

British Dental Association

Report and Financial Statements

Year Ended

30 September 2013

Company Number 14161

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British Dental Association

Report and financial statements for the year ended 30 September 2013

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British Dental Association

Report of the Chair of the Principal Executive Committee for the year ended 30 September 2013

Report of the Chair of the Principal Executive Committee

This year's Annual Report describes an organisation in the midst of enormous transition. Previous reports have described the pressures on the BDA caused by falling revenues and reducing membership numbers alongside rising demand for services in an increasingly complex dental world. Simultaneously the Association has had to manage pressure on its commercial incomes, which subsidise member fees. Over recent years wider economic conditions have reduced these income sources and therefore the level of subsidy they provided. The combined result was a need to review the business model, the cost of membership and membership structure of the Association.

The reasons for the decline in membership were complex. Those members who chose not to renew generally praised the quality of our services, the main factors cited as a reason for leaving were pressure on dental incomes and/or a perception that the member was not fully utilising all of our services. These comments were taken into account in the review of our pricing model, alongside detailed research and consultation with members. The final model was based around four principles. The first three were aimed at members individually, in that our offer should be fair, simple and should represent value to all. The fourth was collective, in that the model should keep the Association financially viable and able to invest in the current and future needs of members. As a not for profit organisation, all Association funds are spent for the benefit of its members.

The need for fairness and the impact of reduced subsidy meant that the standard membership offer (Extra membership) was increased to £795. This tier of membership contains those services traditionally enjoyed by BDA members: trade union representation, collective bargaining and representation with governments and regulators, BDJ and other journals, access to the BDA Library and one-to-one advice from the Association's array of specialist expert advisors. In order to enhance the value of this tier, online CPD and CPD management was added alongside a free 3-day VIP ticket for our annual, flagship dental event, the British Dental Conference & Exhibition.

A new membership tier was introduced to support members who most need the full range of BDA services. Expert membership builds on the Extra package adding, amongst a range of benefits, mediation, advocacy at employment tribunal and BDA Expert, a product covering model policies, advice documents, guides and checklists covering all aspects of running a dental practice. It also recognises that many of these members have a responsibility to their team and therefore also includes free access to the Conference & Exhibition for members of those teams.

Low price coupled with low use of services was a major consideration for a tranche of our membership, so a streamlined membership package, concentrating on just the basics of membership was introduced. Costing £295, it removed bespoke expert advice on health and safety, NHS contracts, practice management issues and inter-practice self-employed disputes and instead provided high quality but more general advice sheets on the same subjects. The Essential package was priced so as to be a low barrier to entry for dentists who have infrequently sought one to one advice in the past and those who historically have not sought the support of their trade union and professional association.

The new membership offer was announced in March 2013 and following an intensive and comprehensive campaign of communications, introduced in June. This change was one of the most significant in the Association's 134 year history, and despite exhaustive pre-launch modelling, the impacts during the transition process could not be known precisely. Moreover, the flexibility built in to the system (whereby members can upgrade for more support as individual circumstances change) means that it will be some time until we reach a steady state. The initial out-turn put greater than anticipated pressure on finances. This required adjustments to be made to operating costs in order to live within our means, including a significant redundancy round.

British Dental Association

Report of the Chair of the Principal Executive Committee for the year ended 30 September 2013 (*continued*)

Report of the Chair of the Principal Executive Committee (*continued*)

The new membership structure was a major project for the Association, but it was not the only significant change. The new governance and representative structures of the BDA completed their first full year. Many lessons have been learned and the PEC is aware that there is still great work to be done in developing relationships and improving communication within the BDA and without, to both member and non-member. The close working relationships of the PEC and national and UK councils have done much to progress this work. The PEC itself has set out its strategic objectives for the next three years. These are

- *We will enhance our web presence such that it fulfils the needs of members both individually and collectively*
- *We will create an environment where dentists can understand the real value of collective strength and why their personal membership of the BDA is crucial*
- *We will build upon current work to tailor services to members' particular needs and interests*
- *We will champion the concept of personal professional accountability*
- *We will set an agenda for oral health delivery in each country of the United Kingdom*

Progress against these objectives will be included in next year's report

While the new membership structure and the Principal Executive Committee's strategic objectives laid the groundwork for the future health of the Association, 2013 was a busy year in terms of supporting members individually and collectively. In an era of globalisation the Association is closely involved in European and world affairs. Here BDA-led lobbying bore fruit on two fronts, with the implementation of the European Council's Directive on Tooth Whitening Products and the signing of an international treaty on the use of mercury which protected the use of dental amalgam. Special mention should be made here of the contribution of Dr Stuart Johnston. A former Chair of Representative Body and outgoing member of the Principal Executive Committee, Dr Johnston also chaired the international committee considering the future of mercury and amalgam. His lead was crucial to the successful outcome in this area. Domestically another long-campaigned-for change – that of removing the restriction on HIV Positive dentists practising – was announced by the Department of Health in England.

The NHS in England as a whole underwent a profound transformation, with the new architecture of the Coalition Government's Health and Social Care Bill formally coming to life in April. For dentistry this meant the passing of Primary Care Trusts as the commissioning authority, with the new NHS England body assuming responsibilities. And while the transition raised a number of issues for dentistry, the major focus of BDA work in England was, inevitably, progress towards contractual reform for general dental practice. The BDA engaged closely with the process as pilots expanded and developed. The regulatory landscape also shifted as a result of BDA influencing, with a new leadership team at the Care Quality Commission signalling its intention to begin its relationship with dentists anew, confirmation that dentistry would be exempted – initially, at least – from economic regulation by Monitor, and refinements to the HTM 01-05 decontamination guidance. Scrutiny of the basis of professional regulation also began, with the Law Commission beginning a detailed examination.

The incorporation of salaried services sites into the pilots for new contractual arrangements was heralded as a positive step by the BDA, but salaried primary care was not without its challenges, as BDA research identified increasing concerns about the inadequate resourcing of some services. The launch of a task group to look specifically at care for vulnerable and hard-to-reach patients by Department of Health Minister Earl Howe in his address to the BDA's annual conference was welcomed by the profession.

The year also appeared pivotal for colleagues in hospital dental services, with talks intended to lead to new contracts for both juniors and consultants beginning in earnest. Dental Public Health experienced a year of mixed fortunes, with the good news that funding was to be made available to plug gaps in the Consultant in Dental Public Health workforce tempered by the fact that some posts would be funded for 12 months only.

The future dental workforce was also high on the agenda, with the BDA championing the importance of ensuring that dental foundation training posts were available to all graduates of UK institutions and concerns about dental un- and under-employment beginning to crystallise.

British Dental Association

Report of the Chair of the Principal Executive Committee for the year ended 30 September 2013 (*continued*)

Report of the Chair of the Principal Executive Committee (*continued*)

Perhaps the highest-profile workforce issue of all though was the controversial decision of the outgoing General Dental Council to give the green light to new rules for direct access to dental care professionals, a vote that has left the professions' representative bodies with much to do as they work together to clarify the new rules

And the year provided a stark and tragic reminder that workforce is not about issues, but people, as the profession mourned the suicide of a Leeds practitioner who had felt hounded by the aggressive management of his contract

Dentists in each of the devolved nations faced their own challenges. In Northern Ireland the BDA confronted proposals for cuts to Health Service dentistry with a campaign that engaged the profession and public alike and won some concessions. In Scotland the fight for appropriate funding for general practice remained the foremost issue for the BDA, with many of the allowances that had been established coming under threat. In salaried services, longstanding lobbying for new terms and conditions finally reached its conclusion when the Scottish Salaried Dental Contract was concluded, balloted and accepted by the salaried membership. In Wales a long-called-for national oral health plan was finally published by Government, albeit without financial details and commitments.

Funding was an increasingly acute issue across the UK, a fact spelt out by the BDA's submission of evidence to the Doctors' and Dentists' Review Body, which for the first time was accompanied by separate reports on the state of general practice and salaried primary care services, highlighting the importance of resource issues being addressed in 2014.

2014-2015 will be equally challenging. The Association will manage the transition in its membership structure and respond to the organisational challenges this brings through a continued process of matching resource to income, growing membership and tight cost control. In these tough operating circumstances the Association will continue to negotiate strenuously for all UK dentists in all fields of practice. The change agendas proposed by governments and regulators mean that clinical dental practice will continue to be a challenging environment. The BDA's unique position as a collective representative association will be ever more important in helping dentists to cope with the challenges and meet the various demands upon them.



M Fallowfield
Chair of Principal Executive Committee

British Dental Association

Directors and professional advisors for the year ended 30 September 2013

Directors and Advisors

The following held office during the year

M Fallowfield, Chair of the Principal Executive Committee	N Jones
M Armstrong	S Johnston (resigned 30 September 2013)
P Blaylock	R Kinloch
V Chan	R Ladwa
E Crouch (resigned 9 October 2013)	A Lockyer
T Harker (appointed 18 October 2013)	S Sanderson
P Henderson	S Shimberg
J Husband	G Stokes

Bankers

National Westminster Bank plc, 1 Cavendish Square, London, W1A 4NU

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 OPA

Secretary and registered office

P Ward, 64 Wimpole Street, London, W1G 8YS

Company number

14161

British Dental Association

Report of the Directors for the year ended 30 September 2013

The directors present their report together with the audited financial statements of the group for the year ended 30 September 2013

Constitution

The British Dental Association ("BDA") is a Special Register Body as defined under s 84 of the Industrial Relations Act 1971. As such it is both a registered trade union and company limited by guarantee, registered in England and Wales.

The British Dental Association Trust Fund ("The Trust"), which is limited by guarantee (company number 849283) and therefore governed by its Memorandum and Articles of Association, is also a registered charity (charity number 313407).

Quasi-subsidary undertaking - British Dental Association Trust Fund

The British Dental Association Trust Fund is an incorporated charity which is limited by guarantee with a year ended of 30 September 2013. The objects of the charity are:

- a) To promote, encourage and advance the study and practice of dentistry and allied sciences
- b) To advance education in connection with dentistry and allied sciences
- c) To promote dental health and to further dental health education
- d) To attain the above-mentioned objects by any of the following among other means
 - a) The execution and discharge or the assistance in the execution and discharge (so far as it shall be lawful) of any educational or other charitable function of the British Dental Association
 - b) The provision and/or maintenance and improvement of a library and museum or libraries and museums

The Fund is largely funded by the Association and is considered to be under common control. As a result the Directors of British Dental Association are of the opinion that in accordance with FRS 2 'Subsidiary undertakings' the Trust should be considered to be a quasi subsidiary.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the BDA and its quasi-subsidary undertaking, the British Dental Association Trust Fund, which is a registered charity. The results of the charity are consolidated on a line by line basis within the consolidated income and expenditure account using those categories that best reflect the activities of the charity. Separate financial statements for The Trust are available from its registered office and the Charity Commission and present a separate Statement of Financial Activities ('SOFA') for the charity and other disclosures as set out by the revised Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), issued in March 2005.

Principal activity

The BDA is a professional association and trade union providing professional and legal support to dentists in all working environments through advice, representation, events, publications and policy making.

Membership

Membership numbers at the end of the financial year totalled 16,739 qualified members (2012 - 19,022). Student numbers totalled 1,765 (2012 - 4,059). The figures are not comparable as the 2012 figure was the final figure at the end of the Association's membership year and the 2013 figure followed a renewal date of 1st June (please see "Key performance indicators" on Page 8).

Fixed assets

Details of movements in fixed assets are set out in the notes to the accounts.

The directors recognise that the market value of the long leasehold property is materially higher than the historical cost value stated in the accounts.

British Dental Association

Report of the Directors for the year ended 30 September 2013 (continued)

Future developments

The Association will continue to provide high quality services to its members and to develop the new membership structure to best meet the needs and wishes of both its membership and those dentists who have yet to join their trade union and professional association. As the Association adjusts to the revenue impact of the new membership structure the Directors plan to budget for a reasonable deficit, with a view to a breakeven revenue and cash position in 2014/15. At this point the directors will consider their ongoing financial strategy to be incorporated into a revised treasury policy. A fuller review of the past year and plans for the future are provided by the Chair of the Principal Executive Committee's report on page 1.

Pension deficit

The interim actuarial valuation of the Defined Benefit Scheme as at 30 September 2013 based on the principles of FRS17 reveals a deficit of £3,040,400 (2012 - deficit of £2,233,200). Details are set out in Note 23 to the accounts.

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 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 it 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 the rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.

Directors

The directors who served during the year are as stated on Page 3.

Governance

The Association has in place an audit committee to ensure that the interests of members are properly protected in relation to financial reporting and internal control. Members are able to raise any issues of concern to Judith Husband, the Chair of the Audit Committee. The Committee is in the process of appointing an independent member, a qualified accountant unconnected with the Association. This appointment is intended to provide technical support and advice to the Committee.

To further strengthen the governance and democratic representation of the Association there is a Scrutiny Committee, made up of elected members of the Association's UK Council. This has the following remit:

- to support the Principal Executive Committee (PEC) in undertaking its obligation to deliver an annual report to the United Kingdom Council, by identifying and prioritising issues for discussion through early consideration of the report with senior officers and staff
- to consider, comment, and make recommendations where appropriate, on the quality and content of reporting by the PEC to the country councils and representative structure
- to offer, or provide when requested, commentary and advice to the Audit Committee on any issues and activities within the Audit Committee's remit
- to provide a forum for review of any issue within the UK Council's remit, and referred to it by the UK Council
- to provide a forum for review of any issue jointly referred to it by the UK Council and PEC
- to provide regular reports to the UK Council, including recommendations for action as appropriate

British Dental Association

Report of the directors for the year ended 30 September 2013 (*continued*)

Charitable and political contributions

During the year the BDA contributed £616,168 (2012 - £572,915) to the BDA Trust Fund. There were no political contributions during the year (2012 - £Nil).

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the surplus or deficit of the group for that year.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report was approved by the directors on 12 02 14
and signed on its behalf by



M Fallowfield
Chair of Principal Executive Committee

British Dental Association

Strategic review for the year ended 30 September 2013

Business review

The group's net deficit for the year was £1,342,738 (2012 - surplus of £1,250,428) For the purpose of comparison it should be noted that the surplus for 2012 included a restricted charitable donation of £1.3m which masked an operational deficit of £160,000. The deficit for September 30th 2012 was the result of declining commercial and membership income alongside increasing demand from services from members. If no action had been taken to address these issues a deficit of £1m was expected for the financial year up to 30 September 2013. In anticipation of this scenario the Association introduced a new membership structure designed to arrest the decline in membership (after an initial loss from the transition), more closely match resource to price and to improve the financial health of the Association.

In the event the membership profile differed significantly from that projected in the market research undertaken by the Association. As a larger number of members choose the Essential membership package, which offers a more restricted range of services for a lower fee, the Association was required to cut costs in order to match its resources to the initial demands of its members. This was a difficult process as the Association had to balance the need to reduce costs in line with the immediate demands of its members alongside the need to maintain services as members considered what their actual needs were. Losing valued members of staff is a difficult process, it is doubly so when the Association cannot be sure whether it will need those very staff in the near future as members choose the membership grade that best suits their professional lives.

The £1,342,738 deficit represents a £793,000 adverse variance against the budgeted deficit of £549,000. This was largely the impact of reduced membership income.

A fuller review of the membership structure and its implementation is included in the Chair of the Principal Executive Committee's report on page 1.

Key performance indicators

The Association's principal source of income is member subscriptions, the majority of which are paid in advance. As such it generally has a healthy cash flow and manages its performance through financial analysis of actual activity against budget and quarterly forecast. Information on the Association's performance against these indicators is shown under the Business Review (above).

Currently membership numbers cannot be used as a performance indicator as the basis for calculating this number has changed. Prior to the introduction of the new membership structure the Association operated a fixed membership renewal date (1st October). All new members after this date joined for a part year. As such the membership figures published in the statutory accounts represented the membership at its highest point in the year. The new membership structure was introduced in June on the basis of a rolling membership year. Therefore the September figure published in the accounts represents a membership total only two months into the membership year for the vast majority of our membership. The Association will be reviewing how best to monitor and report on its membership numbers over the next financial year.

British Dental Association

Strategic review for the year ended 30 September 2013 (*continued*)

Principal risks and uncertainties

With regard to the financial performance of the Association and its impact on resources, the focus of the Directors of the Association has been substantially on continued uncertainty about the membership profile under the new subscription fee structure. The new structure was introduced in June 2013 and subject to a month's transition as a large minority of members did not actively choose a membership type and so had to be assigned one by the Association. As a result the Association does not have a full year's data on membership behaviour in order to forecast the result of the next major round of renewals in June 2014.

The Association will manage the introduction of the new structure through established procedures based on strong governance, rigorous financial control and detailed marketing strategy.

These steps are intended to limit the Association's deficit in 2013/2014 with the intention of breaking even in 2014-2015 and moving into surplus thereafter.

British Dental Association

Independent auditor's report

To The Members of British Dental Association

We have audited the financial statements of British Dental Association for the year ended 30 September 2013 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and Association balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent Association's affairs as at 30 September 2013 and of the group'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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

British Dental Association

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Association, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Association 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



Don Bawtree (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 17 Feb 2014

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

British Dental Association

Consolidated income and expenditure account for the year ended 30 September 2013

	Note	2013 £	2012 £
Restricted donation			1,323,552
Other income			15,937,571
Income	3	15,142,937	17,261,123
Cost of sales	3	(4,114,660)	(4,108,599)
Net income	3	11,028,277	13,152,524
Meeting and sessional costs		(717,444)	(620,083)
Staff costs and overheads		(11,056,820)	(10,665,525)
Branch expenditure		(495,818)	(425,223)
Profit/(loss) on disposal of investments		44,759	(9,147)
Operating (deficit)/surplus	7	(1,197,046)	1,432,546
Interest receivable		30,510	40,083
Return on investments		56,257	50,707
Interest payable and similar charges	8	(26,753)	(28,832)
Other finance charges	9	(205,706)	(244,076)
(Deficit)/surplus on ordinary activities before taxation		(1,342,738)	1,250,428
Taxation on (deficit)/surplus from ordinary activities	10	-	-
(Deficit)/surplus on ordinary activities after taxation		(1,342,738)	1,250,428

All amounts relate to continuing activities

The notes on pages 17 to 36 form part of these financial statements

British Dental Association

Consolidated statement of total recognised gains and losses for the year ended 30 September 2013

	Note	2013 £	2012 £
Consolidated statement of total recognised gains and losses			
(Deficit)/surplus for the year		(1,342,738)	1,250,428
Actuarial (loss)/gain on pension scheme	23	(945,000)	193,000
Unrealised movement on revaluation of investments		89,276	70,283
		<hr/>	<hr/>
Total recognised (losses)/gains for the year		(2,198,462)	1,513,711
		<hr/>	<hr/>

The notes on pages 17 to 36 form part of these financial statements

British Dental Association

Consolidated balance sheet at 30 September 2013

Company number 14161	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	11		4,167,495		4,068,250
Investments	12		1,523,181		1,390,891
Current assets					
Stocks	13	66,414		59,500	
Debtors	14	1,147,995		993,262	
Cash at bank and in hand		3,552,098		2,727,321	
		<u>4,766,507</u>		<u>3,780,083</u>	
Creditors. amounts falling due within one year	15	<u>(4,615,311)</u>		<u>(1,868,421)</u>	
Net current assets			<u>151,196</u>		<u>1,911,662</u>
Total assets less current liabilities			<u>5,841,872</u>		<u>7,370,803</u>
Creditors. amounts falling due after more than one year	16		<u>(1,500,776)</u>		<u>(1,638,445)</u>
Net pension liability	23		<u>(3,040,400)</u>		<u>(2,233,200)</u>
Net assets			<u>1,300,696</u>		<u>3,499,158</u>
Reserves					
Income and expenditure account	17		<u>(271,183)</u>		<u>1,994,213</u>
Restricted funds	17		<u>1,571,879</u>		<u>1,504,945</u>
			<u>1,300,696</u>		<u>3,499,158</u>

The financial statements were approved by the directors and authorised for issue on 12.02.14



M Fallowfield
Chair, Principal Executive Committee

The notes on pages 17 to 36 form part of these financial statements

British Dental Association

Association balance sheet at 30 September 2013

Company number 14161	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	11		4,078,220		3,975,889
Current assets					
Stocks	13	66,414		59,500	
Debtors	14	1,049,695		891,289	
Cash at bank and in hand		3,054,940		2,289,237	
		<u>4,171,049</u>		<u>3,240,026</u>	
Creditors, amounts falling due within one year	15	<u>(4,590,124)</u>		<u>(1,956,968)</u>	
Net current (liabilities)/assets			<u>(419,075)</u>		<u>1,283,058</u>
Total assets less current liabilities			<u>3,659,145</u>		<u>5,258,947</u>
Creditors, amounts falling due after more than one year	16		(1,500,776)		(1,638,445)
Net pension liability	23		<u>(3,040,400)</u>		<u>(2,233,200)</u>
Net (liabilities)/assets			<u>(882,031)</u>		<u>1,387,302</u>
Reserves					
Income and expenditure account	17		<u>(882,031)</u>		<u>1,387,302</u>
			<u>(882,031)</u>		<u>1,387,302</u>

The financial statements were approved by the directors and authorised for issue on 12 02 14



M Fallowfield
Chair, Principal Executive Committee

The notes on pages 17 to 36 form part of these financial statements

British Dental Association

Consolidated cash flow statement for the year ended 30 September 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash inflow/(outflow) from operating activities	20		1,283,004		(353,963)
Returns on investments and servicing of finance					
Interest received		30,510		40,083	
Interest paid		(26,753)		(28,832)	
Returns on investments		56,257		50,707	
			60,014		61,958
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(384,431)		(138,033)	
Purchase of investments		(366,728)		(156,920)	
Proceeds from sale of investments		368,474		157,343	
			(382,685)		(137,610)
Cash inflow/(outflow) before financing			960,333		(429,615)
Financing					
Repayment of bank loan		(135,556)		(133,477)	
			(135,556)		(133,477)
Increase/(decrease) in cash			824,777		(563,092)

The notes on pages 17 to 36 form part of these financial statements

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the valuation of investments and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Quasi subsidiary and consolidated financial statements

The British Dental Association Trust Fund is an incorporated charity which is limited by guarantee with a year ended of 30 September. It is largely funded by the British Dental Association and is considered to be under common control. As a result the Directors of British Dental Association are of the opinion that in accordance with FRS 2 'Subsidiary undertakings' the Trust should be considered to be a quasi subsidiary.

The consolidated accounts of the group incorporate the accounts of the BDA and its quasi-subsidiary undertaking, the British Dental Association Trust Fund, which is a registered charity. The results of the charity are consolidated on a line by line basis within the consolidated income and expenditure account using those categories that best reflect the activities of the charity. Separate financial statements for The Trust are available from its registered office and the Charity Commission and present a separate Statement of Financial Activities ('SOFA') for the charity and other disclosures as set out by the revised Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), issued in March 2005.

Going concern

The Directors of the Association have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the Association's net liability position at 31 March 2013. The net liability position is as a result of the inclusion of an FRS17 liability of £3,040,400 for the Association's defined benefit pension scheme. The Association's funding commitment to the Pension Scheme remains long term and the Association has agreed a long term funding plan with the Trustees of the Pension Scheme.

The Directors have also assessed the impact of the financial budgets in place for 2013/4 and beyond against the working capital available, notably its cash. Despite a challenging environment, a break even budget is planned for 2014/5. As a result in the opinion of the Directors the Association has sufficient resources to be able to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going concern basis.

Income

Income represents membership subscriptions, publications, training, accreditation, conferences and sales of books and products. Sales to outside customers are at invoiced amounts less value added tax.

All income is accounted for when receivable subject to the deferral of subscriptions received in advance.

Investment income, which is shown with its related tax credit, is accounted for in the period in which The Trust is entitled to receipt, any income not yet received is accrued. Realised gains and losses on the sale of investments are included in the Income and Expenditure Account. Unrealised gains and losses on the revaluation of investments are included in the Statement of Total Recognised Gains and Losses.

Likewise, donations and library and museum income are accounted for when receivable.

Grants and awards

Grants payable are charged in the year in which all conditions attached to payment of the grant are fulfilled.

Stocks

Stocks are valued at the lower of cost and net realisable value.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (*continued*)

1 Accounting policies (*continued*)

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Long leasehold buildings	-	straight line over 50 years
IT Systems	-	straight line between 3 and 10 years
Fixtures and fittings	-	straight line between 4 and 5 years

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Fixed assets - Heritage assets

The Association's quasi subsidiary, the British Dental Association Trust Fund, maintains a collection of museum exhibits purchased or donated to the charity many years ago.

In accordance with Financial Reporting Standard 30 - Heritage Assets, the Trust Fund's collection of museum exhibits and other major items are recorded on the balance sheet at deemed cost and as a result are not subject to subsequent revaluation.

Acquisitions are normally made by donation with occasional purchases. Donations are recorded at a current market valuation with reference, where possible, to commercial markets using recent transaction information from auctions. Recent purchases are recorded at cost.

Expenditure which in the Directors' view is required to preserve or prevent further deterioration of individual items, including preservation work, is recognised in the Income and Expenditure Account when it is incurred.

Fixed asset investments

Fixed asset investments are stated at market value (based in mid market values) as at the balance sheet date.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the income and expenditure account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the income and expenditure account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

1 Accounting policies (continued)

Pension costs

The difference between the fair value of the assets held in the Association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group and Association balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Association is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the Association are charged to the income and expenditure or the statement of total recognised gains and losses in accordance with FRS 17 'Retirement benefits'.

2 Turnover

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom.

3 Net income

	2013 Income £	2013 Costs £	2013 Net £	2012 Income £	2012 Costs £	2012 Net £
Subscriptions	8,464,362	-	8,464,362	9,185,668	-	9,185,668
Commercial activity	6,665,695	(4,114,660)	2,551,035	6,734,562	(4,108,599)	2,625,963
Charitable activities	12,880	-	12,880	17,341	-	17,341
Donation from Shirley Glasstone Hughes (see note 4)	-	-	-	1,323,552	-	1,323,552
	15,142,937	(4,114,660)	11,028,277	17,261,123	(4,108,599)	13,152,524

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

4 Donation

On the 2 November 2011 the Trustees of the British Dental Association Trust Fund (the 'Trust Fund'), a quasi-subsiary of the British Dental Association, accepted an offer from the Trustees of the British Dental Association Shirley Glasstone Hughes Memorial Prize for Dental Research ('Shirley Glasstone Hughes'), to donate the net asset of that charity to the Trust Fund

The assets of Shirley Glasstone Hughes are being administered within a separate restricted fund with the charitable aims of the former charity continued to be followed by the nature of the restriction

5 Employees

	2013 £	2012 £
Staff costs consist of		
Wages and salaries	7,005,016	6,312,461
Social security costs	650,932	615,338
Other pension costs	771,916	724,831
	<u>8,427,864</u>	<u>7,652,630</u>

The average number of employees, including executive directors, during the year was 155 (2012 - 154)

The introduction of the new membership scheme resulted in a review of the services provided to members. As a result a series of redundancies took place totalling £289,695. Further detail can be found on page 1

All staff costs are initially borne by the Association with an annual recharge made to the Trust Fund to reflect the cost associated with its activities. Those costs solely in relation to the Association are

	2013 £	2012 £
Staff costs consist of		
Wages and salaries	6,634,157	5,999,169
Social security costs	623,543	590,930
Other pension costs	730,321	684,673
	<u>7,988,021</u>	<u>7,274,772</u>

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

5 Employees (continued)

The average number of staff paid during the year (salary and taxable benefits excluding pension contributions) was as follows

Salary range	2013 Number	2012 Number
£1 - £20,000	7	7
£20,001 - £30,000	25	28
£30,001 - £40,000	55	59
£40,001 - £50,000	39	35
£50,001 - £60,000	14	14
£60,001 - £70,000	7	5
£70,001 - £80,000	5	2
£80,001 - £90,000	1	1
£90,001 - £100,000	-	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1
	<u>155</u>	<u>154</u>

6 Directors

	2013 £	2012 £
Directors' remuneration consists of		
Sessional and stipend payments	<u>330,000</u>	<u>252,250</u>

There were no (2012 - Nil) directors in the company who were considered to be salaried, full-time executive directors during the year

There were no (2012 - Nil) directors in the company's defined benefit pension scheme during the year

The Association remunerates elected members who work in general practice for attendance at BDA meetings. This remuneration is paid via a monthly stipend for those directors elected to the Principal Executive Committee. Elected members not attending Principal Executive Committee are paid on a sessional basis as a compensation for income foregone as a result of attendance on BDA business. In 2013 remuneration totalled £330,000 (2012 - £252,250)

The total amount payable to the highest paid director in respect of emoluments was £Nil (2012 - £Nil)

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (continued)

6 Directors (continued)

Sessional and stipend payments

	2013 £	2012 £
M Armstrong	15,000	3,750
P Blaylock	15,000	5,310
G Brown (resigned 2 July 2012)	-	2,080
V Chan	15,000	3,750
E Crouch (resigned 9 October 2013)	15,000	4,270
C Dubourg (resigned 2 July 2012)	-	13,650
M Fallowfield	75,000	38,250
T Harker (appointed 18 October 2013)	-	-
P Henderson	15,000	3,750
J Husband	25,000	25,750
S Johnston (resigned 30 September 2013)	15,000	23,250
N Jones	15,000	3,750
R Kinloch	50,000	26,150
R Ladwa	15,000	3,750
A Lockyer	15,000	3,750
G McKirdy (resigned 2 July 2012)	-	520
J Mooney (resigned 2 July 2012)	-	4,550
M Nimmo (resigned 2 July 2012)	-	5,720
H Overgaard-Nielsen (resigned 2 July 2012)	-	1,040
N Patel (resigned 2 July 2012)	-	13,650
S Sanderson	15,000	60,040
S Shimberg	15,000	1,250
G Stokes	15,000	4,270
Total	330,000	252,250

7 Operating (deficit)/surplus

	2013 £	2012 £
This has been arrived at after charging		
Depreciation	285,186	244,068
Hire of other assets - operating leases	60,000	40,500
Auditors' remuneration		
- audit services	19,708	19,850
- non audit services (advisory)	5,250	2,750

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

8 Interest payable and similar charges

	2013 £	2013 £
Bank loans repayable in more than five years	26,753	28,832

9 Other financial charges

	2013 £	2012 £
Expected return on pension scheme assets	(503,000)	(537,000)
Interest on pension scheme liabilities	706,000	779,000
Investment management charges	2,706	2,076
	205,706	244,076

10 Taxation on (deficit)/surplus from ordinary activities

	2013 £	2012 £
<i>Current tax</i>		
UK corporation tax on (deficit)/surplus for the year	-	-

The tax assessed for the year is lower (2012 - lower) than the standard rate of corporation tax in the UK
The differences are explained below

	2013 £	2012 £
(Deficit)/surplus on ordinary activities before tax	(1,342,738)	1,250,428
(Deficit)/surplus on ordinary activities at the standard rate of corporation tax in the UK of 23.5% (2012 - 24%)	(315,543)	300,103
Effects of		
Surplus/(deficit) not chargeable to corporation tax	273,978	(300,103)
Losses brought forward utilised in the year	(1,545)	-
Non trade donations unutilised	43,110	-
Current tax charge for year	-	-

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 *(continued)*

11 Tangible assets

Consolidated	Long leasehold properties £	Office fixtures and fittings £	Heritage assets £	IT equipment £	Total £
<i>Cost</i>					
At 1 October 2012	4,551,607	555,884	60,000	1,244,627	6,412,118
Additions	-	13,937	-	370,494	384,431
Disposals	-	(1,290)	-	-	(1,290)
At 30 September 2013	4,551,607	568,531	60,000	1,615,121	6,795,259
<i>Accumulated depreciation</i>					
At 1 October 2012	1,101,871	501,936	-	740,061	2,343,868
Charge for year	91,032	26,676	-	167,478	285,186
Disposals	-	(1,290)	-	-	(1,290)
At 30 September 2013	1,192,903	527,322	-	907,539	2,627,764
<i>Net book value</i>					
At 30 September 2013	3,358,704	41,209	60,000	707,582	4,167,495
At 30 September 2012	3,449,736	53,948	60,000	504,566	4,068,250

In accordance with Financial Reporting Standard 30 - Heritage Assets, the Association's quasi-subsidiary's collection of museum exhibits and other major items are recorded on the balance sheet at cost. The majority of these items were purchased or donated to the charity many years ago and as a result in the view of the directors the historic cost of these assets is immaterial to the Association.

The exhibits were valued for insurance purposes at £559,450 by Lyon and Turnbull, 33 Broughton Place, Edinburgh, EH1 3RR in December 2008.

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

11 Tangible assets (*continued*)

Association	Long leasehold properties £	Office fixtures and fittings £	IT equipment £	Total £
<i>Cost</i>				
At 1 October 2012	4,551,607	204,360	1,244,627	6,000,594
Additions	-	-	370,494	370,494
Disposals	-	(1,290)	-	(1,290)
At 30 September 2013	4,551,607	203,070	1,615,121	6,369,798
<i>Accumulated depreciation</i>				
At 1 October 2012	1,101,871	182,773	740,061	2,024,705
Charge for year	91,032	9,653	167,478	268,163
Disposals	-	(1,290)	-	(1,290)
At 30 September 2013	1,192,903	191,136	907,539	2,291,578
<i>Net book value</i>				
At 30 September 2013	3,358,704	11,934	707,582	4,078,220
At 30 September 2012	3,449,736	21,587	504,566	3,975,889

12 Fixed asset investments

Consolidated	2013 £	2012 £
<i>Quoted investments</i>		
At 1 October 2012	1,390,891	1,330,178
Additions	366,728	156,920
Disposals	(368,474)	(157,343)
Realised gains/(loss)	44,760	(9,147)
Unrealised gains	89,276	70,283
At 30 September 2013	1,523,181	1,390,891
Historic cost of investments	1,093,411	1,050,398

There were no individual listed investments in excess of 5% of the total portfolio value

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (continued)

13 Stock

	Group 2013 £	Group 2012 £	Association 2013 £	Association 2012 £
Goods held for resale	66,414	59,500	66,414	59,500

There is no material difference between the replacement cost of stocks and the amounts stated above

14 Debtors

	Group 2013 £	Group 2012 £	Association 2013 £	Association 2012 £
Trade debtors	282,733	21,536	282,733	21,536
Other debtors	106,853	111,502	66,551	72,018
BDA Benevolent Fund	14,976	13,463	14,976	13,463
Prepayments and accrued income	743,433	846,761	682,301	784,272
BDA Trust Fund	-	-	3,134	-
	1,147,995	993,262	1,049,695	891,289

All amounts shown under debtors fall due for payment within one year

15 Creditors: amounts falling due within one year

	Group 2013 £	Group 2012 £	Association 2013 £	Association 2012 £
Bank loan (secured - see note 16)	137,709	135,596	137,709	135,596
Trade creditors	204,733	257,221	204,733	257,221
Other creditors	165,141	98,320	165,141	98,320
BDA Trust Fund	-	-	-	135,551
Taxation and social security	194,393	195,292	194,393	195,292
Subscriptions paid in advance	2,876,923	192,762	2,876,923	192,762
Accruals and deferred income	1,036,412	989,230	1,011,225	942,226
	4,615,311	1,868,421	4,590,124	1,956,968

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

16 Creditors amounts falling due after more than one year

	Group 2013 £	Group 2012 £	Association 2013 £	Association 2012 £
Bank loan (secured)	<u>1,500,776</u>	<u>1,638,445</u>	<u>1,500,776</u>	<u>1,638,445</u>

The bank loan, provided by National Westminster Bank is repayable over 20 years by 76 quarterly instalments from March 2005 to December 2024. Interest is chargeable at 1.05% over the Bank of England base rate.

The bank loan is secured on the company's long leasehold building, and on the other assets of the Association.

Maturity of debt

	Group Bank loan 2013 £	Group Bank loan 2012 £	Association Bank loan 2013 £	Association Bank loan 2012 £
In less than one year	<u>137,709</u>	<u>135,596</u>	<u>137,709</u>	<u>135,596</u>
In more than one year but not more than two years	139,856	137,710	139,856	137,710
In more than two years but not more than five years	432,788	426,146	432,788	426,146
In more than five years	<u>928,132</u>	<u>1,074,589</u>	<u>928,132</u>	<u>1,074,589</u>
	<u>1,500,776</u>	<u>1,638,445</u>	<u>1,500,776</u>	<u>1,638,445</u>

17 Reserves

Group	Income and expenditure account £	Restricted funds £	Total £
At 1 October 2012	1,994,213	1,504,945	3,499,158
Deficit for the year	(1,320,396)	(22,342)	(1,342,738)
Unrealised movement on revaluation of investments	-	89,276	89,276
Actuarial loss on pension scheme	<u>(945,000)</u>	<u>-</u>	<u>(945,000)</u>
At 30 September 2013	<u>(271,183)</u>	<u>1,571,879</u>	<u>1,300,696</u>

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

17 Reserves (continued)

Association	Total £
At 1 October 2012	1,387,302
Deficit for the year	(1,324,333)
Actuarial loss on pension scheme	(945,000)
At 30 September 2013	(882,031)

18 Reconciliation of movement in reserves

Group	2013 £	2012 £
(Deficit)/surplus for the year	(1,342,738)	1,250,428
Other recognised gains and losses relating to the year		
- Actuarial (loss)/gain on pension scheme	(945,000)	193,000
Unrealised movement on revaluation of investments	89,276	70,283
Net (decrease)/increase in funds	(2,198,462)	1,513,711
Opening funds	3,499,158	1,985,447
Closing funds	1,300,696	3,499,158

Association	2013 £	2012 £
(Deficit)/surplus for the year	(1,324,333)	9,844
Other recognised gains and losses relating to the year		
- Actuarial (loss)/gain on pension scheme	(945,000)	193,000
Net (decrease)/increase in funds	(2,269,333)	202,844
Opening funds	1,387,302	1,184,458
Closing (deficit)/funds	(882,031)	1,387,302

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (*continued*)

19 Commitments under operating leases

As at 30 September 2013, the group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Operating leases which expire				
Within one year	4,800	3,760	-	6,051
Between two and five years	95,019	84,419	-	163,743
Over five years	60,000	-	40,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	159,819	88,179	40,500	169,794
	<hr/>	<hr/>	<hr/>	<hr/>

20 Reconciliation of operating (deficit)/surplus to net cash inflow/(outflow) from operating activities

	2013 £	2012 £
Operating (deficit)/surplus	(1,197,046)	1,432,546
Depreciation	285,184	244,068
(Increase)/decrease in stocks	(6,914)	32,621
(Increase)/decrease in debtors	(154,733)	102,249
Increase/(decrease) in creditors	2,744,777	(648,986)
Pension scheme contributions paid in excess of pension charge	(340,800)	(340,800)
Investment management charge	(2,706)	(2,076)
Donation by Shirley Glasstone Hughes	-	(1,323,552)
Cash donated by Shirley Glasstone Hughes	-	140,820
(Profit)/loss on disposal of investments	(44,758)	9,147
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	1,283,004	(353,963)
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

21 Reconciliation of net cash inflow to movement in net funds

	2013 £	2013 £	2012 £	2012 £
Increase/(decrease) in cash in the year	824,777		(563,092)	
Cash inflow from decrease in debt	135,556		133,477	
Change in net funds resulting from cash flows		960,333		(429,615)
Opening net funds		953,280		1,382,895
Closing net funds		1,913,613		953,280

22 Analysis of net funds

	At 1 October 2012 £	Cash flow £	Other non-cash changes £	At 30 September 2013 £
Cash in hand and at bank	2,727,321	824,777	-	3,552,098
Debt due within one year	(135,596)	135,556	(137,669)	(137,709)
Debt due after one year	(1,638,445)	-	137,669	(1,500,776)
Net funds	953,280	960,333	-	1,913,613

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (*continued*)

23 Pensions

Defined benefit scheme

At 30 September 2013 the Association operated a defined benefit scheme in the UK. The scheme remains open only for future accrual and all eligible staff and directors have been offered membership of a new defined contribution scheme.

The scheme is funded with the assets being held by the Trustees separately from the assets of the Association. The pension costs are determined in accordance with the advice of a professional qualified actuary. A full actuarial valuation will be carried out on 31 March 2014. An interim valuation was prepared by the actuary on 30 September 2013.

At the interim valuation date, the market value of the assets in the scheme was £15,961,000. The value of these assets represented 84% of the value of the benefits that had accrued to members, after allowing for future increases in earnings.

It was assumed that the investment return would be 4.20% per annum, that salary increases would average 4.25% per annum above inflation and that present and future pensions would increase at the rate of 3.50% per annum.

Following the triennial valuation as at March 2011, a revised plan to fund the deficit within the Scheme was agreed, with decreased contributions to the Scheme by the Association starting in October 2011. The Scheme Trustees and the employer decided upon a ten year recovery plan, with the annual contribution decreasing. The employer cost of the defined benefit scheme was £340,800 (2012 - £340,800).

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

23 Pensions (continued)

Additional disclosures under Financial Reporting Standard 17 "Retirement Benefits" (FRS 17)

A triennial valuation of the defined benefit scheme was carried out at 31 March 2011. This information has been used by the actuary to calculate the value of the scheme assets and liabilities at 30 September 2013 on the basis that it provides the most accurate status of the pension scheme currently available and it is this information that can be seen in these financial statements.

The major assumptions at 30 September 2013 as used by the actuary were

	30 September 2013	30 September 2012	30 September 2011
Discount rate	4.50% pa	4.40% pa	5.30% pa
Inflation assumption (RPI)	3.50% pa	2.75% pa	3.25% pa
Inflation assumption (CPI)	2.75% pa	2.00% pa	2.50% pa
Pension increases in payment (RPI)	3.50% pa	2.75% pa	3.25% pa
Salary increases	4.25%	3.50% pa	4.00% pa
Pension increases in deferment	CPI (except for those members who retain a salary-linked pension)	CPI (except for those members who retain a salary-linked pension)	RPI (except for those members who retain a salary-linked pension)
Post-retirement mortality table	Males - S1NMA Light Females-S1NFA Light	Males - S1NMA Light Females-S1NFA Light	Males - PNMA00 Females - PNFA00
Post retirement mortality projection	CMI 2010 with 1% p a long term rate of improvement	CMI 2010 with 1% p a long term rate of improvement	Long cohort projection based on year of birth
Tax free cash	No allowance	No allowance	No allowance

Under the mortality tables and projections adopted, the assumed future life expectancy at age 60 is as follows

	30 September 2013 (years)	30 September 2012 (years)	30 September 2011 (years)
Male currently aged 40	30.0	29.8	28.1
Female currently aged 40	31.3	31.2	30.7
Male currently aged 60	28.5	28.3	26.6
Female currently aged 60	29.7	29.6	29.1

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (*continued*)

23 Pensions (*continued*)

Net pension assets

	Long-term rate of return expected at 30 September 2013	Long-term rate of return expected at 30 September 2012	Long-term rate of return expected at 30 September 2011
Scheme's assets	4.20% pa	3.60%	4.30%

The major categories of assets as a proportion of total assets are as follows

Asset category	30 September 2013	30 September 2012	30 September 2011
Equities	61%	59.3%	58.0%
Bonds	19%	20.4%	20.0%
Gilts	19%	19.3%	21.0%
Cash	2%	1.0%	1.0%

The actual return on the Scheme's assets net of expenses over the period to the review date was £2,157,000 (2012 - £1,601,000)

The assets do not include any investment in the BDA

Amounts recognised in the balance sheet

	30 September 2013 £'000	30 September 2012 £'000
Fair value of assets	15,961	14,149
Present value of funded obligations	(19,002)	(16,382)
Scheme deficit	(3,041)	(2,233)

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

23 Pensions (*continued*)

Experience gains and losses on Scheme assets in the year to 30 September 2013

	2013 £'000	2012 £'000
Amount	1,654	1,347
Percentage of Scheme assets	10.36%	9.52%

Experience gains and losses on Scheme liabilities in the year to 30 September 2013

Amount	386	162
Percentage of Scheme assets	2.42%	1.14%

Amounts recognised in the income and expenditure account

Interest cost	(706)	(779)
Expected return on assets	503	537

Total	203	(242)
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Analysis of amount recognised in statement of total recognised gains and losses

Total actuarial gain	945	193
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Total gain in statement of total recognised gains and losses	945	193
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Cash flows

Benefits paid	686	501
Employer contributions	341	624

Reconciliation of assets

Fair value of assets at the beginning of the period	14,149	12,425
Expected return on assets (before any restriction)	503	537
Employer contributions	341	341
Benefits paid	(686)	(501)
Actuarial gain	1,654	1,347
Fair value of assets at the end of the period	15,961	14,149

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

23 Pensions (*continued*)

Reconciliation of defined benefit obligation

	2013 £'000	2012 £'000
Defined benefit obligation at the beginning of the period	16,382	14,950
Interest cost	706	779
Benefits paid	(686)	(501)
Actuarial loss	2,600	1,154
Defined benefit obligation at the end of the period	19,002	16,382

Summary of prior year amounts

Period to	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of defined benefit obligation	19,002	16,382	14,950	14,924
Fair value of assets	15,961	14,149	12,425	12,464
Scheme deficit	(3,041)	(2,233)	(2,525)	(2,460)
Experience gains/(losses) on Scheme liabilities	386	162	(315)	64
Experience gains/(losses) on Scheme assets	1,654	1,347	(782)	372

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

24 Financial information for the British Dental Association

In accordance with the Companies Act 2006 the Association is exempt from the requirement to prepare a separate income and expenditure account. However in order to aid the users of the financial statements the following information has been disclosed

	2013 £	2012 £
Income	15,130,057	15,920,230
Cost of sales	(4,114,660)	(4,108,599)
Net income	11,015,397	11,811,631
Meeting and sessional costs	(717,444)	(620,083)
Staff costs and overheads	(10,293,390)	(9,935,247)
Branch expenditure	(495,818)	(425,223)
Donations	(633,622)	(590,335)
Operating (deficit)/surplus	(1,124,877)	240,743
Interest receivable	30,297	39,933
Interest payable and similar charges	(26,753)	(28,832)
Other finance charges	(203,000)	(242,000)
(Deficit)/surplus on ordinary activities before taxation	(1,324,333)	9,844
Taxation on (deficit)/surplus from ordinary activities	-	-
(Deficit)/surplus on ordinary activities after taxation	(1,324,333)	9,844