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- PRINT ON ONE SIDE ONLY

FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	BRITISH DENTAL ASSOCIATION					
Year ended:	30 th September 2014					
List no:	408T					
Head or Main Office:	64 Wimpole Street London W1G 8YS					
Website address (if available)						
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td><td>(Click the appropriate box)</td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Click the appropriate box)
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Click the appropriate box)		
General Secretary:	Michael Armstrong					
Telephone Number:						
Contact name for queries regarding	Bina Varkey					
Telephone Number:	0207 563 4191					
E-mail:	bina.varkey@bda.org					

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

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

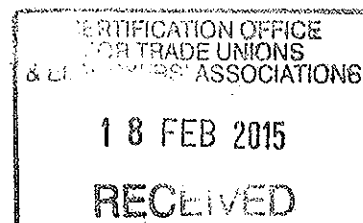
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

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

For Unions based in Scotland:

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



(Revised February 2011)

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	9,828	343		138	10,309
FEMALE	8,010	387		107	8,504
TOTAL	17,838	730		245	A 18,813

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

0
18,813

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

OFFICERS IN POST

(see note 12)

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

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
The list of directors are included in the Annual Accounts (note 5), a copy is enclosed separately.			

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:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		7,945,523
From Members: Other income from members (specify)		
Total other income from members		0.00
Total of all income from members		7,945,523
Investment income (as at page 13)		75,689
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	6,951,495	
Total of other income (as at page 4)		6,951,495
	TOTAL INCOME	14,972,707
EXPENDITURE		
Benefits to members (as at page 5)		9,368,127
Administrative expenses (as at page 10)		5,583,504
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		0.00
Taxation		
	TOTAL EXPENDITURE	14,951,631
Surplus (deficit) for year		21,076
Actuarial profit/(loss on pension scheme)		214,000
Amount of general fund at beginning of year		(882,031)
Amount of general fund at end of year		(646,955)

(see notes 19 and 20)

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ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	109,659	brought forward Education and Training services	2,771,870 515,933
Representation – Non Employment Related Issues	45,666	Negotiated Discount Services	
Communications	2,616,545	Salary Costs	4,645,981
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		Donation to Trust Fund	501,136
		Grants to Branches	444,568
		Autonomous Committees	233,161
		Other	255,478
Other Cash Payments			
carried forward	2,771,870	Total (should agree with figure in General Fund)	9,368,127

(See notes 24 and 25)

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

[illegible]

(See notes 24 and 25)

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

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

(See notes 24 and 25)

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

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

(see notes 26 to 31)

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

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

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

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		1,887,418
Salaries and Wages included in above	£1,377,044	
Auditors' fees		15,615
Legal and Professional fees		189,660
Occupancy costs		722,023
Stationery, printing, postage, telephone, etc.		214,697
Expenses of Executive Committee (Head Office)		488,041
Expenses of conferences		722,943
Other administrative expenses (specify)		
IT Costs		508,172
Irrecoverable VAT		207,524
Bank Charges		54,477
General Expenses		66,551
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		24,662
FRS 17 Pensions Adjustment		176,000
Depreciation		305,721
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Total		
Charged to:	General Fund (Page 3)	5,583,504
	Fund (Account)	
Total		5,583,504

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contribution s £	Other Benefits Description	Value £	
Michael Armstrong (General Secretary)	47,077	5,417				52,494
Martin Fallowfield (NED)	38,846	4,356		Compensation for loss of office	25,000	68,202
Paul Blaylock (NED)	15,000	990				15,990
Victor Chan (NED)	15,000	990				15,990
Edward Crouch (NED)	9,212	578				9,790
Philip Henderson (NED)	15,000	990				15,990
Judith Husband (NED)	25,000	2,370				27,370
Nigel Jones (NED)	15,000	990				15,990
Robert Kinloch (NED)	50,000	5,820				55,820
Rasikkumar Ladwa (NED)	15,000	990				15,990
Alison Lockyer (NED)	15,000	990				15,990
Susan Sanderson (NED)	15,000	990				15,990
Stephen Shimberg (NED)	15,000	990				15,990
Graham Stokes(NED)	15,000	990				15,990
Tim Harker (NED)	14,327	986				15,313

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

[illegible]

BALANCE SHEET as at 30th September 2014

(see notes 47 to 50)

Previous Year		£	£
4,078,220	Fixed Assets (at page 14)		3,804,010
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
4,078,220	Total Investments		3,804,010
	Other Assets		
	Loans to other trade unions		
1,049,695	Sundry debtors	1,057,581	
3,054,940	Cash at bank and in hand	3,409,779	
	Income tax to be recovered		
66,414	Stocks of goods	50,050	
	Others (specify)		
4,171,049	Total of other assets		4,517,411
8,249,269	TOTAL ASSETS		8,321,420
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
1,638,486	Loans: Other		1,500,839
3,040,400	Pension Scheme (FRS 17)		2,644,260
194,393	Tax payable		172,240
369,874	Sundry creditors		484,582
682,914	Accrued expenses		440,284
2,876,923	Subscriptions in advance		3,030,325
328,310	Other liabilities		695,845
9,131,300	TOTAL LIABILITIES		8,968,375
(882,031)	TOTAL NET LIABILITIES		(646,955)

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings Freehold £ £ Leasehold		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
Cost or Valuation						
At start of year		4,551,607	1,818,191			6,369,798
Additions			31,510			31,510
Disposals			(28,318)			(28,318)
Revaluation/Transfer s						
At end of year		4,551,607	1,821,383			6,372,990
Accumulated Depreciation						
At start of year		1,192,903	1,098,674			2,291,577
Charges for year		91,032	214,426			305,458
Disposals			(28,055)			(28,055)
Revaluation/Transfer s						
At end of year		1,283,935	1,285,045			2,568,980
Net book value at end of year		3,267,672	536,338			3,804,010
Net book value at end of previous year		3,358,704	719,517			4,078,221

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input type="checkbox"/>
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 <input type="checkbox"/>	NO <input type="checkbox"/>
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 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	7,945,523		7,945,523
From Investments	75,689		75,689
Other Income (including increases by revaluation of assets)	6,951,495		6,951,495
Total Income	14,972,707		14,972,707
EXPENDITURE (including decreases by revaluation of assets)	14,951,631		14,951,631
Actuarial gain on pension scheme	(214,000)		(214,000)
Total Expenditure	14,737,631		14,737,631
Funds at beginning of year (including reserves)	(882,031)		(882,031)
Funds at end of year (including reserves)	(646,955)		(646,955)
ASSETS			
Fixed Assets			3,804,010
Investment Assets			
Other Assets			4,517,411
Total Assets			8,321,420
LIABILITIES			
Total Liabilities			8,968,375
NET ASSETS (Total Assets less Total Liabilities)			(646,955)

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

The notes to the accounts are included in the Annual Accounts, a copy which is enclosed separately.

ACCOUNTING POLICIES

(see notes 74 and 75)

The accounting policies are included in the Annual Accounts, a copy is enclosed separately.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Michael Armstrong</u> Name: Michael Armstrong (Chair of PEC) Date: <u>13.2.2015</u>	Signature: <u>Judith Husband</u> Name: Judith Husband (Member of the PEC) Date: <u>13/2/15</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: Found in the annual accounts (enclosed) and printed in the BDJ (publication) sent to all members. (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES/~~NO~~

If "No" please explain below.

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

YES/~~NO~~

If "No" please explain below.

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

YES/~~NO~~

If "No" please explain below.

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

AUDITOR'S REPORT (continued)

To the members of British Dental Association

We have audited the Annual Return (AR21), which includes annexed audited financial statements of the British Dental Association for the year ended 30 September 2014, excluding page 11, which has been prepared under the accounting policies set out within the financial statements. The financial reporting framework that has been applied in the preparation of the financial statements 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 Trade Union and Labour Relations (Consolidation) Act 1992. 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 AR21 and for being satisfied that they give a true and fair view. Our responsibility is to audit the AR21 and the annexed 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.

We report to you our opinion as to whether the AR21 gives a true and fair view and have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. We also report to you if, in our opinion, the AR21 is not consistent with the financial statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, if the Association has not established and maintained a satisfactory system of control over its accounting records, its cash holdings and all its receipts and remittances, if we have not received proper returns, adequate for our audit, from branches not visited by us and if the balance sheet and income and expenditure account are not in agreement with the accounting records and returns.

Scope of the audit of the AR21

An audit involves obtaining evidence about the amounts and disclosures in the AR21 sufficient to give reasonable assurance that the AR21 is free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies within the annexed financial statements are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the AR21.

Opinion on the AR21

In our opinion the AR21:

- gives a true and fair view of the state of the Association's affairs as at 30 September 2014 and of its surplus for the year then ended; and
- has been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and the Trade Union and Labour Relations (Consolidation) Act 1992.



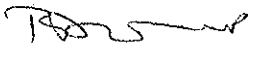
BDO LLP, *statutory auditor*

Gatwick

United Kingdom

Date 17.2.15

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

Signature(s) of auditor or auditors:		
Name(s):	BDO LLP	
Profession(s) or Calling(s):	STATUTORY AUDITOR	
Address(es):	2 CITY PLACE GATWICK RH6 0PA	
Date:	17.2.15	
Contact name and telephone number:	D BAWTREE	01293 591 000

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

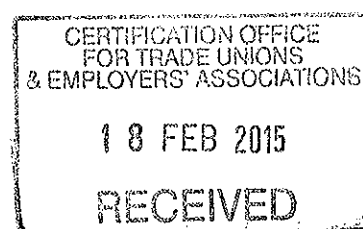
British Dental Association

Report and Financial Statements

Year Ended

30 September 2014

Company Number 14161



British Dental Association

Report and financial statements for the year ended 30 September 2014

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British Dental Association

Report of the Chair of the Principal Executive Committee for the year ended 30 September 2014

Report of the Chair of the Principal Executive Committee

2013/14 was planned to be a year of consolidation. Having moved to tiered membership within a rolling membership year the Association needed time to monitor the changes, adjust its offer to meet them and look towards how it should move forward. In the event the year showed the Association at its most active and effective.

The most prominent feature of the financial year was the Association's challenge to what proved to be an unlawful GDC consultation on its Annual Retention Fee (ARF). The flaws in the consultation were identified and responded to early but despite a comprehensive analysis and clear statement of intent from the BDA, the GDC refused to respond or consult. The GDC's high-handed approach to this issue led to a judicial review and a damning judgment on the GDC's actions. It is worth noting that in order to prove its case the BDA was required not to show that the consultation was unfair, but so unfair as to be unlawful. This is a high legal bar and the scale of the BDA's victory in this highlights not only the GDC's poor approach to consultation but also its competence in choosing to use registrants' money on a lost cause. The GDC's attempts to portray its loss as a procedural oversight shames that organisation, as does its contention that it was administratively incapable of refunding the unjustified increase in the ARF to its registrants.

The dental sector's response to the BDA's stand was overwhelmingly positive. Unfortunately this support did not lead to increased membership. The Association risked a £300,000 legal bill (including the GDC's costs) should it have lost the case. Without member funds the Association must be wary of risking that kind of sum on a less clear-cut case, whatever its merits. At September 30th 2014 membership stood at 16,327 qualified members (2013 - 16,739), with 2,486 students (2013 - 1,765). The challenge for the Association is to provide the services and support members demand within the new financial landscape within which it operates. In this regard 2013/14 was a very successful year. The consolidated income and expenditure account shows a deficit on ordinary activities of £194,614 (2013 £1,342,738 deficit). The scale of savings the Association has borne is obvious from these figures. What is not obvious is that alongside £80,000 of fees relating to the judicial review there are an additional £37,000 of grants paid to external bodies for research by the BDA Trust Fund's Shirley Glasstone Hughes restricted research fund. The BDA is in financial recovery, but is stable, in a good position to grow and is still the most effective support for the UK's dentists.

The challenge to the GDC was unexpected but fits within the strategic priorities for the three years 2013-2015 agreed by the Association's Principal Executive Committee (PEC). 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*

These priorities will be reviewed in the early part of 2015 and progress against each is set out below.

We will enhance our web presence such that it fulfils the needs of members both individually and collectively

The priority requiring an enhanced web presence has been worked upon steadily throughout the year. Although the results are not yet highly visible, the structural changes are profound and will offer the opportunity for faster and more efficient improvements. Both the BDA website and its community site "BDA Connect" have been moved onto new platforms with the associated development providing greater levels of control for the Association. This migration has brought some real benefits, in speed and an improved search function, but the real advantages will be seen over the coming months and years as the ability to upgrade and improve the website will be rendered much more straightforward. The most high profile and immediate improvement of our web offer was the development of the Learning Management System CPD hub. This service allows members to record and manage their CPD as well as gain extra CPD from the BDJ and BDJ-In-Practice.

British Dental Association

Report of the Chair of the Principal Executive Committee for the year ended 30 September 2014 (*continued*)

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

The value of collective strength

Within this year, the profession has faced a range of challenges. On a number of fronts, the BDA has been able to raise its profile and has adopted a more forthright stance on key issues. As reported above, the Association galvanised mass support from a large proportion of the dental community. With the fight against the GDC ARF proposal, the BDA has been able to demonstrate its collective voice and dentists are in no doubt about the Association's resolve. The Association will continue to make the case for fair and proportionate regulation on behalf of the profession.

The Association was also able to secure a significant collective win on behalf of the profession in 2014 in forcing a Government U-turn over a proposed reduction in salaries for Foundation Dentists in England. Following a sustained campaign of petitions and BDA lobbying, the Westminster Government backed down from the proposed salary cut of £2,000 or 8% for these newly qualified dentists. Similar proposals were also reversed in Wales and Northern Ireland. The Association was also successful in lobbying to ensure that all UK dental graduates were able to access foundation places in 2014.

More generally, the BDA's core business of collective negotiation and representation has not abated, with contractual discussions and negotiations across the four UK nations. In England, the GDPC has continued to influence the process of contractual change for general dental practitioners with the move to develop 'prototypes' in 2015.

Tailoring services to need

The Association completed a communications review with members and staff. It sought views on methods and style of communication as well as perceptions of value and relevance. In conjunction with the development of the website as described above and in light of the revised membership structure, this will form a central part of the Association's next strategic review.

Personal Professional Accountability and the Oral Health Agenda

As aspirational goals these matters have been worthy and appropriate. In what has been a frenetic three years, however, structural and environmental factors have dominated the Association's attention and so whilst these ambitions have provided a grounding, visible progress on both counts has been limited. Having said that, the issue of professional regulation remains front and centre in the BDA's fight to ensure fair and proportionate dental regulation. The need for a structured and co-ordinated oral health agenda, grounded in a strategy of prevention, is the Association's key message to politicians of all parties ahead of the 2015 general election.



M Armstrong
Chair of Principal Executive Committee

Date 16.2.2015

British Dental Association

Directors and professional advisors for the year ended 30 September 2014

Directors and Advisors

The following held office during the year or are currently in office:

M Armstrong, Chair of the Principal Executive Committee	N Jones
M Fallowfield (Resigned 1 January 2015)	R Kinloch
P Blaylock	R Ladwa
V Chan	A Lockyer
E Crouch	S Sanderson
L D'Cruz (Appointed 1 January 2015)	S Shimberg
T Harker (Appointed 18 October 2013)	J Stokes (Appointed 1 January 2015)
P Henderson	G Stokes (Resigned 1 January 2015)
J Husband	

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 2014

The directors present their report together with the audited financial statements of the group for the year ended 30 September 2014.

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-subsidiary 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 2014. 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:
 - i. 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
 - ii. 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-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.

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 16,327 qualified members (2013 - 16,739). Student numbers totalled 2,486 (2013 - 1,765).

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 2014 (*continued*)

Future developments

The Association is preparing a new strategic plan for 2014/15 onwards. This will incorporate the intelligence gained from the first full year of operation under the new membership structure, the services utilised and lessons learned. Further it will incorporate the opportunities presented by the development of the Association's new web platform to develop improved support and services for its members. Initially the developments will be important but low-key: an improved shop, online membership renewals and online downloads of BDA Expert to the Expert membership tier. These will build on what is already a more secure, faster site with improved search function and mobile rendering.

The next year is a critical one of the development of the Association; having performed well ahead of its financial targets for 2013/14 it must ensure that it has a stable business model going into the next few years. 2014/15 is budgeted to break even, and expected to do so. The challenge remains to take the Association back into surplus so that it can once again risk funds representing the interests of its members and of the dental sector as a whole.

Pension deficit

The interim actuarial valuation of the Defined Benefit Scheme as at 30 September 2014 based on the principles of FRS17 reveals a deficit of £2,644,400 (2013 - deficit of £3,040,400). Details are set out in Note 22 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 or are currently in office 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 appointed 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

British Dental Association

Report of the Directors for the year ended 30 September 2014 (*continued*)

- 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.

Charitable and political contributions

During the year the BDA contributed £501,136 (2013 - £616,168) to the BDA Trust Fund. There were no political contributions during the year (2013 - £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 13.02.15
and signed on its behalf by



M Armstrong
Chair of Principal Executive Committee

British Dental Association

Strategic review for the year ended 30 September 2014

Business review

The group's net deficit for the year was £194,614 (2013 – deficit of £1,342,738).

Total income was equivalent to 2012/13. However membership income fell by £518,000, mitigated by an improved performance across the range of our commercial activities. The principal improvements were in its stable of professional journals (particularly the BDJ) and the Association's national conference.

The improved performance from the journals was a mix of improved income – primarily from advertising. The BDJ remains the most widely read and trusted dental journal, and the most effective method of recruiting dental staff. This has made them better propositions for advertisers when value for money is their concern. The improved performance of conference is in part due to the move back to Manchester from 2013's London event.

The Association put in place a significant savings programme at the end of the 2012/13 financial year, in order to manage a reduction in membership income. The impact of these savings was felt in 2013/14. The savings ranged across the Association's activities, including a number of redundancies, and other savings including non-recurring savings in areas the Association considers important but were able to suspend activity for up to twelve months.

The performance of the Association's education services improved largely down to the launch of our new qualifications for DCPs in late 2013. These qualifications raised income and made significant cost and efficiency savings by no longer employing the services of an external qualification provider (NEBDN). Education courses continue to prove popular with a greater number of courses held in 2013/14 and at a higher capacity than in 2012/13.

The increase in income for the Good Practice Scheme is largely a result of a simplified membership fee and improved administration. With membership of the scheme slowly declining it is likely that the scheme, which has remained unchanged for fourteen years, requires a fundamental review. This will take place during the coming year.

The success of this programme is shown in a favourable movement of £1.1m in the operational deficit of the Association.

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).

British Dental Association

Strategic review for the year ended 30 September 2014 (*continued*)

Principal risks and uncertainties

The new membership structure was introduced in June 2013 and significantly impacted the Associations financial position. A savings plan was implemented aligning operational costs with the lower income levels and resulting in the Association performing ahead of its financial targets for 2013/14.

Although the membership profile is now stable, with the first membership year now complete, greater uncertainty exists with members able to cancel with little notice which makes growing the membership levels more challenging.

A relatively new membership structure has meant the Association has limited data and therefore predicting membership behaviour and trends is somewhat difficult. Nevertheless, an earlier membership year has given greater certainty over the first nine months of the new financial year and a better understanding of membership trends in 2014/15.

The Association will manage the new structure through established procedures based on strong governance, rigorous financial control and detailed marketing strategy. These steps are intended to achieve a break even position 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 2014 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 Financial Reporting Council's (FRC'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 2014 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 and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

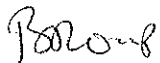
British Dental Association

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 17.2.15

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 2014

	Note	2014 £	2013 £
Income	3	14,916,194	15,142,937
Cost of sales	3	(3,837,030)	(4,114,660)
Net income	3	11,079,164	11,028,277
Meeting and sessional costs		(721,202)	(717,444)
Staff costs and overheads		(10,045,118)	(11,056,820)
Branch expenditure		(444,568)	(495,818)
Profit on disposal of investments		31,467	44,759
Operating deficit	6	(100,257)	(1,197,046)
Interest receivable		67,345	30,510
Return on investments		41,437	56,257
Interest payable and similar charges	7	(24,662)	(26,753)
Other finance charges	8	(178,477)	(205,706)
Deficit on ordinary activities before taxation		(194,614)	(1,342,738)
Taxation on deficit from ordinary activities	9	-	-
Deficit on ordinary activities after taxation		(194,614)	(1,342,738)

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 2014

	Note	2014 £	2013 £
Consolidated statement of total recognised gains and losses			
Deficit for the year		(194,614)	(1,342,738)
Actuarial gain/(loss) on pension scheme	22	214,000	(945,000)
Unrealised movement on revaluation of investments		5,742	89,276
		<hr/>	<hr/>
Total recognised gains/(losses) for the year		25,128	(2,198,462)
		<hr/>	<hr/>

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

British Dental Association

Consolidated balance sheet at 30 September 2014

Company number 14161	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	10		3,890,938		4,167,495
Investments	11		1,183,340		1,523,181
Current assets					
Stocks	12	50,050		66,414	
Debtors	13	1,063,710		1,147,995	
Cash at bank and in hand		3,835,015		3,552,098	
		4,948,775		4,766,507	
Creditors: amounts falling due within one year	14	(4,691,985)		(4,615,311)	
Net current assets			256,790		151,196
Total assets less current liabilities			5,331,068		5,841,872
Creditors: amounts falling due after more than one year	15		(1,360,984)		(1,500,776)
Net pension liability	22		(2,644,260)		(3,040,400)
Net assets			1,325,825		1,300,696
Reserves					
Income and expenditure account	16		(97,841)		(271,183)
Restricted funds	16		1,423,666		1,571,879
			1,325,825		1,300,696

The financial statements were approved by the directors and authorised for issue on 13.02.15



M Armstrong
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 2014

Company number 14161	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	10		3,804,009		4,078,220
Current assets					
Stocks	12	50,050		66,414	
Debtors	13	1,057,582		1,049,695	
Cash at bank and in hand		3,409,779		3,054,940	
		<u>4,517,412</u>		<u>4,171,049</u>	
Creditors: amounts falling due within one year	14	<u>(4,963,131)</u>		<u>(4,590,124)</u>	
Net current liabilities			<u>(445,720)</u>		<u>(419,075)</u>
Total assets less current liabilities			<u>3,358,289</u>		<u>3,659,145</u>
Creditors: amounts falling due after more than one year	15		(1,360,984)		(1,500,776)
Net pension liability	22		(2,644,260)		(3,040,400)
Net liabilities			<u>(646,955)</u>		<u>(882,031)</u>
Reserves					
Income and expenditure account	16		(646,955)		(882,031)
			<u>(646,955)</u>		<u>(882,031)</u>

The financial statements were approved by the directors and authorised for issue on 13 October 2015



M Armstrong
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 2014

	Note	2014 £	2014 £	2013 £	2013 £
Net cash inflow from operating activities	19		2,544		1,283,004
Returns on investments and servicing of finance					
Interest received		67,345		30,510	
Interest paid		(24,662)		(26,753)	
Returns on investments		41,437		56,257	
			84,121		60,014
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(43,414)		(384,431)	
Purchase of investments		(480,817)		(366,728)	
Proceeds from sale of investments		858,130		368,474	
			333,899		(382,685)
Cash inflow before financing			420,563		960,333
Financing					
Repayment of bank loan		(137,646)		(135,556)	
			(137,646)		(135,556)
Increase in cash			282,917		824,777

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 2014

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 2014. The net liability position is as a result of the inclusion of an FRS17 liability of £2,644,260 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.

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 2014 (*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 2014 (*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 within the United Kingdom.

3 Net income

	2014 Income £	2014 Costs £	2014 Net £	2013 Income £	2013 Costs £	2013 Net £
Subscriptions	7,945,523	-	7,945,523	8,464,362	-	8,464,362
Commercial activity	6,959,996	(3,837,030)	3,122,965	6,665,695	(4,114,660)	2,551,035
Charitable activities	10,675	-	10,675	12,880	-	12,880
	<u>14,916,194</u>	<u>(3,837,030)</u>	<u>11,079,164</u>	<u>15,142,937</u>	<u>(4,114,660)</u>	<u>11,028,277</u>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

4 Employees

	2014 £	2013 £
Staff costs consist of:		
Wages and salaries	5,891,256	7,005,016
Social security costs	555,784	650,932
Other pension costs	776,522	771,916
	<u>7,223,562</u>	<u>8,427,864</u>

The average number of employees, including executive directors, during the year was 132 (2013 - 155).

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:

	2014 £	2013 £
Staff costs consist of:		
Wages and salaries	5,617,104	6,634,157
Social security costs	533,199	623,543
Other pension costs	736,360	730,321
	<u>6,886,663</u>	<u>7,988,021</u>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

4 Employees (continued)

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

Salary range	2014 Number	2013 Number
£1 - £20,000	5	7
£20,001 - £30,000	24	25
£30,001 - £40,000	38	55
£40,001 - £50,000	38	39
£50,001 - £60,000	12	14
£60,001 - £70,000	7	7
£70,001 - £80,000	4	5
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	2	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>132</u>	<u>155</u>

5 Directors

	2014 £	2013 £
Directors' remuneration consists of:		
Stipend and remuneration payments	<u>344,462</u>	<u>330,000</u>

There were no (2013 - Nil) directors in the company who were considered to be salaried, full-time executive directors during the year.

There were no (2013 - 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 2014 remuneration totalled £344,462 (2013 - £330,000).

The total amount payable to the highest paid director in respect of emoluments was £Nil (2013 - £Nil).

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 *(continued)*

5 Directors *(continued)*

Stipend payments

	2014 £	2013 £
M Armstrong	47,077	15,000
P Blaylock	15,000	15,000
V Chan	15,000	15,000
E Crouch (resigned 9 October 2013, reappointed 27 th February 2014)	9,212	15,000
M Fallowfield (resigned 1 January 2015)	38,846	75,000
T Harker (appointed 18 October 2013)	14,327	-
P Henderson	15,000	15,000
J Husband	25,000	25,000
S Johnston (resigned 30 September 2013)	-	15,000
N Jones	15,000	15,000
R Kinloch	50,000	50,000
R Ladwa	15,000	15,000
A Lockyer	15,000	15,000
S Sanderson	15,000	15,000
S Shimberg	15,000	15,000
G Stokes (resigned 1 January 2015)	15,000	15,000

Total

319,462

330,000

6 Operating deficit

	2014 £	2013 £
This has been arrived at after charging:		
Depreciation	319,707	285,186
Hire of other assets - operating leases	42,500	60,000
Auditors' remuneration:		
- audit services	19,680	19,708
- non audit services (advisory)	2,973	5,250

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

7 Interest payable and similar charges

	2014 £	2013 £
Bank loans repayable in more than five years	24,662	26,753

8 Other financial charges

	2014 £	2013 £
Expected return on pension scheme assets	(670,000)	(503,000)
Interest on pension scheme liabilities	846,000	706,000
Investment management charges	2,477	2,706
	178,477	205,706

9 Taxation on deficit from ordinary activities

	2014 £	2013 £
<i>Current tax</i>		
UK corporation tax on deficit for the year	-	-

The tax assessed for the year is higher (2013 - lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £	2013 £
Deficit on ordinary activities before tax	(194,614)	(1,342,738)
Deficit on ordinary activities at the standard rate of corporation tax in the UK of 24% (2013 - 23.5%)	(46,707)	(315,543)
Effects of:		
Surplus not chargeable to corporation tax	46,707	273,978
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 2014 (*continued*)

10 Tangible assets

Consolidated	Long leasehold properties £	Office fixtures and fittings £	Heritage assets £	IT equipment £	Total £
<i>Cost</i>					
At 1 October 2013	4,551,607	568,531	60,000	1,615,121	6,795,259
Additions	-	11,904	-	31,510	43,414
Disposals	-	-	-	(28,318)	(28,318)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2014	4,551,607	580,434	60,000	1,618,312	6,810,354
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>					
At 1 October 2013	1,192,903	527,322	-	907,539	2,627,764
Charge for year	91,032	20,112	-	208,563	319,707
Disposals	-	-	-	(28,055)	(28,055)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2014	1,283,935	547,433	-	1,088,048	2,919,416
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 September 2014	3,267,672	33,001	60,000	530,264	3,890,938
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2013	3,358,704	41,209	60,000	707,582	4,167,495
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In accordance with Financial Reporting Standard 30 - Heritage Assets, the Association's quasi-subsidary'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 2014 (*continued*)

10 Tangible assets (*continued*)

Association	Long leasehold properties £	Office fixtures and fittings £	IT equipment £	Total £
<i>Cost</i>				
At 1 October 2013	4,551,607	203,070	1,615,121	6,369,798
Additions	-	-	31,510	31,510
Disposals	-	-	(28,318)	(28,318)
	<u>4,551,607</u>	<u>203,070</u>	<u>1,618,312</u>	<u>6,372,989</u>
<i>Accumulated depreciation</i>				
At 1 October 2013	1,192,903	191,136	907,539	2,291,578
Charge for year	91,032	5,863	208,563	305,458
Disposals	-	-	(28,055)	(28,055)
	<u>1,283,935</u>	<u>196,997</u>	<u>1,088,048</u>	<u>2,568,980</u>
<i>Net book value</i>				
At 30 September 2014	<u>3,267,672</u>	<u>6,074</u>	<u>530,264</u>	<u>3,804,009</u>
At 30 September 2013	<u>3,358,704</u>	<u>11,934</u>	<u>707,582</u>	<u>4,078,220</u>

11 Fixed asset investments

Consolidated	2014 £	2013 £
<i>Quoted investments</i>		
At 1 October	1,523,181	1,390,891
Additions	480,817	366,728
Disposals	(858,130)	(368,474)
Realised gains	31,730	44,760
Unrealised gains	5,742	89,276
	<u>1,183,340</u>	<u>1,523,181</u>
At 30 September	<u>1,183,340</u>	<u>1,523,181</u>
Historic cost of investments	<u>937,528</u>	<u>1,093,411</u>

The following investments make up greater than 5% of the total portfolio value:

	£
HSBC US\$ 50C	83,647
Royal Dutch Shell "B"	69,089

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

12 Stock

	Group 2014 £	Group 2013 £	Association 2014 £	Association 2013 £
Goods held for resale	50,050	66,414	50,050	66,414

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

13 Debtors

	Group 2014 £	Group 2013 £	Association 2014 £	Association 2013 £
Trade debtors	311,566	282,733	311,566	282,733
Other debtors	79,056	106,853	76,328	66,551
BDA Benevolent Fund	16,195	14,976	16,195	14,976
Prepayments and accrued income	656,893	743,433	653,493	682,301
BDA Trust Fund	-	-	-	3,134
	1,063,710	1,147,995	1,057,582	1,049,695

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

14 Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Association 2014 £	Association 2013 £
Bank loan (secured - see note 16)	139,855	137,709	139,855	137,709
Trade creditors	393,080	204,733	393,080	204,733
Other creditors	91,502	165,141	91,502	165,141
Taxation and social security	172,239	194,393	172,239	194,393
Subscriptions paid in advance	3,030,325	2,876,923	3,030,325	2,876,923
Accruals and deferred income	864,983	1,036,412	806,244	1,011,225
	4,691,985	4,615,311	4,963,131	4,590,124

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

15 Creditors: amounts falling due after more than one year

	Group 2014 £	Group 2013 £	Association 2014 £	Association 2013 £
Bank loan (secured)	<u>1,360,984</u>	<u>1,500,776</u>	<u>1,360,984</u>	<u>1,500,776</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 2014 £	Group Bank loan 2013 £	Association Bank loan 2014 £	Association Bank loan 2013 £
In less than one year	<u>139,855</u>	<u>137,709</u>	<u>139,855</u>	<u>137,709</u>
In more than one year but not more than two years	142,036	139,856	142,036	139,856
In more than two years but not more than five years	439,532	432,788	439,532	432,788
In more than five years	<u>779,416</u>	<u>928,132</u>	<u>779,416</u>	<u>928,132</u>
	<u>1,360,984</u>	<u>1,500,776</u>	<u>1,360,984</u>	<u>1,500,776</u>

16 Reserves

Group	Income and expenditure account £	Restricted funds £	Total £
At 1 October 2013	(271,183)	1,571,879	1,300,696
Deficit for the year	(40,658)	(153,956)	(194,614)
Unrealised movement on revaluation of investments	-	5,742	5,742
Actuarial gain on pension scheme	214,000	-	214,000
At 30 September 2014	<u>(97,841)</u>	<u>1,423,666</u>	<u>1,325,825</u>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

16 Reserves (*continued*)

Association	Total £
At 1 October 2013	(882,031)
Surplus for the year	21,076
Actuarial gain on pension scheme	214,000
	<hr/>
At 30 September 2014	(646,955)
	<hr/>

17 Reconciliation of movement in reserves

Group	2014 £	2013 £
Deficit for the year	(194,614)	(1,342,738)
Other recognised gains and losses relating to the year:		
- Actuarial gain/(loss) on pension scheme	214,000	(945,000)
Unrealised movement on revaluation of investments	5,742	89,276
	<hr/>	<hr/>
Net increase/(decrease) in funds	25,128	(2,198,462)
Opening funds	1,300,696	3,499,158
	<hr/>	<hr/>
Closing funds	1,325,824	1,300,696
	<hr/>	<hr/>
	2014 £	2013 £
Association		
Surplus/(deficit) for the year	21,076	(1,324,333)
Other recognised gains and losses relating to the year:		
- Actuarial gain/(loss) on pension scheme	214,000	(945,000)
	<hr/>	<hr/>
Net decrease in funds	235,076	(2,269,333)
Opening (deficit)/funds	(882,031)	1,387,302
	<hr/>	<hr/>
Closing deficit	(646,955)	(882,031)
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

18 Commitments under operating leases

As at 30 September 2014, the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £	Other 2014 £	Land and buildings 2013 £	Other 2013 £
Operating leases which expire:				
Within one year	35,692	1,466	4,800	3,760
Between two and five years	35,975	88,254	95,019	84,419
Over five years	42,500	-	60,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	114,167	89,720	159,819	88,179
	<hr/>	<hr/>	<hr/>	<hr/>

19 Reconciliation of operating deficit to net cash inflow from operating activities

	2014 £	2013 £
Operating deficit	(100,257)	(1,197,046)
Depreciation	319,707	285,184
Decrease/(increase) in stocks	16,364	(6,914)
Decrease/(increase) in debtors	84,285	(154,733)
Increase in creditors	74,529	2,744,777
Pension scheme contributions paid	(358,140)	(340,800)
Investment management charge	(2,477)	(2,706)
Profit on disposal of investments	(31,467)	(44,758)
	<hr/>	<hr/>
Net cash inflow from operating activities	2,544	1,283,004
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

20 Reconciliation of net cash inflow to movement in net funds

	2014 £	2014 £	2013 £	2013 £
Increase in cash in the year	282,917		824,777	
Cash inflow from decrease in debt	137,646		135,556	
Change in net funds resulting from cash flows		420,563		960,333
Opening net funds		1,913,611		953,280
Closing net funds		2,334,175		1,913,613

21 Analysis of net funds

	At 1 October 2013 £	Cash flow £	Other non-cash changes £	At 30 September 2014 £
Cash in hand and at bank	3,552,098	282,917	-	3,835,015
Debt due within one year	(137,709)	137,646	(139,792)	(139,855)
Debt due after one year	(1,500,776)	-	139,792	(1,360,984)
Net funds	1,913,613	420,563	-	2,334,175

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2014 (*continued*)

22 Pensions

Defined benefit scheme

At 30 September 2014 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 was carried out on 31 March 2014. An interim valuation was prepared by the actuary on 30 September 2014.

At the interim valuation date, the market value of the assets in the scheme was £17,451,000. The value of these assets represented 87% 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 4.40% per annum, that salary increases would average 4.30% per annum above inflation and that present and future pensions would increase at the rate of 3.55% per annum.

Following the triennial valuation as at 31 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 £358,000 (2013 - £340,800).

Following the completion of the triennial valuation as at 31 March 2014, a revised deficit funding plan is now under discussion.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2014 (continued)

22 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 2014 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 2014 as used by the actuary were:

	30 September 2014	30 September 2013	30 September 2012
Discount rate	4.10% pa	4.50% pa	4.40% pa
Inflation assumption (RPI)	3.55% pa	3.50% pa	2.75% pa
Inflation assumption (CPI)	2.55% pa	2.75% pa	2.00% pa
Pension increases in payment (RPI)	3.55% pa	3.50% pa	2.75% pa
Salary increases	4.30% pa	4.25% pa	3.50% 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)	CPI (except for those members who retain a salary-linked pension)
Post-retirement mortality table	Males – 52NMA Light Females-52NFA	Males - S1NMA Light Females-S1NFA Light	Males - S1NMA Light Females-S1NFA Light
Post retirement mortality projection	CMI 2013 with a 1.25% pa long term rate of improvement	CMI 2010 with 1% p.a. long term rate of improvement.	CMI 2010 with 1% p.a. long term rate of improvement.
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 2014 (years)	30 September 2013 (years)	30 September 2012 (years)
Male currently aged 40	30.4	30.0	29.8
Female currently aged 40	31.6	31.3	31.2
Male currently aged 60	28.6	28.5	28.3
Female currently aged 60	29.6	29.7	29.6

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 *(continued)*

22 Pensions *(continued)*

Net pension assets

	Long-term rate of return expected at 30 September 2014	Long-term rate of return expected at 30 September 2013	Long-term rate of return expected at 30 September 2012
Scheme's assets	4.40% pa	4.20% pa	3.60%

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

Asset category	30 September 2014	30 September 2013	30 September 2012
Equities	58%	61%	59.3%
Bonds	20%	19%	20.4%
Gilts	21%	19%	19.3%
Cash	1%	2%	1.0%

The actual return on the Scheme's assets net of expenses over the period to the review date was £1,520,000 (2013 - £2,157,000).

The assets do not include any investment in the BDA.

Amounts recognised in the balance sheet

	30 September 2014 £'000	30 September 2013 £'000
Fair value of assets	17,451	15,961
Present value of funded obligations	(20,096)	(19,002)
	<hr/>	<hr/>
Scheme deficit	(2,645)	(3,041)
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

22 Pensions (*continued*)

Experience gains and losses on Scheme assets in the year to 30 September 2014

	2014 £'000	2013 £'000
Amount	850	1,654
Percentage of Scheme assets	4.9%	10.36%

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

Amount	881	(386)
Percentage of Scheme assets	5.0%	2.42%

Amounts recognised in the income and expenditure account

Interest cost	(846)	(706)
Expected return on assets	670	503

Total	(176)	(203)
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Analysis of amount recognised in statement of total recognised gains and losses

Total actuarial gain/(loss)	214	(945)
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Total gain in statement of total recognised gains and losses	214	(945)
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Cash flows

Benefits paid	388	686
Employer contributions	358	341

Reconciliation of assets

Fair value of assets at the beginning of the period	15,961	14,149
Expected return on assets (before any restriction)	670	503
Employer contributions	358	341
Benefits paid	(388)	(686)
Actuarial gain	850	1,654
Fair value of assets at the end of the period	17,451	15,961

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 *(continued)*

22 Pensions *(continued)*

Reconciliation of defined benefit obligation

	2014 £'000	2013 £'000
Defined benefit obligation at the beginning of the period	19,002	16,382
Interest cost	846	706
Benefits paid	(388)	(686)
Actuarial loss	636	2,600
Defined benefit obligation at the end of the period	20,096	19,002

Summary of prior year amounts

Period to	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligation	20,096	19,002	16,382	14,950
Fair value of assets	17,451	15,961	14,149	12,425
Scheme deficit	(2,645)	(3,041)	(2,233)	(2,525)
Experience gains/(losses) on Scheme liabilities	881	(386)	162	(315)
Experience gains/(losses) on Scheme assets	850	1,654	1,347	(782)

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

23 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:

	2014 £	2013 £
Income	14,905,518	15,130,057
Cost of sales	(3,837,030)	(4,114,660)
Net income	11,068,488	11,015,397
Meeting and sessional costs	(721,202)	(717,444)
Staff costs and overheads	(9,228,316)	(10,293,390)
Branch expenditure	(444,568)	(495,818)
Donations	(519,589)	(633,622)
Operating surplus/(deficit)	154,813	(1,124,877)
Interest receivable	67,189	30,297
Interest payable and similar charges	(24,662)	(26,753)
Loss on disposal of fixed asset	(264)	-
Other finance charges	(176,000)	(203,000)
Surplus / (Deficit) on ordinary activities before taxation	21,076	(1,324,333)
Taxation on deficit from ordinary activities	-	-
Surplus / (Deficit) on ordinary activities after taxation	21,076	(1,324,333)

