for compiling and maintaining a register of members' names and addresses are satisfactory to comply with the section 24 duty (i.e. that its register is, so far as is reasonably practicable, accurate and up-to-date) and I have done so by accessing information and obtaining explanations in order to demonstrate that the MAC is accurate.
- In my opinion I was able to obtain all the information or explanations needed to carry out this task including access at reasonable times to the register of members and all other relevant documents necessary to fulfil my functions.
- In this context I had access at reasonable times to the register of members and other documents necessary to fulfil my functions.
- I have also asked a number of the BMA's employees and officers to provide the information and the explanations required in order for me to fulfil my task.
- Having carried out whatever enquiries are necessary I will provide a MAC to the BMA which the BMA will need to submit to the CO with its annual return.
- Having undertaken my enquiries I am satisfied for the reasons set out in this report that the BMA has a satisfactory membership system in place and that the BMA has compiled and maintains a register of members' names and addresses which, so far as is reasonably practicable, does secure that the entries in the register are accurate and kept up-to-date. In this context the BMA has approximately 159,000 members and it utilises a Client Relationship Management ("CRM") system which contains the master database and central register of membership data including the register of members' names and addresses. Information from new joiners is collected and collated dependent upon the nature of the new member application. Applications made on paper (via post) or by telephone are processed and the member data (including names and addresses) is inputted manually on to the CRM system by the BMA Membership Records team. With on line applications there is integration between the on-line application process through to the CRM system to ensure that the data provided by the member is entered on to the CRM system. The BMA membership website contains Membership FAQ's and specifically informs all members that, "If you can't find the information you need please email [membership@bma.org.uk](mailto:membership@bma.org.uk) or call us on 0300 123 1233" (Link: <https://www.bma.org.uk/membership/membership-faqs>). The membership FAQ's also contains an "update your details" drop-down tab which allows all members to log in to the website and update their details on-line by following the link provided. Therefore, all BMA members can notify the BMA of any changes with ease and any such changes notified are then automatically updated on the CRM system.
- In making my assessment I have also taken into account the UK Government Guidance on Trade Union Register of Members and Membership Audit Certificate requirements and relevant decisions of the CO on reasonable practicability in *Re Civil and Public Services' Association (1996)* and the steps listed by the CO as being those routinely taken by a trade union to comply with the duty and the actions that unions would have to take to satisfy the requirement to "secure so far as is reasonably practicable" that the register of members is accurate and up-to-date'.
- These steps outlined by the CO (and the manner in which the BMA complies with these steps) are set out below:

- 
1. The membership application forms are split into a "Doctor join form" and a "Student join form". The membership application forms (attached at annex A) provide for the member to complete their address details and both forms specifically state that "We [the BMA] will use these contact details [supplied by the member as part of the application process] for communications with you [the member] including but not limited to polls, referendums and any balloting for Industrial Action". Therefore, both membership application forms require each member to provide an address which will be the ballot address for any potential Industrial action ballots and/or communications.
  2. The union follows up applications for membership when no appropriate address was given. The BMA Membership Records Department will not be able to process the application for membership when a membership application form has been supplied to it which does not contain an appropriate address. The BMA membership administration team will therefore telephone the applicant (if a mobile telephone number has been given in the application form) and send an email (if an email address is given in the application form) to the individual stating that the BMA is unable to process the application as the address section has not been completed. The prospective member is informed that if they wish to complete their application for membership then they can call one of the BMA's advisors and a telephone number for this is provided (attached at Annex B).
  3. If mail is returned undelivered to the union, the union is to check whether the member's address needs to be updated. BMA members and BMA Student members receive complementary copies of the British Medical Journal (BMJ) and the Student BMJ and the doctor magazine. These copies are sent out to the member's address as set out by the member in their membership application form. The packaging for these journals specifically confirms that "if undelivered please return to Citypoint, 21 Tyndrum Street, Glasgow, G4 0JY". If the BMJ or student BMJ is returned a second time as being undelivered a communication via email sent out to the member and if this is not responded to the address is then recorded as invalid. The Packaging for the BMJ and Student BMJ also contains a "Change of Address Option" in which members are provided with the opportunity to communicate with the BMA to update their current address details. Members are given email and telephone details in order to communicate with the BMA to provide it with up to date address details (Annexes C and D).
  4. The union has regular membership verification exercises. In November 2020 (membership renewal date is 1 October) the BMA undertook a full membership details update campaign which involved communications to all BMA members to remind them of the need to update their name and contact address details. A further full membership details update campaign will take place in 2021. For those BMA members who still receive their membership renewal notification by post the BMA sends an updated details form (attached at Annex E) to the member. This form specifically asks, "Are your membership details up to date?" and the member is given the opportunity to update their details including name and contact address and the member is given the option of returning the form via the pre-paid Business Reply Envelope provided by the BMA. The BMA has an online portal where members can access all their membership details and they are able to update their details online at [bma.org.uk/updatesmydetails](http://bma.org.uk/updatesmydetails). For members who receive their membership renewal electronically a membership renewal communication is sent out. This specifically informs members to "Please check that your membership details are correct" and members can update their membership details including name and address by accessing the online portal at [bma.org.uk/updatesmydetails](http://bma.org.uk/updatesmydetails).
  5. In its journals, the union advertises the need for members to keep the union informed of their current balloting address. The adverts remind members to keep their details up to date and the adverts provide the online access details for members to check and update



if necessary their contact details. The BMA advertised the need for members to keep the BMA informed of their current address (to be used for balloting purposes) by placing periodic advertisements to this effect in the British Medical Journal and the Student BMJ. A recent advert in the BMJ in December 2020 stated “Are you a BMA Member? Make sure your details are up to date” ...” Update your details today – myaccount.bma.org.uk”. (Annex F). The BMA’s membership verification exercise in November 2020 contained an “update your membership details” campaign via all communications routes such as social media and via the BMJ, Student BMJ and the BMA website in order to further publicise and advertise the need for members to keep their details updated.

6. The union regularly reminds branch secretaries of the need to have up-to-date addresses. The BMA has set up a group email communication/notification system for BMA officers to remind them (when they are meeting with members and/or working on their behalf) at meetings etc to keep their details updated.
- In *ReManufacturing, Science and Finance Union* (1998), the CO held that the duty to maintain an up-to-date register meant that a union was under an obligation to operate a system for removing the names of those members who no longer wished to be members.
  - The BMA has in place a comprehensive records retention schedule (Annex G). As the BMA provides advice to members (which can include legal advice) documentation relating to membership and records of advice given is retained for a period of 7 years in order to allow the BMA to be able to retrieve this documentation in the event of any claim for breach of contract and/or negligence in advice given being brought against it by an ex-member.
  - However, once a member has notified the BMA that they no longer wish to be a member then the BMA has a process whereby the members name is taken off the register of members and their status is changed to that of a non-member. For members who are deceased their details are archived in accordance with the records retention schedule. This ensures that all details are archived and security protected in order to ensure that no unauthorised access to this information can take place.
  - The BMA has in place a Records and Archive Management: Key Records Policy (Annex H) which confirms that all BMA Departments are required to ensure that all key records are sent to the Records and Archives Department for cataloguing. Key records are defined as content which interprets BMA opinion on any issue and can include correspondence or documents including e mails providing legal advice and/or guidance to members collectively.
  - The BMA also has in place a Records and Archive Management: Record Centre Policy (Annex I) which covers documents that staff need to keep for legal requirements or other business purposes. These documents have a retention date in line with the BMA Records Retention Schedule at Annex G and are then confidentially destroyed after the expiry of the retention period. This would include legal advice given to members individually.
  - Both policies provide an electronic link for documentation to be sent to the record centre. The processes for document security outlined above then apply to these archived documents. Both policies also reminded all BMA staff of the fact that confidential disposal bins are available for BMA staff to ensure that records that do not need to be sent to the record centre are also destroyed.
  - As the Independent Assurer I acknowledge that I have a statutory duty of confidentiality in respect of the union’s register of members and am bound by the provisions of the Data Protection Act.
  - Assurers do not need to check the accuracy of every single member record in order to produce a MAC. This would present a disproportionate cost burden to unions and would be inconsistent with standard practice in comparable checks, for example of audited accounts.

A handwritten signature in black ink, appearing to read 'R Thomas', with a large, sweeping flourish extending to the right.

SIGNED: Richard Thomas, Partner

Capital Law  
Capital Building  
Tyndall Street  
Cardiff CF10 4AZ

23 March 2021

## Membership audit certificate

### Section two

For a trade union with no **more than 10,000 members** at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

**Yes / No**

If "No" Please explain below:

Not applicable

Signature	
Name	
Office held	
Date	

**Company Registration No. 00008848**

**British Medical Association**

**Annual Report and Financial Statements  
for the year ended 31 December 2020**

# British Medical Association

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## British Medical Association

### Annual report and financial statements 2020

#### Officers and professional advisers

##### Members of council

Council is the principal executive committee (PEC) of the trade union as set out by trade union legislation (TULCRA 1992). It sets the strategic direction of the Association in line with policy decided by the representative body at the annual representative meeting (ARM), and is responsible for the formulation of policy throughout the year between ARMs, and for delegating the implementation of policy to the company by way of aims and desired outcomes. Council has responsibility for overseeing the co-ordination and timing of policy implementation of the Association, and the authority to resolve disputes between other BMA bodies and to authorise industrial action.

Since 2018 BMA council has between 57 and 74 voting members.

Each is directly elected by the membership to give a UK wide, geographical and cross-branch of practice mix. There are also 26 ex-officio non-voting members, including those who chair/co-chair some of the many committees reporting to council.

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

Dr Krishan Aggarwal	Dr Andrew Green*
Dr Jahangir Alom*	Dr Gaurav Gupta*
Dr Jackie Applebee*	Dr Rajat Gupta (until December 2020)
Dr David Bailey	Dr Brian Guttridge
Dr Philip Banfield*	Dr James Haddock*
Dr Jennifer Barclay*	Dr Sarah Hallett
Dr Hannah Barham-Brown*	Dr Robert Harwood
Dr Rob Barnett*	Dr Sara Hedderwick*
Miss Rebecca Bates (from September 2020)	Mr Michael Henley*
Dr Peter Bennie*	Dr Peter Holden*
Mrs Lesley Bentley (until October 2020)	Mr Roger Horton (BMJ chair from April 2020)
Dr Tom Black	Dr Sebastian Hormaeche*
Dr Katie Bramall-Stainer*	Dr Philip Howard*
Dr Mary Anne Burrow	Dr Louise Irvine*
Sir Harry Burns (President from September 2020)	Professor Anil Jain*
Dr Kailash Chand*	Dr Richard Jarvis (from December 2020)
Dr John Chisholm*	Dr Krishna Kasaraneni*
Dr Christine Clayton*	Dr Iain Kennedy*
Dr Andrew Collier (until October 2020)	Dr Lucie Kennedy-Cocker*
Dr Cristina Costache*	Dr Amit Kochhar*
Dr David Craigmyle*	Professor Dame Parveen J Kumar
Dr Peter Curry*	Dr Rajesh Kumar (from September 2020)
Professor Peter Dangerfield (until December 2020)	Dr Jeremy Lawrance (from November 2020)
Dr Paul Darragh*	Mr Joseph Lippincott III (BMJ chair until April 2020)
Dr Jacqueline Davis*	Mr Tainyane Mapako (from September 2020)
Dr Thomas Dolphin*	Dr Mary McCarthy*
Mrs Chrissie Douglass (from October 2020)	Dr Helena McKeown* (Chair of representative body)
Dr Peter English*	Mr Ian McNab*
Dr Glynn Evans*	Dr Richard Mithen (until February 2020)
Sir Sam Everington*	Dr Lewis Morrison
Dr Helen Fidler*	Dr Chaand Nagpaul (Chair of council)
Dr Alex Freeman*	Dr Kevin O'Kane*
Dame Clare Gerada*	Dr Rinesh Parmar
Prof Raanan Gillon (President until September 2020)	Dr Latifa Patel (Deputy chair of representative body)
Dr Zoe Greaves*	Dr Philip Pearson*

## British Medical Association

### Annual report and financial statements 2020

#### Officers and professional advisers

##### Members of council (continued)

Dr Trevor Pickersgill\* (Treasurer)  
 Dr George Rae\*  
 Dr Richard Rawlins\*  
 Professor Michael Rees\*  
 Dr Emma Runswick\*  
 Professor Wendy Savage\*  
 Dr Radhakrishna Shanbhag\*  
 Mr Nitin Shrotri (from February 2020)  
 Mr Gurdas Singh (until September 2020)

Mr Christopher Smith\*  
 Dr David Strain (until December 2020)  
 Dr Vicky Theakston\*  
 Dr Penelope Toff\*  
 Dr Richard Vautrey\*  
 Dr Mark Weir (until September 2020)  
 Mr Rajiv Wijesuriya\*  
 Dr David Wrigley (Deputy chair of council)  
 Dr Jennifer Yell\*

\*Indicates voting members

##### 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 Krishan Aggarwal, Council member (appointed 8 <sup>th</sup> August 2020)	Mrs Catherine Mayor, NED (appointed 11th March 2020)
Dr Kailash Chand, Council member (appointed 8 <sup>th</sup> August 2020)	Dr Helena McKeown, Chair of representative body
Dr John Chisholm, Council member (resigned 8 <sup>th</sup> August 2020)	Dr Chaand Nagpaul, Chair of council
Dr Helen Fidler, Council member (resigned 8 <sup>th</sup> July 2020)	Ms Elisa Nardi NED
Mr Tom Grinyer Chief executive	Dr Kevin O’Kane, Council member
Mr Roger Horton, BMJ Chair (appointed 20 <sup>th</sup> April 2020)	Dr Trevor Pickersgill, Treasurer
Mr Joseph Lippincott III, BMJ Chair (resigned 26 <sup>th</sup> March 2020)	Dr David Wrigley Deputy chair of council
Mrs Neeta Major, Group Chief Financial Officer (appointed 22nd February 2021)	

##### Lawyers

Gateley  
 Ship Canal House  
 98 King Street  
 Manchester  
 M2 4WU

Capital Law  
 Capital Building  
 Tyndall Street  
 Cardiff  
 CF10 4AZ

##### Bankers

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

##### Registered Office

BMA House  
 Tavistock Square  
 London  
 WC1H 9JP

##### Auditor

Grant Thornton UK LLP  
 30 Finsbury Square  
 London,  
 EC2A 1AG

# British Medical Association

## Report and financial statements 2020

### Strategic report

The directors, in preparing this strategic report, have complied with 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.

During 2020, the BMA launched a new “Strategy for 2020 -2025” emphasising our role as a strong trade union and leading professional body. It is built on the back of meticulous research conducted through reviews of policy, communications, member support services, our culture, staff surveys and a detailed survey of our members. It responds to the challenges and opportunities we have seen in our external environment and the impact these have on the profession. The strategy sets out our ambitions for the years ahead. It is designed to be a living document as we recognise the importance of being able to respond to unforeseen external events like COVID-19 with speed and agility.

BMA council and the Board have endorsed the strategy which will give the leadership team, elected members and our excellent staff a blueprint to develop coherent plans and a culture that will deliver the very best outcomes for our members, representatives and employees.

#### BMA strategic priorities

##### ***Member centred - Actively engage our profession to fully understand and respond to needs and expectations***

- Continually capture what is most important to doctors
- Personalise products and services to meet member needs
- Engage members in ways that work for them
- Focus on what members value most
- Enable our activists to engage effectively with doctors and medical students

##### ***Representing the profession - Act upon the concerns of our profession to achieve the best possible outcomes, both individually and collectively, as a strong trade union and professional association***

- Use our strength as a trade union to support and protect our members
- Invest in our negotiations to achieve the best results
- Represent on professional issues to improve the daily working lives of our members

##### ***Influencing outside of the BMA - Lead on behalf of our profession on the issues that matter most***

- Prioritise the campaigns that will have the biggest impact on members
- Assert our leadership as an authoritative voice
- Provide our activists with the tools to leverage our influencing

##### ***Running the BMA - Build a sustainable, carbon neutral organisation for a changing world***

- Increase our capabilities to deliver what our members need
- Leverage the strengths of the BMJ to provide group synergies across our activities
- Give members the best value for their membership in a financially stable association
- Promote equal rights and opportunities, tackle discrimination or disadvantage and create an
- Open and inclusive culture for our members, employees and stakeholders
- Ensure our committees are effective, efficient and represent the diversity of our membership



## British Medical Association

### Report and financial statements 2020

#### Strategic report (continued)

- Ensure that our democratic structures reflect the voice and demands of our members at a local, intermediate, national and UK level

#### BMJ strategic priorities

Through the BMJ Publishing Group Limited (BMJ), our independent publishing company, the focus and direction is about creating a healthier world with a mission to advance healthcare worldwide 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 BMJ continued to make good progress towards these objectives during 2020, in particular the continued growth of international revenues and operations outside of the United Kingdom.

Over the course of 2020, a strategic framework was outlined to further the Group's pursuit of a healthier world. The Board approved each theme outlined below and will be actively participating with their development through 2021 and beyond:

***Delivering superior digital solutions*** - by accelerating BMJ's digital transformation, the Group can increase the value, volume, discoverability and usage of created content. In turn, this will deliver efficiencies, targeted cost savings, improved user experience and, ultimately, enhanced revenues;

***Increasing operational efficiency*** - by delivering efficiencies, BMJ can either crystallise cost savings or free up funds to reinvest in areas likely to deliver improving returns;

***Optimising the product portfolio*** – by emphasising common themes across the Group's complex and varied portfolio, BMJ can drive synergies and improve overall returns; and

***Strengthening organisational effectiveness*** – by reinforcing a commonality of approach across the Group, teams should be better able to share customer insight and best practice across accounts and products, enabling the delivery of a consistent user experience which should, over time, generate improved customer satisfaction and retention

#### 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.

The BMA board has group oversight of the BMJ Publishing Group Limited and BMA Investments Limited.

## **British Medical Association**

### **Report and financial statements 2020**

#### **Strategic report (continued)**

##### **Business review**

BMA Group income ended the year at £134.0m, £5.2m lower compared to 2019 (2019: £139.2m). The reduction is primarily due to the impact of COVID-19. The fall in income has impacted the overall performance, with the group incurring a deficit of £0.2m (2019: Surplus £2.0m). Within the group, the BMA incurred a deficit after tax of £1.5m (2019: surplus £3.1m), with the BMJ delivering a surplus after tax of £6.7m (2019: £8.3m). The BMA is reliant on the BMJ to fund the deficit, with the longer-term financial strategy to significantly reduce this dependency.

The group net worth of the Association remains very strong at £129.7m (2019: £130.4m). Owned property (BMA House and the Queen Street Edinburgh offices) remains on the balance sheet at nominal value, with BMA House valued in the region of £75m in March 2012. Both properties remain integral to the operational activities of the association and it is deemed not necessary at this stage to have the properties professionally re-valued. The defined benefit pension scheme, under FRS102 as at 31<sup>st</sup> December 2020 indicated a deficit of £13.3m (2019: £10.3m). This increase in deficit is largely attributable to the change in the discount rate assumption, driven by the adjustment to corporate bond yields over the past year.

Our investment portfolio held by BMA Investments Limited has despite volatility earlier in 2020, closed the year at £138.6m in 2020 (2019: £138.7m), reflecting the stabilisation of global financial markets in recent months, which is in line with the various benchmarks within the investment portfolio for 2020. In order to rebalance the portfolio £5m was divested during 2020 and the funds are currently held as cash.

Membership numbers have slightly decreased over the last year and we now have 158,405 members at 31 December 2020 compared to 159,690 at 31st December 2019. Whilst we have seen an increase in the number of practicing members, as the impact of COVID-19 has reminded doctors of the need for support and advice during this period, student membership has fallen due to the lack of face to face recruitment at freshers fairs. Membership revenue grew to £49.4m (2019: £48.6m) due to the earlier recruitment of members and the increased membership of practicing members.

Event income has been severely impacted by the pandemic with no events taking place since March 2020 and property income is also lower due to a small number of tenants leaving at the end of their lease as a result of COVID-19 and ongoing review negotiations, and as such revenue from other income sources is £2.0m lower for the year compared to 2019, £6.9m (2019: £8.9m).

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 BMJ group continued to make good progress towards these objectives during the year, in particular the continued growth of international revenues. BMJ group income for 2020 was £77.8m (2019: £81.7m)

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 nation.

## British Medical Association

### Report and financial statements 2020

#### Strategic report (continued)

##### Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Directors are well aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Association for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The impact of long-term decisions is assessed as a matter of course when reviewing proposed projects and during the annual budget and strategic review process, where future plans for the BMA are reviewed and refreshed.

Induction materials provided on appointment include an explanation of Directors' duties, and the Board is regularly reminded of the s.171(1) Matters, including as a rolling agenda item at every Board meeting.

As a trade union, working with and for our members is key to the future success of the organisation. 2020 has been an extraordinary year for the profession and the BMA has worked non-stop to protect and support our members through a year in which they have never been more critical to the functioning of the NHS or the health of the nation. We demanded urgent measures to ensure the PPE supply to doctors, we secured the right to remain in the UK for overseas doctors who lost their life battling COVID-19 as well as death in service benefits. We secured government agreement to a public inquiry into the impact of COVID-19. We won unprecedented reforms to doctor's pension taxes saving members many thousands of pounds. Alongside John Lewis we delivered care packages to healthcare workers across the country and provided 24/7 support for every doctor who needed it.

The BMA group works with key suppliers to ensure the delivery of services to members and key customers globally through regular review meetings and monitoring of key performance indicators. The supply of major services is regularly tendered to ensure that members/customers continue to receive high levels of service, delivered cost effectively.

Corporate, social, environmental, responsibility is key when developing new and existing business relationships. The BMA has long acted as a responsible organisation; we are the oldest medical association in the world to award grants to encourage and further medical research and have always advocated the highest standards of human rights in healthcare. We undertake a wide range of CSER activities, which can be grouped under three main themes:

- Workplace

We recognise that we have a responsibility to promote and adopt organisational policies that support sustainable practices and improve the health and wellbeing of our employees. We are committed to promoting equal rights and opportunities, pro-actively tackling discrimination or disadvantage in all forms and creating an open and inclusive culture for our employees.

- Communities

We recognise that we have a duty towards wider society and the communities we work with and within. The BMA seeks to give back to the community through activities such as widening participation into medicine, upholding fundamental human rights in health practice, creating key partnerships with stakeholders, supporting research careers through funding, mental wellbeing through our wellbeing support services, and doctors' financial needs through the BMA charitable network.

## British Medical Association

### Report and financial statements 2020

#### Strategic report (continued)

- Sustainability and health

We recognise the detrimental effects climate change has on health and aim to minimise our impact on the environment. Doctors and other health professionals have a vital role in supporting and advocating for better approaches to tackling climate change that protect and promote public health, while also reducing the burden on health services.

Staff and member engagement is a key component of our activities and weaves into these three themes.

BMA House as a venue has recently been voted “Greenest Venue” and “Best Conference Venue” at the 2019 Hire Space Awards.

#### Principal risks and uncertainties

The BMA group is carefully monitoring ongoing developments relating to the COVID-19 global pandemic. Business continuity plans have been activated to safeguard core activities and target minimal disruption to customers, suppliers and employees. These plans include regular reviews of the developing situation by management and the establishment of a central team to assess risk daily and direct appropriate responses as necessary.

It is clear the health system in the UK continues to face crisis after crisis which is well documented in all forms of media. The profession is facing unparalleled and systemic pressure from all possible sources. This is further complicated with the devolution of healthcare across the four UK nations and the uncertainty around the impact of Brexit on healthcare.

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.

Through our service delivery mechanism, we are making significant progress in protecting our members through agreements with healthcare stakeholders. Nonetheless, we are also supporting record numbers of members individually through our member relations activities.

In terms of financial risk, the BMA group closed its defined benefit pension scheme to future accrual in July 2014. As of that time, the pension scheme was fully funded. Subsequently through abnormal external market conditions, the scheme went into deficit, then surplus and back to a deficit position. The Association works collaboratively with the scheme’s Pension Trustees to manage the on-going financial risk. The next triennial valuation of the scheme is due on 31 March 2021.

With the management of the investment fund, an investment sub-committee is appointed via the finance committee to manage its investment portfolio. Experienced outsourced investment managers manage the funds to agreed investment benchmarks. The present benchmark used for the pool of investments held within BMA Investments Limited, is LIBOR + 3%.

The key business risks and uncertainties affecting the BMJ are considered to relate to global economic conditions and 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 2021. The management of the BMJ review the level of currency risk inherent within the business and they hedge a level of currency risk via currency forward contracts.

#### Key performance indicators (KPI)

The BMA’s most important KPI is its membership which stood at 158,405 (2019: 159,690) 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. Strong membership ensures the BMA can maintain its position as a key player when negotiating and influencing health related policy.

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), usage and article citations.

## **British Medical Association**

### **Report and financial statements 2020**

#### **Strategic report (continued)**

##### **Future developments**

The BMA intends to continue its unprecedented support for the profession throughout the pandemic, including consideration of how best to support the after effects of the pandemic in terms of wellbeing and burnout. The BMA will continue to set out the key issues which government must work to address to deliver a truly sustainable NHS and contribute to upcoming legislation in both Westminster and the devolved nations. Critical to this will be arguing for the right levels of investment in the NHS as a whole and in the profession specifically, including in a fair deal on pay and pensions.

##### **Events after the balance sheet date**

The BMA continues to support many of its members in the successful delivery of the COVID-19 vaccine programme, and has also continued to track the delivery of vaccine to doctors across the 4 countries of the UK. The BMA is carefully monitoring developments relating to the lockdown restrictions and to make the case for sustaining restrictions which are designed to protect the NHS and therefore the profession from being overwhelmed. Business continuity plans continue to be active to safeguard core activities and target minimal disruption to members, customers, suppliers and employees. These plans include regular reviews of the developing situation by management and the establishment of a central team to assess risk daily and direct appropriate responses as necessary.

Reviews and reforecasts have not identified events or conditions that prevent the business from being able to meet obligations as they fall due. With strong cash reserves at both entity and Group level, possible adverse impact to working capital can be safely and effectively managed. What is important during the pandemic is that relevant content is accessible to those on the frontline treating patients and the business continues to provide and augment this support.

##### **Approval**

Approved by the Board and signed on its behalf by:



Dr Trevor Pickersgill

Treasurer

22/4/2021

# **British Medical Association**

## **Report and financial statements 2020**

### **Report of the audit and risk committee**

The directors present their annual report and the audited consolidated financial statements of the British Medical Association (BMA) for the year ended 31 December 2020.

#### **Principal activities**

The principal activity of the 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. BMA Investments Limited is the investment holding subsidiary for the BMA.

#### **Directors**

The directors, who served throughout the year except is noted on page 2.

#### **Financial risk management objectives and policies**

The BMA's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the BMA's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The BMA does not use derivative financial instruments for speculative purposes. Details of other risks and the management of these can be found in the strategic report on page 3 and also the report on the audit and risk committee on page 15.

#### **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.

#### **Future developments**

Commentary on future developments is included within the strategic report.

#### **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 intranet, email updates, 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 (2019: £nil). It increased charitable donations totalling £364,000 (2019: £176,000) to various medical education and research charities to support COVID-19 related initiatives.

#### **BMA House valuation**

The directors consider that the market value of BMA House, London, based on its existing use, is significantly higher than the carrying value included within the balance sheet, as stated in Note 13. The last valuation undertaken was as at 31 March 2012, which gave a value in the region of £75m. As the intention is to continue to hold the property for a combination of operational and revenue-generating activities, the directors consider the cost of obtaining a more up-to-date valuation would be an unnecessary use of funds.

## **British Medical Association**

### **Report and financial statements 2020**

#### **Report of the audit and risk committee (continued)**

##### **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.

##### **Going concern**

Given the current impact and ongoing uncertainty created by the COVID-19 pandemic, the BMA has undertaken an assessment of going concern and considered the level of disclosure relating to these issues within the financial statements. Please refer to note 3 within these financial statements. The directors have concluded that the BMA and BMA group have sufficient resources to meet its ongoing liabilities for twelve months from the date that these financial statements have been signed, that there are no material uncertainties and as a result the accounts have been prepared on a going concern basis.

##### **Post balance sheet events**

Commentary on post balance sheet events is included within the strategic report.

##### **Independent auditor**

Grant Thornton UK LLP was appointed as independent auditor on 30<sup>th</sup> September 2020 and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

##### **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.

##### **Annual Representative Meeting (ARM) September 2020**

The BMA held its annual representative meeting on 15 September 2020, the first time fully virtually. 19 motions were passed at the meeting and are being implemented in accordance with the bye-laws. At its 11 November 2020 meeting, BMA council considered the implementation of the following resolution:

That this meeting acknowledges the significant work of UK doctors and medical students in fighting the COVID-19 pandemic and that this work was performed on a background of sustained real-terms pay erosion for doctors in the UK. We call on the BMA to:-

- i) survey members as to their opinions of the pay recommendations suggested by the DDRB in their 48th report (2020);
- ii) survey members as to what actions they believe the BMA should take next, in regard to tackling this real-terms pay erosion, including the option of industrial action;
- iii) to demand significant above inflation pay rise to compensate for a decade of freezes and sub-inflation pay rises;
- iv) to formulate an action plan in case doctors are not offered a fair pay settlement;
- v) withdraw from the DDRB before the end of 2020.
- vi) include different forms of industrial action in the survey and ask the council to formally ballot members if the survey suggests majority support.

## **British Medical Association**

### **Report and financial statements 2020**

#### **Report of the audit and risk committee (continued)**

Due to concern that not submitting evidence to the DDRB (Review Body on Doctors' and Dentists' remuneration) would restrict the BMA's ability to lobby on pay increases for doctors, particularly with different positions in each of the nations and individual Branch of Practice groups, following a 2/3 majority vote, the council resolved to defer implementation of part (v) of the motion.

#### **Equality diversity and inclusion (EDI)**

Our aim is to foster a culture where individual differences and diversity are welcomed. We are committed to promoting equal rights and opportunities, pro-actively tackling discrimination or disadvantage in all forms and creating an open and inclusive culture for our members, employees and stakeholders.

We believe that EDI is integral to our work as a trade union, a professional body and an employer for several reasons:

- It strengthens our ability to stand up for doctors, both individually and collectively, on a wide variety of employment issues and influence on key ethical, scientific and public health matters, by helping to maintain the trust and confidence of all our partners and stakeholders.
- We want to demonstrate that we understand and respond to the diverse needs of doctors and patients and tailor our services accordingly.
- Our membership profile needs to reflect the make-up of the medical profession. Our committee structures must be representative of the membership and medical workforce.
- Having an inclusive and diverse workforce which reflects the rich diversity of the UK population, and the communities in which we operate, is key to achieving our mission and vision. There is also strong evidence that organisations which embrace inclusion and diversity perform better and achieve more.
- We want to attract talent, retain productive and committed staff, and be part of creating a positive culture change that spreads throughout the Association.
- There are important legislative measures affecting equalities and human rights issues. We want to be recognised as an association that aspires to high standards and good practice in all that we do.

#### **Modern Slavery Act 2016**

In compliance with the Modern Slavery Act, BMA's website has a statement on the steps the BMA takes to ensure that slavery and human trafficking do not occur in its supply chain or operations.

#### **Gender pay**

The gender pay gap legislation introduced in April 2017 requires that UK employers with 250 employees or more publish data about their gender pay. The BMA is committed to championing equal rights and opportunities, and proactively tackling discrimination or disadvantage in all forms to create an open and inclusive culture for our employees, members, customers and stakeholders.

As an employer the BMA / BMJ group is committed to reducing our gender pay gap. We are working with our employees to identify ways in which we can do this. The gender pay gap is difference in average pay between men and women in the workforce. We have calculated the median gender pay gap for the BMA/BMJ group to be 11.9%, which means that on average men earn 11.9% more per hour than women. Our median gender pay gap is lower than the national figure, which shows that on average men earn 17.3% more per hour than women.

#### **Streamline Energy and Carbon Reporting (SECR)**

The British Medical Association operates in seven offices. Our London office (BMA House) is heated through gas oil and burning oil. Our remaining offices are heated through gas and our electricity is purchased. The BMA has a fleet of 22 company cars and 45 grey fleet drivers (staff who are in receipt of an allowance for using their own car). Any member of staff can claim mileage as a business expense if they use their car for a relevant business journey (not for commuting). Though not employed by the BMA, we have included mileage claimed by BMA committee members.



## British Medical Association

### Report and financial statements 2020

#### Report of the audit and risk committee (continued)

Energy source	Consumption kWh	Scope	Emissions calculation - tCO <sub>2</sub> e
Gas oil (ULS gas oil)	588,500	Scope 1	151.07
Burning oil (premium boiler heat)	2,916,342	Scope 1	719.34
Electricity	3,012,667	Scope 2	702.37
Transport – company cars	28,570	Scope 1	7.07
Transport – BMA members	178,286	Scope 3	43.66
<b>TOTAL</b>	<b>6,724,365</b>		<b>1,623.51</b>
Intensity ratio			3.178 per BMA FTE

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines.

To calculate our consumption and GHG emissions, we have followed the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting and the Carbon's Trust Conversion Factors to calculate litres of gas oil and burning oil into kWh.

GHG protocol scope	Definition
Scope 1 (Direct) GHG emissions	These include emissions from activities owned or controlled by your organisation that release emissions into the atmosphere. They are direct emissions. Examples of Scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.
Scope 2 (Energy indirect) emissions	These include emissions released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities, but which occur at sources you do not own or control.
Scope 3 (Other indirect) emissions	Emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as Scope 2 emissions. Examples of Scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal which is not owned or controlled, or purchased materials.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per FTE member of staff.

## British Medical Association

### Report and financial statements 2020

#### Report of the audit and risk committee (continued)

##### Measures taken to reduce our environmental impact

The BMA recognises the detrimental effects climate change has on health and aims to minimise our impact on the environment. We commissioned an eco-audit in 2019 to evaluate all aspects of our operations to see where our ecological and climate impacts could be reduced. The BMA owns the lease of its London and Edinburgh offices, as such it has been able to implement a wider set of energy efficiency measures.

We have taken several steps to improve our environmental impact:

- Our London (BMA House) Edinburgh and Cardiff offices are on a renewable electricity tariff.
- All BMA House lighting is being replaced with LED.
- BMA House has achieved a zero-to-landfill status – meaning that no waste produced there goes to a landfill but is either recycled or recovered.
- We have created guidance for members on how to reduce carbon emissions in their workplace: The sustainable and environmentally friendly general practice report was published in June 2020.
- We have started insulations works at BMA House and in our Edinburgh office to reduce building energy use.
- As part of our return to office working, we are devising a ‘carbon descent’ plan to continue to further reduce our environmental impact.
- We have implemented the ‘dead band’ in our offices where possible (where heating is set to 19 degrees and cooling to 25 degrees).
- We promote paperless/e-first ways of working, switching to recycled photocopying paper when it is necessary to print.
- We are currently exploring environmental heating options for BMA House.
- We have installed four electric car charging points at BMA House.
- As part of our company fleet policy, the BMA only chooses low CO2 petrol vehicles, we will be reviewing our choice of vehicle later in the year.

##### 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 C Nagpaul  
Chair of council

22/4/2021

## **British Medical Association**

### **Report and financial statements 2020**

#### **Report of the audit and risk committee (continued)**

##### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

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 and profit or loss of the company and 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 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 confirm that:

so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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 2020**

#### **Report of the audit and risk committee (continued)**

##### **Audit and risk committee's report**

During 2020, the membership of the Audit and Risk comprised the following:

- Stuart Cruickshank (chair until June 2020 and lay member until October 2020)
- Jacques Cadranel (lay member since November 2014 and present chair since June 2020)
- Jill Ainscough (BMJ NED until July 2020)
- Brian McCarthy (BMJ NED member since October 2020)
- Kathryn Cearns (lay NED member since October 2020)
- Peter Holden (member since November 2017, re-elected in November 2020)
- Krishan Aggarwal (member since October 2020)

Committee meetings were also attended by the BMA treasurer, BMA chief executive, BMJ chief executive, BMA acting director of finance and Chief financial officer. At the beginning of 2021, a permanent appointment was made to the role of BMA Group Chief Financial Officer, a key appointment for the BMA Group and the committee. The Committee is advised throughout the year by the external and internal auditors who also attend its meetings.

The committee advises and makes recommendations to the board of directors on matters pertaining to its scope and expertise. As well as regular exchanges between the committee and senior leaders, ARC reported throughout the year to the Board of Directors and to Council in July 2020.

The committee met three times in 2020 and meetings were structured to enable it to meet the requirements of its terms of reference (set out at schedule 1 to the byelaws of the BMA's constitution) as detailed below:

##### **Integrity of financial reporting**

During 2020, the committee received regular reports from the acting director of finance and the treasurer regarding the financial performance, systems and processes operating within the BMA and its subsidiary, the BMJ Publishing Group Ltd.

The committee considered the annual directors' report and financial statements prior to their approval by the Board of Directors and Council. During 2020, the ARC obtained sufficient assurance from both the internal and the external auditors that the integrity of the Association's financial reporting was maintained.

##### **External auditor**

During 2020, the committee undertook an open and competitive tender process to rotate the external audit firm. Services of the independent external auditor were provided by Deloitte until December 2020 and by Grant Thornton thereafter.

The committee received regular verbal and written reports from its external auditor. The committee's work programme for the year included approving the proposed audit strategy, agreeing the schedule of audit fees and receiving the auditors' final report at the conclusion of their audit work.

In addition, the committee continued to ensure the independence and objectivity of the external auditors by:

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

## **British Medical Association**

### **Report and financial statements 2020**

#### **Report of the audit and risk committee (continued)**

##### **Internal Controls, Systems and Processes**

###### **Internal audit**

During 2020, the committee continued to monitor the effectiveness of the BMA's internal control systems and were advised by internal auditors, KPMG, who reported regularly to the committee and the chair. Day to day liaison and management of the internal auditor's activity was led by the BMA's acting director of finance. During this period, the committee commissioned the internal auditors to conduct 'deep dive' reviews into the effectiveness of internal controls in the following areas:

- Project Management and Governance, BMJ - report completed January 2020
- BMA Group recharges report - report completed February 2020
- Project Management and Governance, BMA - report completed March 2020
- BMA outsourcing v insourcing - report completed May 2020
- Financial Governance during COVID-19 – report completed October 2020
- Staff Payroll – report completed October 2020
- BMJ Income and Debtors- report completed October 2020

In each of these areas, the organisation was given a detailed report of actions identified for improvement. The actions identified would be agreed with managers to improve systems and controls and the committee would monitor progress against agreed actions by way of regular reports from management.

KPMG gave an overall assessment score of 'amber green' to the organisation. This is in line with their assessment in prior years. The willingness of BMA/BMJ staff to accept suggested action points and the team's alacrity in implementing the key recommendations is a key factor in this score.

At the end of 2020, new internal auditors, Crowe, were appointed, their role commencing from January 2021.

###### **Risk management**

The processes surrounding the identification, mitigation and control of risk form a major part of the audit and risk committee agenda, but with ultimate responsibility falling to the Board of Directors.

In October 2020, the senior leadership team and members of this committee met to discuss and develop a new approach to identifying and managing risk within the agreed strategic objectives and business plan.

The committee considers risk to 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 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 with changes notified as appropriate.

## **British Medical Association**

### **Report and financial statements 2020**

#### **Report of the audit and risk committee (continued)**

A significant development in 2020 was the identification by the committee and senior leaders of the need to introduce a BMA Group wide risk management culture, where risk is understood, recognised and assessed as part of every area of the business. This would be based on the organisation's risk appetite and strategy. To that end, the committee will consider a proposal to take this forward at its meeting in March 2021.

*Jacques Cadranel*

Jacques Cadranel

**Chair, Audit and Risk Committee**

22/4/2021

# **Independent auditor's report to British Medical Association and its members**

## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of British Medical Association (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the company and consolidated statements of income and expenditure, the company and consolidated statements of comprehensive income, the company and consolidated balance sheets, the company and consolidated statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the group's and parent company's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

# **Independent auditor's report to British Medical Association and its members**

## **Report on the audit of the financial statements**

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

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

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



# Independent auditor's report to British Medical Association and its members

## Report on the audit of the financial statements

### Responsibilities of directors for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and parent company are subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur: the Companies Act 2006, the Trade Union and Labour Relations (Consolidation) Act 1992, FRS 102, tax legislation, anti-bribery legislation and employment law;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors, and from inspection of the Group's Board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the directors;
- Based on the results of our risk assessment, we designed audit procedures to identify non-compliance with such laws and regulations as identified above. These audit procedures were performed at all components within the scope of our audit. Our procedures also involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; enquiries of legal counsel and group management; and consideration of the volume and nature of complaints received through whistleblowing during the year;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

## **Independent auditor's report to British Medical Association and its members**

### **Report on the audit of the financial statements**

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the group and the parent company operates; and
  - understanding of the legal and regulatory requirements specific to the group and parent company.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and solely to the company in accordance with section 36(1) of the Trade Union and Labour Relations (Consolidation) Act 1992. 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.



#### **Nicholas Page**

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
30 Finsbury Square, London, EC2A 1AG

22/4/2021

## British Medical Association

### Company and consolidated statements of income and expenditure

For the year ended 31 December 2020

	Note	BMA (only)		Consolidated	
		2020 £000	2019 £000	Group 2020 £000	Group 2019 £000
<b>Income</b>					
Membership subscriptions		49,384	48,583	49,384	48,583
Income from other activities		7,767	9,943	6,865	8,895
Publishing:					
Subscriptions and advertising		-	-	77,778	81,687
		<u>57,151</u>	<u>58,526</u>	<u>134,027</u>	<u>139,165</u>
<b>Expenditure</b>					
Members' services		67,240	69,090	68,477	70,171
Other activities		1,892	1,814	-	-
Publishing		-	-	69,706	71,158
		<u>69,132</u>	<u>70,904</u>	<u>138,183</u>	<u>141,329</u>
<b>Operating deficit</b>					
Members' services		(11,981)	(12,378)	(12,228)	(12,693)
Publishing		-	-	8,072	10,529
		<u>(11,981)</u>	<u>(12,378)</u>	<u>(4,156)</u>	<u>(2,164)</u>
<b>Operating deficit</b>					
Income from fixed assets	5	11,980	17,110	7,117	7,633
Interest receivable	6	-	5	69	231
Other finance expenditure	11	(799)	(506)	(799)	(506)
Gain on sales of fixed asset investments	14	-	-	248	-
		<u>(800)</u>	<u>4,231</u>	<u>2,479</u>	<u>5,194</u>
<b>Surplus/(deficit) before taxation</b>					
Taxation	10	(712)	(1,096)	(2,662)	(3,244)
		<u>(712)</u>	<u>(1,096)</u>	<u>(2,662)</u>	<u>(3,244)</u>
<b>Net (deficit)/surplus for the year</b>					
	19	<u><b>(1,512)</b></u>	<u><b>3,135</b></u>	<u><b>(183)</b></u>	<u><b>1,950</b></u>

All activities derive from continuing operations.

The notes on pages 28 to 47 form part of these financial statements.

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

## British Medical Association

### Company and consolidated statements of comprehensive income

For the year ended 31 December 2020

	Note	BMA		Consolidated	
		2020 £000	2019 £000	2020 £000	2019 £000
Net (deficit)/surplus for the financial year		(1,512)	3,135	(183)	1,950
Other comprehensive income:					
Re-measurements of net defined benefit obligation	11	(2,163)	(9,798)	(2,163)	(9,798)
Unrealised gains on investments	14	-	-	2,376	14,816
Deferred tax on revaluation of investment	10	-	-	(603)	(1,688)
Deferred tax on pension	10	185	(1,581)	185	(1,581)
<b>Total comprehensive income for the year net of tax</b>		<u>(3,490)</u>	<u>(8,244)</u>	<u>(388)</u>	<u>3,699</u>

## British Medical Association

### Company and consolidated balance sheet

For the year ended 31 December 2020

	Note	BMA		Consolidated	
		2020 £000	2019 £000	2020 £000	Restated 2019 £000
<b>Fixed assets</b>					
Intangible assets	12	336	485	2,816	3,410
Tangible assets	13	7,517	7,950	7,606	8,136
Investments	14(a)(b)	-	-	139,517	139,017
Subsidiary undertaking	14(c)	140,878	140,878	-	-
		<u>148,731</u>	<u>149,313</u>	<u>149,939</u>	<u>150,563</u>
<b>Current assets</b>					
Inventories	15	-	-	9	12
Debtors	16	3,752	5,885	25,717	27,555
Cash and bank balances		7,759	6,256	28,107	24,044
		<u>11,511</u>	<u>12,141</u>	<u>53,833</u>	<u>51,611</u>
<b>Creditor: amounts falling due within one year</b>	17	<u>(35,008)</u>	<u>(35,733)</u>	<u>(55,327)</u>	<u>(56,647)</u>
<b>Net current liabilities</b>		<u>(23,497)</u>	<u>(23,592)</u>	<u>(1,494)</u>	<u>(5,036)</u>
<b>Total assets less current liabilities</b>		<u>125,234</u>	<u>125,721</u>	<u>148,445</u>	<u>145,527</u>
Provisions for liabilities	18	(168)	(127)	(5,442)	(4,839)
Defined pension scheme	11	(13,266)	(10,304)	(13,266)	(10,304)
		<u>111,800</u>	<u>115,290</u>	<u>129,737</u>	<u>130,384</u>
<b>Net assets</b>		<u>111,800</u>	<u>115,290</u>	<u>129,737</u>	<u>130,384</u>
<b>Capital and reserves</b>					
Revaluation reserve – freehold property	13	454	454	454	454
Revaluation reserve – investments	20	-	-	53,421	54,155
Revaluation reserve – subsidiary undertakings	14(d)	59,000	59,000	-	-
Retained earnings	19	52,346	55,836	75,862	75,775
		<u>111,800</u>	<u>115,290</u>	<u>129,737</u>	<u>130,384</u>

The BMA deficit for the financial year before taxation is £800,000 (surplus 2019: £4,231,000). The group consolidated surplus for the financial year before taxation is £2,479,000 (2019: £5,194,000)

The notes on pages 28 to 47 form part of these financial statements.

The financial statements of British Medical Association (registered number 00008848) were approved by the board of directors and authorised for issue on . They were signed on its behalf by:

*Trevor Pickersgill*

*Charand Nagpaul*

Dr T Pickersgill  
Treasurer

Dr C Nagpaul  
Chair of council

22/4/2021

22/4/2021

## British Medical Association

### Company and consolidated statements of changes in equity

For the year ended 31 December 2020

	Revaluation reserves £000	BMA retained earnings £000	Total equity £000	Revaluation reserves £000	Restated Consolidated retained earnings £000	Restated Total equity £000
As previously stated, balance at 1 January 2019	59,454	64,080	123,534	39,793	84,863	124,656
Restated goodwill carrying value	-	-	-	-	2,029	2,029
Restated balance at 1 January 2019	59,454	64,080	123,534	39,793	86,892	126,685
Surplus for the financial year	-	3,135	3,135	-	1,950	1,950
Other comprehensive income for the year	-	-	-	-	(1,688)	(1,688)
Net pension movement	-	(9,798)	(9,798)	-	(9,798)	(9,798)
Unrealised gains on investments	-	-	-	14,816	-	14,816
Movement on deferred tax relating to pension	-	(1,581)	(1,581)	-	(1,581)	(1,581)
<b>Balance at 31 December 2019</b>	<u>59,454</u>	<u>55,836</u>	<u>115,290</u>	<u>54,609</u>	<u>75,775</u>	<u>130,384</u>
Balance at 1 January 2020	59,454	55,836	115,290	54,609	75,775	130,384
Deficit for the financial year	-	(1,512)	(1,512)	-	(183)	(160)
Other comprehensive income for the year	-	-	-	-	(603)	(603)
Net pension movement	-	(2,163)	(2,163)	-	(2,163)	(2,163)
Goodwill amortisation	-	-	-	-	(259)	(259)
Unrealised gains on investments	-	-	-	2,376	-	2,376
Gains realised on disposal	-	-	-	(3,110)	3,110	-
Movement on deferred tax relating to pension	-	185	185	-	185	185
<b>Balance at 31 December 2020</b>	<u>59,454</u>	<u>52,346</u>	<u>111,800</u>	<u>53,875</u>	<u>75,862</u>	<u>129,737</u>

## British Medical Association

### Consolidated statements of cash flows

For the year ended 31 December 2020

		Consolidated	
	Note	2020 £000	Restated 2019 £000
<b>Net cash from operating activities</b>	a	2,745	2,476
Taxation paid		(3,233)	(3,745)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		(488)	(1,269)
		<hr/>	<hr/>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets / investments		(612)	(356)
Amortisation of goodwill adjustment	23	(259)	(259)
Purchase of tangible assets		(273)	(867)
Proceeds from disposals of tangible assets		57	60
Proceeds from disposal of investments		5,000	-
Interest received		69	231
Dividends received		569	845
		<hr/>	<hr/>
<b>Net cash realised /(used) in investing activities</b>		4,551	(346)
		<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	b	4,063	(1,615)
Cash and cash equivalents at the beginning of the year		24,044	25,659
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		28,107	24,044
		<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents consists of:</b>			
Cash and bank balances		28,107	24,044
		<hr/>	<hr/>
<b>Cash and cash equivalents</b>		28,107	24,044
		<hr/> <hr/>	<hr/> <hr/>

## British Medical Association

### Consolidated statements of cash flows (continued)

For the year ended 31 December 2020

	Consolidated	
	2020	Restated 2019
	£000	£000
<b>Note a: Reconciliation of net (deficit) /surplus to net cash inflow from operating activities</b>		
Net (deficit) /surplus for the year	(183)	1,950
Adjustments for:		
Tax on surplus	2,662	3,244
Income from fixed assets	(7,117)	(7,633)
Income from current assets	(69)	(231)
Other finance expenditure	799	506
Gain on sale on fixed assets investments	(248)	-
	<hr/>	<hr/>
Operating (deficit)/surplus	(4,156)	(2,164)
Surplus on rental income	4,283	4,524
Depreciation of tangible assets	824	883
Amortisation of intangible assets	594	704
Loss on disposal of tangible fixed assets	(57)	(60)
Working capital movements:		
Decrease in creditors	3,380	963
Decrease in debtors	(2,120)	(2,372)
Decrease in inventories	(3)	(2)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>2,745</u>	<u>2,476</u>
<b>Note b: Reconciliation of net cash flow to movements in net (deficit)/funds</b>		
Increase in cash in the year	4,063	5,395
Decrease in cash held in liquidity fund	-	(7,010)
	<hr/>	<hr/>
Change in net funds	<u>4,063</u>	<u>(1,615)</u>



## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 1. Statutory information

British Medical Association is a private company registered in England and Wales, incorporated in the United Kingdom, registration number 00008848. 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.

##### 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.

##### Going Concern

At the time of approving these financial statements and given the current impact and ongoing uncertainty created by the COVID-19 pandemic, the directors have assessed the going concern of the BMA and its subsidiaries, this assessment and consideration is summarised below:

##### Broad context

BMA specific and the group were in a strong cash position at 31 December 2020 (£7.8m and £28.1 respectively, 2019: £6.3m and £24.0m) and remained so at the date of signing these financial statements. Initial cash flow forecasts to July 2022 shows the group having in excess of £20.0m in liquid cash. The Group had net assets of £127.9m at the same balance sheet date.

Whilst overall membership decreased, due primarily to the lack of face to face student recruitment, the number of practising members increased, which resulted in an 1.6% increase in membership subscription income. Whilst social distancing rules are still in place, face to face recruitment is not possible and as such we have explored alternative ways to recruit/retain members through the use of technology/social media. Other non-subscription income streams such as the events and property lease income has been impacted by COVID-19, but the majority of any losses has been mitigated by savings in other areas.

As mentioned in the strategic report one of the main financial risk for the BMA group is the defined benefit pension scheme that closed to future accrual in July 2014. As of that time, the pension scheme was fully funded. Subsequently through abnormal external market conditions, the scheme went into deficit, then surplus and back to a deficit position. The Association is closely monitoring this and is working collaboratively with the scheme’s Pension Trustees to manage the on-going financial risk. The next triennial valuation of the scheme is due on 31 March 2021.

##### Liquidity and working capital

A reforecast of cashflow has been undertaken in light of the changing economic environment resulting from COVID-19. This analysis clearly shows that the Group remains significantly cash positive throughout 2021 and well into 2022, even with lost revenues and ongoing costs. It should be further noted that this cashflow analysis does not assume that the business takes advantage of any government support schemes nor that any structural cost cutting measures are initiated, which provides further comfort that cashflow will not prevent the business from continuing successfully. A review of the BMA Investments Limited holdings prior to the COVID-19 outbreak resulted in the Finance Committee agreeing to sell £5m worth of assets held with SSGA (State Street Global Assets), so this crystallized additional working capital for the group, and if further liquid cash is required could repeat this as and when required. The value of these investments was £139.5m as at 31st December 2020 and group cash amounted to £28.1m at 31<sup>st</sup> December 2020.

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### Asset valuations

There was substantial headroom on all assets across the group, with the BMJ, BMA House and Edinburgh office valuations all recorded at historical rates in the financial statements so this would only strengthen the balance sheet.

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 Company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement and key management personnel disclosures.

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 Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates 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, 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. 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.

#### **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.

##### **(ii) Publishing subscriptions and advertising**

Income and expenditure relating to publications is accounted for in the year within which publication date falls. Income from publication subscriptions and service contracts is deemed to accrue evenly over the financial year 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 advertisements are published. Where results relate to discontinued activities, these are disclosed separately on the face of the income statement. Any income from learning events and conferences is 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 recognised at the date of the event happening. Deposits received by the balance sheet date in respect of events in future periods are deferred.

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 3. Accounting policies (continued)

##### 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 comprehensive income. 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 account 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
- unrealised 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.

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 3.Accounting policies (continued)

##### (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 2020. 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 income and expenditure account.

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.

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 3. Accounting policies (continued)

##### 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 income and expenditure 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.

##### 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 account 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.

## **British Medical Association**

### **Notes to the financial statements**

For the year ended 31 December 2020 (continued)

#### **3. Accounting policies (continued)**

##### **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.

##### **Accounting judgements**

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.

##### **Management estimation**

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 2020 (continued)

#### 5. Income from fixed assets

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
Gross rental income	5,480	5,685	4,072	4,313
Service and maintenance income	-	-	211	211
Net property income	5,480	5,685	4,283	4,524
Dividends and interest	6,500	11,425	2,853	3,128
Investment management fees	-	-	(19)	(19)
	11,980	17,110	7,117	7,633

#### 6. Interest receivable

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
Interest on bank deposit accounts	-	5	69	231

#### 7. Interest payable (inter-company)

Interest payable by the BMA relates to interest paid to other group companies. Nil for 2020 (2019:£Nil).

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 8. (Deficit)/surplus before taxation

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

The average monthly full time equivalent (FTE) number of persons active within the company during the year is shown below. Although all staff members within the BMA group are employed by the British Medical Association, the Company income statement, the company costs and average number of employees shown below represent the net amounts after recharges of £28.1m (2019:£26.8m) to the BMJ Publishing Group Limited and £0.1m (2019:£0.1m) to BMA Investments Limited by the British Medical Association.

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
Wages and salaries	28,441	26,654	55,316	52,020
Social security costs	2,859	2,792	5,341	5,289
Other pension costs – defined contribution	2,724	2,635	4,945	4,851
	<u>34,024</u>	<u>32,081</u>	<u>65,603</u>	<u>62,159</u>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Monthly average number of employees during year:				
Members' services	511	508	511	508
Publishing	-	-	408	408
	<u>511</u>	<u>508</u>	<u>919</u>	<u>916</u>
<b>Depreciation of tangible assets</b>	702	799	824	833
<b>Amortisation of intangible assets</b>	149	389	335	445
<b>Loss on disposal of fixed assets</b>	(57)	(60)	(57)	(60)
<b>Auditor's remuneration</b>				
Audit of financial statements - BMA	69	58	69	58
Audit of financial statements - subsidiaries	-	-	124	84



## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 9. Directors' emoluments

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
Aggregate emoluments/honoraria (excluding pensions)	951	933	1,995	2,237
Aggregate pension – defined contribution scheme	-	-	20	21
<b>Highest paid director</b>				
Total amount of emoluments and amounts receivable under long-term incentive plans	236	171	243	422

For the purposes of FRS102, the directors of the BMA are deemed to be the key management personnel.

#### 10. Taxation

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Current tax</b>				
UK corporation tax @ 19% (2019: 19%)	745	1,192	2,728	3,029
Adjustments in respect of prior years	(73)	(55)	(210)	(58)
Foreign tax	-	-	238	383
<b>Total current tax</b>	672	1,136	2,756	3,354
<b>Deferred tax</b>				
Origination and reversal of timing differences	(14)	(12)	(188)	(20)
Changes in tax rates or laws	18	-	10	-
Adjustments in respect of prior years	36	(28)	84	(90)
<b>Total deferred tax</b>	40	(40)	(94)	(110)
<b>Total taxation on deficit</b>	712	1,096	2,662	3,244

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 10. Taxation (continued)

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

Reconciliation of total tax charge	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
(Deficit)/surplus) before tax	(800)	4,231	2,502	5,194
Surplus/(deficit) before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(152)	804	475	987
Expenses not deductible for tax	1,984	2,546	1,460	1,923
Other timing differences	133	-	476	(14)
Adjustments in respect of prior years	(37)	(84)	(125)	(151)
Goodwill and amortisation	-	-	709	712
Rate change	18	-	10	-
Foreign tax	-	-	47	209
Income not taxable	(1,235)	(2,171)	(432)	(437)
Capital allowances in excess of depreciation	1	1	42	15
Total tax charge for the year	712	1,096	2,662	3,244

Deferred tax	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
Provision for deferred tax				
Accelerated capital allowances	(168)	(127)	(221)	(195)
Revaluation of investments	-	-	(5,274)	(4,712)
Deferred tax on pension scheme	769	584	769	584
Short term timing differences	-	-	318	237
	601	457	(4,408)	(4,086)
At 1 January	(127)	(167)	(4,086)	(3,092)
Deferred tax credit/(charge) in income and	(41)	40	(488)	110
Deferred tax in statement of comprehensive income	-	-	(603)	(1,688)
Deferred tax on pension scheme	769	584	769	584
At 31 December	601	457	(4,408)	(4,086)

The above consolidated deferred tax liability of £4,408,000 (2019: £4,086,000) represents the net of the deferred tax asset of £1,034,000 (2019: £753,000) per note 16 and the £5,442,000 (2019: £4,839,000) deferred tax liability per note 18.

#### Factors that may affect future tax charges

A change to the UK Corporation tax rate was announced in the Chancellor's Budget on 3<sup>rd</sup> March 2021. It was announced that the corporation tax rate will increase, from 19%, to 25% on 1<sup>st</sup> April 2023. As this change in UK Corporation tax rate has not been substantially enacted at the balance sheet date, and will not occur until 1<sup>st</sup> April 2023, its effects are not included in these financial statements.

Deferred tax balances will continue to be calculated at 19% until the Finance Bill 2021 has been substantially enacted.

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (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 2018 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 2020 was a gain of £28.5 million.

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

	<b>2020</b>	<b>2019</b>
<b>Principal actuarial assumptions:</b>		
Future pension increases		
- Increasing in line with RPI	2.90%	3.20%
- Increasing in line with RPI subject to a maximum of 5%	2.80%	3.00%
Discount rate	1.40%	2.00%
RPI inflation	2.90%	3.20%
CPI inflation	2.50%	2.50%

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Male member age 65 (current life expectancy)	22.5	22.4
Male member age 40 (life expectancy at age 65)	23.9	23.8
Female member age 65 (current life expectancy)	24.8	24.7
Female member age 40 (life expectancy at age 65)	26.3	26.3

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 11. Post-employment benefit (continued)

	Value at 31 December	
	2020 £000	2019 £000
Equities	88,317	87,288
Indexed linked government bonds	167,579	175,240
Corporate bonds	38,325	35,734
Property	56,117	48,743
Liability driven investment (LDI)	-	17,498
Other	75,326	35,633
	<hr/>	<hr/>
Fair value of scheme assets	425,664	400,136
Present value of funded obligations	(438,930)	(410,440)
	<hr/>	<hr/>
Net defined liability	<u>(13,266)</u>	<u>(10,304)</u>

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

	2020 £000	2019 £000
Fair value of scheme assets at 1 January	400,136	374,719
Interest income on scheme assets	7,900	10,348
Actuarial gain	28,466	26,381
Benefits paid from scheme	(10,285)	(10,298)
Scheme administration expenses	(553)	(1,014)
	<hr/>	<hr/>
Fair value of scheme at 31 December	<u>425,664</u>	<u>400,136</u>

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 11. Post-employment benefit (continued)

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Defined benefit obligation at 1 January	410,440	356,589
Interest cost	8,106	9,840
Actuarial loss due to change in assumptions	30,629	54,309
Plan introduction, changes, curtailments and settlements	40	-
Benefits paid from scheme	(10,285)	(10,298)
	<u>438,930</u>	<u>410,440</u>
Defined benefit obligation at 31 December	438,930	410,440

The amounts recognised in profit or loss are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£'000</b>
Net interest on net defined benefit liability	(206)	508
Plan introduction, changes, curtailments and settlements	(40)	-
Scheme administration expenses	(553)	(1,014)
	<u>(799)</u>	<u>(506)</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Return on assets, excluding interest income	28,466	26,381
Actuarial loss arising from changes in assumptions	(30,629)	(54,309)
Gain due to the asset ceiling	-	18,130
	<u>(2,163)</u>	<u>(9,798)</u>
Total loss recognised in the OCI at 31 December	(2,163)	(9,798)

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 12. Intangible assets

	BMA Software £000	Consolidated Software £000	Restated Consolidated Goodwill £000	Restated Consolidated Total £000
As previously stated as at 1 January 2020	485	1,381	-	1,381
Restated goodwill carrying value	-	-	2,029	2,029
Restated as at 1 January 2020	485	1,381	2,029	3,410
Amortisation	(149)	(335)	(259)	(594)
Closing net book amount	336	1,046	1,770	2,816

#### Intangible assets

The software intangible assets include the Association's new membership system, HR payroll systems and finance system, which were created by external development firms for the Association's specific requirements and have a remaining amortisation period of 1.5 year, 2.5 years and 4.0 years respectively.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

#### Goodwill

Note 23 provides further details on the prior year adjustment. The Drug and Therapeutics Bulletin (DTB), which was purchased by BMJ Publishing Group Limited in 2006, has a carrying value as at 31 December 2020 of £116,000 (31 December 2019: £136,000) and has an estimated remaining useful life of 5 years. The Medelect Limited business, which was purchased by BMJ Publishing Group Limited in 2009, has a carrying value as at 31 December 2020 of £1,654,000 (31 December 2019: £1,893,000) and has an estimated remaining useful life of 8 years.

#### 13. Tangible assets

(i) BMA	Freehold premises £000	Long leasehold improvements £000	Plant and office equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2020	13,305	1	2,149	699	16,154
Additions during year	63	-	210	-	273
Disposals during the year	-	-	-	(116)	(116)
At 31 December 2020	13,368	1	2,359	583	16,311
Less :Accumulated depreciation					
At 1 January 2020	(5,971)	(1)	(1,743)	(489)	(8,204)
Charge for the year	(378)	-	(220)	(104)	(702)
Disposals and amounts written off during the year	-	-	-	112	112
At 31 December 2020	(6,349)	(1)	(1,963)	(481)	(8,794)
Net book value at 31 December 2020	7,019	-	396	102	7,517
At 31 December 2019	7,334	-	406	210	7,950

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 13. Tangible assets (continued)

(ii) Consolidated	Freehold premises £000	Long leasehold improvements £000	Plant and office equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2020	13,305	1	2,541	699	16,546
Additions during year	63	-	235	-	298
Disposals during the year	-	-	-	(116)	(116)
At 31 December 2020	<u>13,368</u>	<u>1</u>	<u>2,776</u>	<u>583</u>	<u>16,728</u>
Less:					
Accumulated depreciation					
At 1 January 2020	(5,971)	(1)	(1,949)	(489)	(8,410)
Charge for the year	(378)	-	(342)	(104)	(824)
Disposals during the year	-	-	-	112	112
At 31 December 2020	<u>(6,349)</u>	<u>(1)</u>	<u>(2,291)</u>	<u>(481)</u>	<u>(9,122)</u>
Net book amount					
At 31 December 2020	<u>7,019</u>	<u>-</u>	<u>485</u>	<u>102</u>	<u>7,606</u>
At 31 December 2019	<u>7,334</u>	<u>-</u>	<u>592</u>	<u>210</u>	<u>8,136</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 2020 is significantly higher than the carrying value recorded above.

#### 14. Investments

(a) Reconciliation of market value of investments	Consolidated	
	2020 £000	2019 £000
Market value at 1 January	139,017	121,900
Additions	12,743	2,301
Proceeds of sale	(14,867)	-
Realised gain on disposal of investments	248	-
Increase in market value of investments	<u>2,376</u>	<u>14,816</u>
Total at 31 December	<u>139,517</u>	<u>139,017</u>
Cost at 31 December	<u>81,089</u>	<u>84,536</u>

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 14. Investments (continued)

(b) Analysis of market value of investments	Consolidated	
	2020 £000	2019 £000
UK equity passive index funds	26,257	29,129
Global equity passive index funds	42,086	42,620
Multi asset diversified funds	20,756	19,766
Sustainable real return funds	31,223	28,464
Secured property income fund	18,260	18,706
Locum Tap*	935	322
	<u>139,517</u>	<u>139,017</u>

\*In 2020, the BMJ Publishing Group Limited purchased a further 3% minority interest in LocumTap Limited (trading as Patchwork Limited), to increase the holding to 13%, to help hospitals better manage demand for NHS temporary staff. Patchwork Limited is a marketplace that connects healthcare employers directly with locum clinicians.

(c) Cost of investments in group undertakings	BMA	
	2020 £000	2019 £000
Balance at 1 January and 31 December	<u>140,878</u>	<u>140,878</u>

Entity name	Holding	Country of incorporation	Company registration numbers	Immediate parent company	Registered Office
BMJ Publishing Group	100%	United Kingdom	03102371	BMA	BMA House, Tavistock Square, London
BMA Investments Limited	100%	United Kingdom	02683429	BMA	BMA House, Tavistock Square, London
BMA (2002) Limited*	100%	United Kingdom	03523034	BMA	BMA House, Tavistock Square, London
Medelect Limited*	100%	United Kingdom	03908486	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, Hoboken, 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 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 2020 (continued)

#### 15. Inventories

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
Raw materials and consumables	-	-	9	12

#### 16. Debtors

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Amounts falling due within one year:</b>				
Trade debtors	865	1,162	14,577	16,871
Amounts owed by group undertakings	-	1,732	-	-
Other receivables	6	718	516	1,183
Deferred tax	769	584	1,034	753
Prepayments and accrued income	2,112	1,689	9,590	8,748
	<u>3,752</u>	<u>5,885</u>	<u>25,717</u>	<u>27,555</u>

Amounts owed by group undertaking are repayable upon demand.

#### 17. Creditors: amounts falling due within one year

	BMA		Consolidated	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	1,953	1,284	3,527	3,679
Amounts owed to group undertakings	16,046	17,807	-	-
Corporation tax	227	638	855	1,425
Other creditors	323	129	446	277
Accruals and deferred income	7,985	7,350	27,327	33,098
Subscriptions received in advance	8,474	8,525	23,172	18,168
	<u>35,008</u>	<u>35,733</u>	<u>55,327</u>	<u>56,647</u>

Amounts owed to group undertaking are repayable upon demand.

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 18. Provisions for liabilities

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Deferred tax</b>				
At 1 January	127	168	4,839	3,186
Provided during the year	41	(41)	603	1,653
At 31 December	<u>168</u>	<u>127</u>	<u>5,442</u>	<u>4,839</u>
Amounts estimated to be released greater than 12 months	<u>168</u>	<u>127</u>	<u>5,442</u>	<u>4,839</u>

The above excludes the deferred tax asset of £769,000 (2019: £584,000) relating to the BMA Staff Pension Scheme see note 10.

#### 19. Retained earnings

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	Restated 2019 £000
Opening accumulated reserves as previously stated	55,836	64,080	75,775	84,863
Restated goodwill carrying value	-	-	-	2,029
Restated accumulated reserves	55,836	64,080	75,775	86,892
Net (deficit)/surplus for the financial year	(1,512)	3,135	(183)	1,950
Actuarial loss on pension scheme movement	(2,163)	(9,798)	(2,163)	(9,798)
Goodwill amortisation	-	-	(259)	-
Deferred tax on revaluation of investments	-	-	(603)	(1,688)
Gains realised on disposal	-	-	3,110	-
Movement on deferred tax relating to pension	185	(1,581)	185	(1,581)
<b>Closing accumulated reserves</b>	<u>52,346</u>	<u>55,836</u>	<u>75,862</u>	<u>75,775</u>

#### 20. Revaluation reserve - investments

	BMA		Consolidated	
	2020 £000	2019 £000	2020 £000	2019 £000
At 1 January	-	-	54,155	39,339
Increase in market value of investments for year	-	-	2,376	14,816
Gains realised on disposal	-	-	(3,110)	-
At 31 December	<u>-</u>	<u>-</u>	<u>53,421</u>	<u>54,155</u>

## British Medical Association

### Notes to the financial statements

For the year ended 31 December 2020 (continued)

#### 21. Reconciliation of movements in reserves employed

	BMA		Consolidated	
	2020	2019	2020	Restated 2019
	£000	£000	£000	£000
Net (deficit)/surplus for the financial year	(1,512)	3,135	(183)	1,950
Net actuarial loss on pension scheme movement	(2,163)	(9,798)	(2,163)	(9,798)
Goodwill amortisation	-	-	(259)	-
Deferred tax on revaluation of investments	-	-	(603)	(1,688)
Increase in market value of investments for year	-	-	2,376	14,816
Movement on deferred tax relating to pension	185	(1,581)	185	(1,581)
	<u>(3,490)</u>	<u>(8,244)</u>	<u>(647)</u>	<u>3,699</u>
Net movement in reserves employed				
Opening accumulated reserves as previously stated	115,290	123,534	130,384	124,656
Restated goodwill carrying value	-	-	-	2,029
Restated opening accumulated reserves	<u>115,290</u>	<u>123,534</u>	<u>130,384</u>	<u>126,685</u>
<b>Closing accumulated reserves</b>	<u><u>111,800</u></u>	<u><u>115,290</u></u>	<u><u>129,737</u></u>	<u><u>130,384</u></u>

#### 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 country 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 2020 (continued)

#### 23. Prior period adjustment

In 2006 BMJ Publishing Group Limited, a subsidiary of the Association, undertook an acquisition of the Drugs and Therapeutics Bulletin. In 2009, a further acquisition was made of Medelect Limited. Both of these transactions resulted in the recognition of goodwill on acquisition and is included within the BMJ Publishing Group Limited accounts.

It was identified that goodwill relating to the acquisition of these businesses had been eliminated on consolidation through retained earnings in previous years. However, the amortisation continued to be charged correctly to the consolidated statement of income and expenditure, therefore there is no impact on the Consolidated Income statement comparative. In order, to correct this, the Association has recognised a prior period adjustment to reflect the goodwill that should have been recognised on the balance sheet, while increasing the retained earnings. The result of the prior period adjustment is shown in the consolidated balance sheet, consolidated changes in equity, consolidated statement of cash flows as well as note 12, 19 and 21 – and summarised as follows:

Consolidated statement of changes in equity as at 1 Jan 2019	£84,863,000
Correction to goodwill carrying value	<u>£2,029,000</u>
Restated consolidated statement of changes in equity as at 1 Jan 2019	£86,892,000

Consolidated statements of cash flow as at 31 December 2019	
Previously stated amortisation of intangible assets	£445,000
Amortisation of goodwill carrying value correction	<u>£259,000</u>
Restated consolidated statements of cash flow as at 31 December 2019	£704,000

Total Equity as at 1 Jan 2019	£124,656,000
Correction to goodwill carrying value	<u>£2,029,000</u>
Net impact on retained earnings carried forward as at 31 Dec 2019	£126,685,000

#### Intangible assets

	<b>BMA Software £000</b>	<b>Consolidated Software £000</b>	<b>Restated Consolidated Goodwill £000</b>	<b>Restated Consolidated Total £000</b>
As previously stated as at 1 January 2019	874	1,433	37	1,470
Restated goodwill carrying value	-	-	2,288	2,288
Restated as at 1 January 2019	874	1,433	2,325	3,758
Addition	-	356	-	356
Amortisation	(389)	(408)	(296)	(704)
Closing net book amount	485	1,381	2,029	3,410

Further detail of the net book value of goodwill arising from each acquisition has been included within note 12.