



THE VETERINARY
DEFENCE SOCIETY
LIMITED

A collection of white and teal line-art icons scattered around the central text. These include a hand holding a coin with a pound symbol (£), a calculator, a document with a checkmark, a pie chart, a gear, a classical building, a flag, a pen, a cursor arrow, a checkmark, a plus sign, a minus sign, a multiplication sign, a division sign, a stack of coins, a document with a checkmark, a gear, a pie chart, a flag, a classical building, a cursor arrow, a checkmark, a plus sign, a minus sign, a multiplication sign, a division sign, a stack of coins, and a document with a checkmark.

2017

Annual Review 2017

Who we are

The Veterinary Defence Society Limited (VDS) is a mutual insurance company run by experienced veterinary surgeons on behalf of the veterinary profession.

Based in Knutsford, Cheshire, we look after the veterinary profession in the UK and Ireland by:

- insuring the whole practice against claims of veterinary negligence
- ensuring that each case is handled by a clinically experienced veterinary professional with specific experience in claims management
- defending reputations against claims and offering compensation when appropriate
- providing cover for negligence resulting in human injury
- providing legal representation at criminal and disciplinary hearings for both vets and Registered Veterinary Nurses
- offering veterinary advice, guidance and training to members by telephone and email, and through publications and courses.

Introduction

The past year has seen ever increasing demands on the veterinary profession and the businesses we work in. The VDS maintains its commitment to developing coping systems that aid our members in dealing with many of these added pressures. The VDS team is working hard to provide our members with defence, support and development.

The year has seen a further increase in the activity of our Claims Consultants and Claims Advisors as we protect and defend our members, seeing a rise of 18% year on year of new notifications. We have expanded the size of the whole Claims team to manage the demand. Our ongoing aim is to continue to provide a gold standard service to our members in our delivery of advice and guidance on complaints and claims management.

We are delighted once again to have declared a Mutual Bonus in 2018, based on a 4.5% return of the 2017 premium. By our prudent approach to risk, and the work undertaken by our highly experienced Claims team in mitigating claims, we are able to return premium in years where the Society has a better than anticipated underwriting year.

The VDS continues to develop and deliver new projects for our members. Following the establishment of our new subsidiary company, VDS Training, we are developing further areas of training aimed at helping our members to develop systems to minimise the risk of a claim.

VDS Training offers courses in areas such as leadership, developing stress policies and resilience as well as our popular communication training. The VDS is also focused on developing and promoting the understanding of veterinary professional risk management. The Society is looking at the influence of safety culture on veterinary error enabling us to support members in developing interventions to mitigate the frequency and severity of potential risks.

The VDS continues to provide annual support to Vetlife with a donation of £70,000 this year. Members' proxy voting returns raised another £700. Our members have also donated an extra £39,300 during the renewal process. The Society's commitment to providing financial assistance to Vetlife is part of our support for the veterinary profession.

This year has seen emphasis on the Society's technological capabilities. The IT Strategy and Digital Programme is aimed at developing systems that will support our Business Plan, including the setup of direct debit payments allowing a spread of renewal payments over a 10-month period.

For the Board, the implementation of Brexit and support for our Irish members has become a significant part of ongoing planning and strategy. The Society's Board is looking at several potential routes to maintaining our full support for our members in Ireland, whichever direction Brexit might take us.

2018 sees the retirement of Julian Wells as Claims Director. He will be greatly missed as a member of the Executive Team and the Board. In preparation for this, the Board has undertaken a review of the veterinary roles in Executive and at managerial level. In developing Executive further, we will be able to reinforce the embedding of claims work, underwriting, training and membership support in veterinary director roles. The presence of the veterinary profession within the daily running of the Society continues to be a key part of the 'vets for vets' ethos, listening to our members and providing the service required.

The VDS has always had our members and the veterinary profession at the heart of all that we do. Our veterinary team of Claims Consultants and Advisors and our veterinary trainers, backed up by the Executive and the whole support team within the Society, work tirelessly to provide the service that our members need. I wish to thank all of the employed staff and the Board for their hard work and commitment to our Society. We can be assured that the VDS will continue to Defend, Support and Develop.

Nicky Paull

**N J Paull BVSc MRCVS
Chairman of the Board**



Membership Information

There was a significant decrease in the number of claims handled by the Society in 2017, the lowest since 2014. This is against an 18% year on year rise in new notifications. This suggests our members are contacting us at the first point of incident and preventing issues in practice from developing further. We also saw a significant decrease in the percentage of claims associated with regulatory enquiries by the Royal College of Veterinary Surgeons or Veterinary Council of Ireland (VCI) than previous years. This may well be due to our members taking on board the advice we provide and hence averting problems before they turn into crises.

We continue to receive a growing number of calls to our advice line, an incredibly useful resource that we encourage our members to make full use of. The number of calls received, in line with the trend over recent years, increased by over seven percent, up from 22,937 in 2016 to 24,544 in 2017. That is indicative of the modern veterinary working environment, where more and more of our members work part-time, in branch practices, or in a practice with a non-veterinary owner. Vets can, therefore, experience feelings of isolation and anxiety, without colleagues to call on for advice on problems or difficulties. We remain, as ever, ready and able to assist members via the advice line, with the addition of a new Claims Advisor and a new Claims Consultant to the team in 2017. We continue to provide our members with the best possible assistance and ensure our members are well equipped to



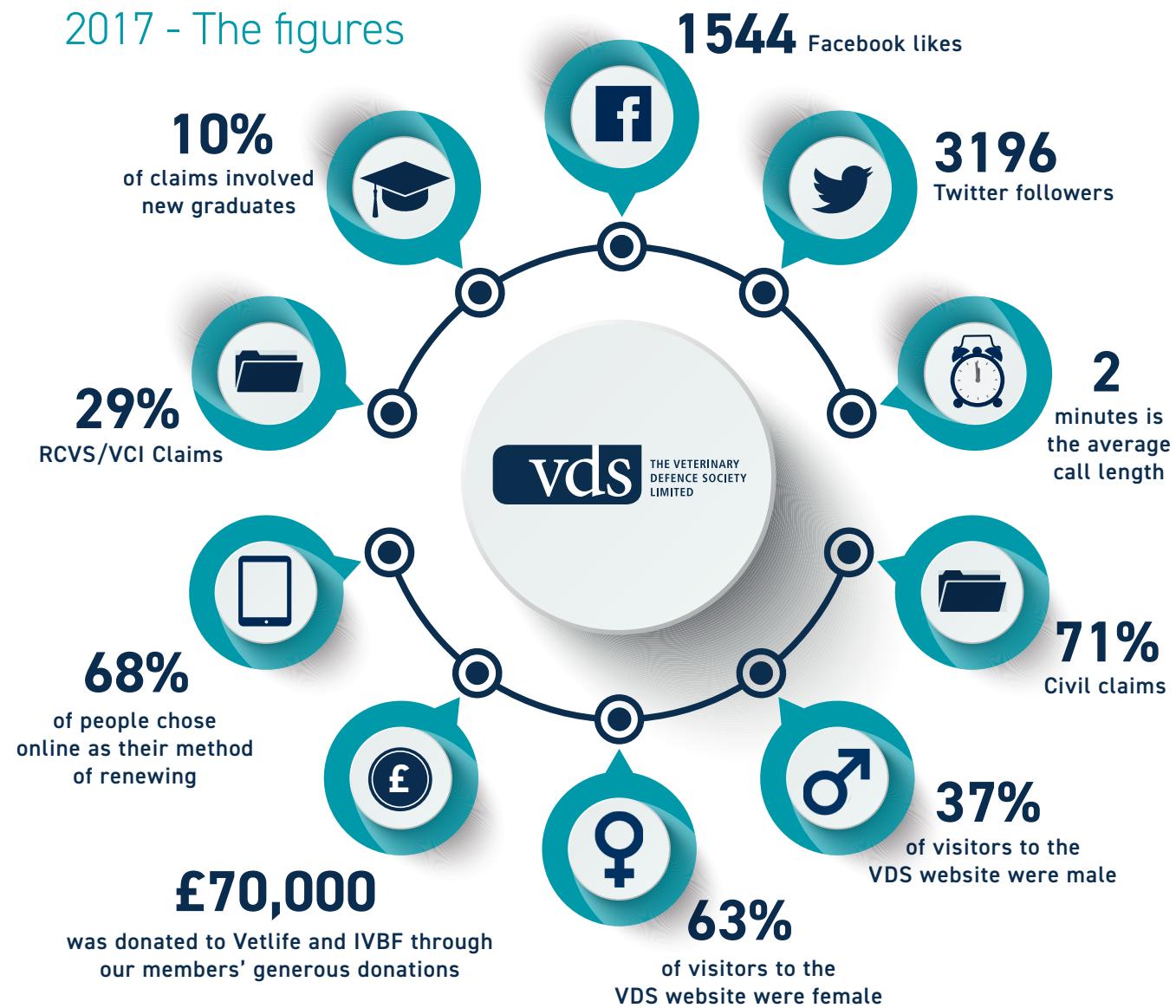
deal with complaints, should they arise. That is reflected in the fact that advice call numbers continue to be well over ten times the number of claims notified by members.

In 2017, our training team organised eight Graduate Reunion events for hundreds of new veterinary graduates. These events are a fantastic opportunity for young vets to reconnect with their former colleagues with whom they have spent many years studying. They also provide a platform for new graduates to speak openly about the challenges they face during their first year in practice.

The training team also delivered seminars at venues across the UK to hundreds of satisfied delegates on a range of topics, from managing difficult situations, to thriving in practice, as well as an increasing number of additional courses, both online and bespoke, following the expansion of VDS Training into a separate company in late 2017.

We continue to attend major veterinary congresses throughout the year, and you will be assured of a warm welcome at the VDS stand, where experienced veterinary members of the VDS team are always on hand to talk over your enquiries and concerns.

2017 - The figures



Income and Expenditure

Technical account	2017	2016
	£	£
Gross written premiums before return of premium	12,275,354	11,527,061
Return of premium	(550,000)	(750,000)
Outward reinsurance premiums	(844,460)	(870,846)
Allocated investment income from non-technical account	698,415	1,070,260
Total technical income	11,579,309	10,976,475
Gross claims paid	(5,589,619)	(5,109,004)
Reinsurers' share of gross claims paid	111	42,488
Change in gross provisions for claims	(1,036,883)	(319,588)
Change in reinsurers' share	196,197	(363,574)
Claims incurred, net of reinsurance	(6,430,194)	(5,749,678)
Net operating expenses	(5,609,263)	(4,950,413)
Balance on technical account	(460,148)	276,384

Non-Technical account		
Balance on technical account	(460,148)	276,384
Investment income	596,935	1,040,569
Net gains on realisation of investments	80,731	-
Net unrealised (loss) / gain on investments	(13,553)	1,056,799
Other investment management fees, investment expenses and charges	(80,785)	(74,613)
Allocated investment income transferred to the technical account	(698,415)	(1,070,260)
(Deficit) / Surplus on ordinary activities before tax	(575,235)	1,228,879
Tax on (deficit) / surplus on ordinary activities	(59,279)	(243,054)
(Deficit) / Surplus for the financial year	(634,514)	985,825

Balance Sheet

Assets	2017	2016
	£	£
Intangible assets	53,326	44,751
Investments		
Land and buildings	1,099,022	1,121,451
Other financial investments	29,986,653	28,793,330
Reinsurers' share of technical provisions	246,677	50,480
Debtors		
Debtors arising out of direct insurance operations - policyholders	499,084	785,700
Debtors arising out of reinsurance operations	-	41,476
Other debtors	461,974	109,480
Other Assets		
Tangible assets	561,634	532,596
Cash at bank and in hand	6,876,759	9,196,107
Prepayments and accrued income	200,441	547,123
TOTAL ASSETS	39,985,570	41,222,494

Reserves and Liabilities		
Reserves	23,520,166	24,154,680
Technical provision - claims outstanding	7,393,938	6,357,055
Creditors: amounts falling due within one year	1,236,876	1,476,730
Accruals and deferred income	7,834,590	9,234,029
TOTAL LIABILITIES	39,985,570	41,222,494

The Veterinary Defence Society Limited

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The Veterinary Defence Society Limited is a company limited by guarantee, incorporated in the United Kingdom (registered number 2159441). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom and regulated by the Central Bank of Ireland for conduct of business rules.

The services provided by the VDS Training team and VDS Training Services Limited, as described in the Training section of this website, are not regulated by the Financial Conduct Authority, the Prudential Regulation Authority or the Central Bank of Ireland. VDS Training Services Limited is registered in England and Wales, no. 10727838. Registered Office 4 Haig Court, Parkgate Estate, Knutsford WA16 8XZ.