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- PRINT ON ONE SIDE ONLY

FORM AR21

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

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	BRITISH DENTAL ASSOCIATION
Year ended:	30 th September 2016
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?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary or equivalent:	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 2017)

RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	9,508	339		35	9,882
FEMALE	8,134	411		92	8,637
TOTAL	17,642	750		127	A 18,519

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

0

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

18,519

OFFICERS IN POST

(see note 12)

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 6), 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:

British Dental Association

Directors and professional advisors for the year ended 30 September 2016

Directors and Advisors

The following held office during the year:

M Armstrong, Chair of the Principal Executive Committee	
P Blaylock	
V Chan	
E Crouch	
L D'Cruz	
T Harker	
D Harper	(Appointed January 2017)
P Henderson	
J Husband	(Resigned January 2017)
N Jones	
T Kilcoyne	(Appointed January 2017)
R Kinloch	(Resigned January 2017)
R Ladwa	
A Lockyer	
S Sanderson	(Resigned January 2016)
S Shimberg	
J Stokes	
P Woodhouse	(Appointed January 2016)

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

Registered office

64 Wimpole Street, London, W1G 8YS

Company number

14161

British Dental Association

Report of the Chair of the Principal Executive Committee for the year ended 30 September 2016

Report of the Chair of the Principal Executive Committee

The tumult of 2016 could hardly fail to impact on the Association. The most visible aspect of this is the I&E deficit; a result of pension liabilities (the details of which can be found in Note 20) that mask a good financial performance from the Association itself. Before adjusting for the pension scheme (and including branch activity), the Association made a surplus of £252,000. After adjusting for the change in pension fund liabilities the bottom line changed to a £2,249,000 deficit. The most significant factor in this change is the forecast return on gilts and bonds, which has fallen from 4% in the 2015 valuation to 2.65% (despite scheme assets actually growing over the year). Going forward this reduced expectation increases the projected pension deficit, and the adjustment to that deficit impacts on the Association's bottom line. The deficit therefore is simply the result of an increase in our long-term liabilities; these accounts show a significant movement but the liability itself will be met over years, perhaps decades. The Association is not alone in dealing with the impact of changes in actuarial assumptions around the valuation of pension schemes. Many organisations will be grappling with the same issues. For these organisations, as for the Association the most important factor is how the deficit will be funded. Members can take comfort from the continued operational surpluses as these are the means by which this liability will be met.

Financial uncertainty goes far beyond pension fund deficits however. Business thrives on certainty and the dental industry, like the wider economy, faces uncertain times. This impacts on the Association's commercial activities, used to subsidise membership subscriptions, and on membership itself. Our members have seen substantial falls in income over the last decade and more challenging employment prospects. At times like these professionals need their trade union, but are least able to afford it. The challenge for the Association is to prove over and over again its value to the dental profession, for only through a strong membership is the Association able to support and promote its members. In this the Association had some success. However, the BDA's challenge is not simply to stabilise its membership but to grow it, and especially in those areas where dentists are most vulnerable; young dentists entering the profession and associates in a market increasingly dominated by corporate chains. The Association is conducting comprehensive research on these areas, both in order to inform and influence policy in these areas and to understand members needs and properly provide for them.

The commercial activities of the Association not only provide high quality and value services to members but generate funds to subsidise membership fees. After membership subscriptions the Association's second largest source of income is its stable of journals. The BDJ and BDJ In Practice continue to rank as the number one and number two publications in the British Dental Industry Association's dental media readership survey, and the BDJ remains the home for job advertising in the dental market. In partnership with Springer-Nature, the journal publishers, we have launched two new online sites, BDJ Jobs and BDJ Marketplace, successfully during the year. BDJ Open, the recently launched open access website is also growing steadily and will receive more resource in the next financial year. The strong performance of the journals and our other commercial activities has helped stabilise the Association throughout its recovery and our continued investment in developing these services will ensure they continue to benefit members and their teams.

In order to develop services that best serve our members the Association undertook its first full membership survey for over a decade. There was a good response to the survey and work on analysis is now well underway. This work will provide intelligence around the dental market, dentists' professional lives and the Association's place in both, and will form the basis for a future review of strategic direction and further work to improve the lot of our members. In summary, the Association's financial recovery continues, aided by a strong performance over the last year. The generation of a reasonable level of surplus however has not detracted from a continued emphasis on shaping an Association that will continue to serve its current and future members in an increasingly uncertain future.



M Armstrong
Chair of Principal Executive Committee

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		8,728,598
From Members: Other income from members (specify)		
		0
Total other income from members		8,728,598
Total of all income from members		22,122
Investment income (as at page 12)		
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	7,155,274	
Total of other income (as at page 4)		7,155,274
	TOTAL INCOME	15,905,994
EXPENDITURE		
Benefits to members (as at page 5)		10,050,447
Administrative expenses (as at page 10)		5,834,135
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		0
Taxation		0
	TOTAL EXPENDITURE	15,884,582
Surplus (deficit) for year		21,412
Actuarial profit / (loss) on pension scheme		(2,501,001)
Amount of general fund at beginning of year		(281,681)
Amount of general fund at end of year		(2,761,270)

(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	100,000	brought forward Education and Training	3,043,063
Representation – Non Employment Related Issues	46,859	Negotiated Discount Services	393,731
Communications	2,896,204	Salary Costs	4,847,621
Advisory Services		Other Benefits and Grants	
Dispute Benefits		Donations to BDA Trust/other	862,525
		Grants to Branches & Sections	448,688
		Autonomous Committees	232,719
		Other	222,100
Other Cash Payments			
carried forward	3,043,063	Total (should agree with figure in General Fund)	10,050,447

(See notes 24 and 25)

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

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

(See notes 24 and 25)

[illegible]

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		2,109,709
Salaries and Wages included in above	£1,534,377	
Auditors' fees		21,501
Legal and Professional fees		70,930
Occupancy costs		739,374
Stationery, printing, postage, telephone, etc.		197,875
Expenses of Executive Committee (Head Office)		479,703
Expenses of conferences		767,964
Other administrative expenses (specify)		
IT costs		611,458
Irrecoverable VAT		212,381
Bank Charges		46,306
General Expenses		97,435
Other Outgoings		
Interest payable:		
Pensions Adjustment		256,000
Mortgages		20,424
Other loans		
Depreciation		203,075
Taxation		
Outgoings on land and buildings (specify)		
Total		5,834,135
Charged to:	General Fund (Page 3)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
Total		5,834,135

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	75,000	9,231				84,231
Paul Blaylock	15,000	951				15,951
Victor Chan	15,000	951				15,951
Edward Crouch	37,500	4,056				41,556
Len D'Cruz	15,000	951				15,951
Timothy Harker	15,000	951				15,951
Philip Henderson	15,000	951				15,951
Judith Husband	37,500	4,056				41,556
Nigel Jones	15,000	951				15,951
Robert Kinloch	15,000	951				15,951
Rasikkumar Ladwa	15,000	951				15,951
Alison Lockyer	15,000	951				15,951
Stephen Shimberg	15,000	951				15,951
Jason Stokes	15,000	951				15,951
Paul Woodhouse	11,250	713				11,963
Susan Sanderson	3,750	238				3,988

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

[illegible]

BALANCE SHEET as at 30 September 2016

(see notes 47 to 50)

Previous Year		£	£
3,550,028	Fixed Assets (at page 14)		3,411,800
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		3,411,800
	Other Assets		
	Loans to other trade unions		
1,056,779	Sundry debtors		1,307,666
3,110,860	Cash at bank and in hand		3,007,501
	Income tax to be recovered		
56,726	Stocks of goods		48,237
	Others (specify)		
4,224,365	Total of other assets		4,363,404
7,774,392	TOTAL ASSETS		7,775,204
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
1,361,124	Loans: Other		1,219,241
2,173,780	Defined Benefit Pensions		4,548,353
171,235	Tax payable		178,808
258,057	Sundry creditors		405,959
449,488	Accrued expenses		520,937
2,944,734	Subscriptions in advance		2,816,942
697,655	Other liabilities		846,234
8,056,073	TOTAL LIABILITIES		10,536,474
(281,681)	TOTAL NET ASSETS/(LIABILITIES)		(2,761,270)

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	4,550,605		1,823,747			6,374,352
Additions			64,847			64,847
Disposals						
Revaluation/Transfers						
At end of year	4,550,605		1,888,594			6,439,199
Accumulated Depreciation						
At start of year	1,374,751		1,449,573			2,824,324
Charges for year	91,012		112,063			203,075
Disposals						
Revaluation/Transfers						
At end of year	1,465,763		1,561,636			3,027,399
Net book value at end of year	3,084,842		326,959			3,411,800
Net book value at end of previous year	3,175,854		374,174			3,550,029

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	8,728,598		8,728,598
From Investments	22,122		22,122
Other Income (including increases by revaluation of assets)	7,155,274		7,155,274
Total Income	15,905,994		15,905,994
EXPENDITURE (including decreases by revaluation of assets)	15,884,582		15,884,582
Actuarial loss on DB pension scheme	2,501,001		2,501,001
Total Expenditure	18,385,583		18,385,583
Funds at beginning of year (including reserves)	(281,681)		(281,681)
Funds at end of year (including reserves)	(2,761,270)		(2,761,270)
ASSETS			
Fixed Assets			3,411,800
Investment Assets			
Other Assets			4,363,404
Total Assets			7,775,204
LIABILITIES			
Total Liabilities			10,536,474
NET ASSETS (Total Assets less Total Liabilities)			(2,761,270)

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

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Chair of PEC: M. C. Armstrong

PEC Member: E. Crover

Name: M. C. Armstrong

Name: E. Crover

Date: 10/2/2017

Date: 15/2/17

CHECK LIST

(see notes 78 to 80)

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

AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES/~~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 (section one)

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 2016, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 and of its deficit 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 16 Aug 2017

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

Signature(s) of auditor or auditors:		
Name(s):	DONALD BAWTREE	
Profession(s) or Calling(s):	AUDITOR	
Address(es):	2 CITY PLACE BEEHIVE RING ROAD GATWICK RH6 0PA	
Date:	16 / 2 / 17	
Contact name and telephone number:	01293 591000	

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

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

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

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

YES

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

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

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

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

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

YES/~~NO~~

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

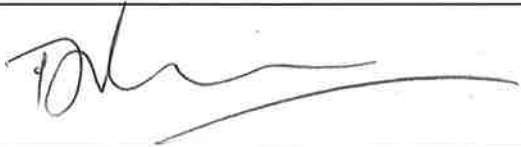
YES/~~NO~~

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

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



MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	DONALD BAWTREE
Address	2 CITY PLACE BEEHIVE KING ROAD CATWICK, RH16 0PA
Date	16 / 2 / 17
Contact name and telephone number	01293 591 000

British Dental Association

Report and Financial Statements

Year Ended

30 September 2016

Company Number 14161



British Dental Association

Report and financial statements for the year ended 30 September 2016

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British Dental Association

Report of the Directors for the year ended 30 September 2016

The directors present their report together with the audited financial statements of the group for the year ended 30 September 2016.

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).

British Dental Association Trust Fund

The British Dental Association Trust Fund is an incorporated charity which is limited by guarantee with a year end of 30 September 2016. 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 section 9.4 of FRS 102 the Trust should be considered to be a subsidiary of the British Dental Association.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the BDA and its 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS102), effective 1 January 2015.

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 15,992 qualified members (2015 - 16,470). Student numbers totalled 2,527 (2015 - 2,287).

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 2016 (*continued*)

Future developments

2016/17 will be the Association's fourth year of financial recovery, having undergone significant change and restructure with the introduction of the new subscription system. The Association has performed ahead of budget each year allowing further investment to membership.

The BDA's value to the profession lies in its ability to argue its collective cause and its ability to offer bespoke individual support. Our ability to do both things depends upon a sufficiently large membership to fund the operation. Driving that large membership turns upon our ability to demonstrate value to prospective members by enhancing the relevance of our offers to them. Our member survey in the summer of 2016 was the latest facet of this examination of member needs. We will be using the findings of that survey to inform further service and membership developments.

Pension deficit

The interim actuarial valuation of the Defined Benefit Scheme as at 30 September 2016 based on the principles of chapter 28 of FRS102 reveals a deficit of £4,548,353 (2015 - deficit of £2,173,780). Details are set out in Note 20 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 2.

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 Tim Harker, 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
- 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 2016 (*continued*)

Charitable and political contributions

During the year the BDA contributed £862,525 (2015 - £807,849) to the BDA Trust Fund. There were no political contributions during the year (2015 - £Nil).

Financial instruments

Credit risk

All business that sells goods or services on credit takes on the risk of non-payment or significant delays in payment. Whilst such losses can be absorbed by large organisations, it can be damaging to the Association's working capital. In order to minimise credit risk, credit will be given only to approved corporate customers and Primary Care Trusts. Credit references are required for all new accounts and where credit is approved, the Association's terms are strictly 30 days. No orders may be taken from a customer who has an overdue account balance without the approval of senior management. Companies paying to attend the Association's annual conference or other events in a commercial capacity must pay the agreed amount prior to the event.

Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will have difficulty meeting its financial obligations as they fall due. The directors of the Association receive a 12-month cash flow projection during the budget setting process as well as a cash flow statement in the monthly management accounts pack. The cash flow projection is updated to reflect changes in operational activities as part of the Association's quarterly forecasting systems. At the end of the financial year, these projections indicate that the Association should have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Market risk

The Association is mainly exposed to market risk from its investment portfolio. The trustees and directors have opted to invest for the medium or longer term and have accepted that investments can fluctuate in value. The portfolio which is managed by Barclays is reviewed annually by the Trustees with the policy adjusted to ensure sufficient funds are available to meet short term commitments.

British Dental Association

Report of the directors for the year ended 30 September 2016 (*continued*)

Financial instruments (*continued*)

Cash flow interest rate risk

The Association is exposed to cash flow interest rate risk from its long-term borrowings. Interest is chargeable at 1.05% over the Bank of England base rate. Should the base rate increase, higher interest charges will be partly offset by an increase in interest received from the Association's deposit account which is also linked to the base rate.

Directors' responsibilities

The directors are responsible for preparing the report of the directors, the strategic 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.

British Dental Association

Report of the directors for the year ended 30 September 2016 (*continued*)

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 09.02.17

and signed on its behalf by



M Armstrong
Chair of Principal Executive Committee

British Dental Association

Strategic report for the year ended 30 September 2016

Business review

The group's net surplus for the year was £252,180 (2015 - surplus of £90,551).

Total income increased by 2% largely due to the Association's journal portfolio, and its strong classified and display advertising revenues. Alongside its partner, Springer-Nature, the Association launched BDJ Open, an open access online journal. Although BDJ Open is not expected to make a significant financial contribution, it is anticipated to form an increasingly important part of the portfolio in terms of reach and reputation. The Association also launched its BDJ Jobs and BDJ Marketplace platforms, alongside a strategy of decoupling its print and online versions of classified and display advertising. The initial results of the decoupling are positive, showing strong uptake of the new digital packages.

There was a small drop in membership in 2015/16 compared to the previous year. The impact of this was mitigated somewhat by a higher uptake of Extra and Expert packages as members find the right offer for their needs. Patterns of activity were in line with expectations, with steady growth over the course of the year, but volatility around our main renewals periods in June-July (full members) and September-October (student members). The Association will continue to review the relevance of its pricing structure to meet the needs of a rapidly evolving profession.

The Association's annual conference took place in Manchester for the fourth year running with all areas of activity showing increases. A particular highlight is the increased number of unique visitors and within this, the increased number of Expert tier Association members. These members receive free passes to Conference for themselves and two other members of their team. The exhibition proved to be popular, with the entire exhibition space available sold, increasing revenues by 18%. The conference operates in a crowded market, but can expect continued success given the strength of support from members, exhibitors and sponsors. The Events team also responded to member feedback and reviewed its seminar programme in 2015/16. Attendees value interaction with peers and wider discussion at BDA seminars so the team have scaled back the range of seminars in order to provide more focussed and fully attended events. As a result of reducing the number of events, the portfolio as a whole saw increased profits and a higher average number of delegates per course delivered.

The BDA Good Practice Scheme was expected to be redeveloped in 2015-16, moving to an online product. Implementation issues mean that the team will seek alternative methods for launching an updated product, increasing visibility of the product and membership.

The final stages of the implementation of the Association's CPD Hub were completed in 2015/16. This allowed all UK dental professionals to register to use the Hub. The first phase of the project, to bring the Hub 'in-house' and fully integrate it with Association systems, was completed in December 2015 and the self-registration feature went live at the end of June 2016. Since then, over 3,600 dental professionals have registered, bringing total subscribers to over 13,000. Three new courses were launched in the second half 2016. ("Child Protection and the Dental Team", "BDJ Team CPD" and "Essential Decontamination"). In 2016/2017, work will continue to improve the user experience on the Hub and our focus will shift away from technical developments and towards developing content.

Key performance indicators

The BDA's main KPI is its membership which stood at 18,519, consisting of 15,992 dentist members and 2,527 students. This equates to a 1% decrease on prior year figures. Although not quite reaching the same total membership numbers of last year, membership levels in Expert and Student membership remain strong. The Association plans to stabilise its membership numbers in 2016/17 by not only reviewing its membership offer but investing in areas to ensure it remains relevant to its members.

British Dental Association

Strategic report for the year ended 30 September 2016 (*continued*)

Principal risks and uncertainties

With the new membership structure now in place for just over four years, the Association has a greater amount of data in order to establish trends for budgeting purposes. Although greater amounts of data are available and membership numbers are more stable, the membership structure is still relatively new resulting in an element of uncertainty surrounding membership projections. Nevertheless, a rolling membership year where the majority of members join in the final quarter of the financial year rather than the very beginning has given greater certainty for budgeting and forecasting, allowing the Association to assess and manage areas of risk in advance. The principal risk around membership levels remains ensuring the relevance and value of its services. The Association has invested significantly in research in order to properly address these risks and develop appropriate strategies.

The Association is also monitoring the potential impact of Brexit on its operations (the Association is an enthusiastic and influential member of a number of international bodies, including the Council of European Dentists), its members and the wider dental community. Dental incomes have fallen since 2008, and the Association has to be aware that its members are less well able to cope with continued economic uncertainty.

Approval

The Strategic report was approved by the directors on 09.02.17

and signed on its behalf by



M Armstrong
Chair of Principal Executive Committee

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 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in reserves, the consolidated and Association balance sheets, the consolidated statement of cash flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 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 Report of the directors and the 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.



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

Date 16 Feb 2017

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

British Dental Association

Consolidated statement of comprehensive income for the year ended 30 September 2016

	Note	2016 £	2015 £
Income	4	15,904,771	15,635,186
Cost of sales	4	(4,050,216)	(3,946,827)
Net income	4	11,854,555	11,688,359
Meeting and sessional costs		(712,421)	(762,474)
Staff costs and overheads		(10,313,475)	(10,158,529)
Branch expenditure		(448,688)	(416,031)
Profit on disposal of investments		18,176	111,081
Profit/(loss) from changes in fair value of investments		82,824	(176,554)
Operating surplus	7	480,971	285,852
Interest receivable		17,991	18,968
Investment income		31,455	35,920
Interest payable and similar charges	8	(20,424)	(22,593)
Other finance charges	9	(257,813)	(227,596)
Surplus before taxation		252,180	90,551
Taxation on surplus	10	-	-
Surplus for the year		252,180	90,551
Actuarial (loss)/gain on pension scheme		(2,501,000)	321,000
Total comprehensive income for the year		(2,248,820)	411,551

All amounts relate to continuing activities.

The notes on pages 18 to 37 form part of these financial statements.

British Dental Association

Consolidated statement of changes in reserves

Year ended 30 September 2016	Note	Income and expenditure account £	Restricted funds £	Total equity £
1 October 2015		588,074	1,149,302	1,737,376
Comprehensive income for the year		373,486	(121,306)	252,180
Actuarial loss on pension scheme	20	(2,501,000)	-	(2,501,000)
		<u>(2,127,514)</u>	<u>(121,306)</u>	<u>(2,248,820)</u>
Total comprehensive income for the year		<u>(2,127,514)</u>	<u>(121,306)</u>	<u>(2,248,820)</u>
30 September 2016		<u>(1,539,440)</u>	<u>1,027,996</u>	<u>(511,445)</u>

Year ended 30 September 2015	Note	Income and expenditure account £	Restricted funds £	Total equity £
1 October 2014		(97,841)	1,423,666	1,325,825
Comprehensive income for the year		364,915	(274,364)	90,551
Actuarial gain on pension scheme	20	321,000	-	321,000
		<u>685,915</u>	<u>(274,364)</u>	<u>411,551</u>
Total comprehensive income for the year		<u>685,915</u>	<u>(274,364)</u>	<u>411,551</u>
30 September 2015		<u>588,074</u>	<u>1,149,302</u>	<u>1,737,376</u>

The notes on pages 18 to 37 form part of these financial statements.

British Dental Association

Association statement of changes in reserves

Year ended 30 September 2016	Note	Income and expenditure account £	Restricted funds £	Total £
1 October 2015		(281,681)	-	(281,681)
Comprehensive income for the year		21,411	-	21,411
Actuarial loss on pension scheme	20	(2,501,000)	-	(2,501,000)
Total comprehensive income for the year		(2,479,589)	-	(2,479,589)
30 September 2016		(2,761,270)	-	(2,761,270)

Year ended 30 September 2015	Note	Income and Expenditure account £	Restricted funds £	Total £
1 October 2014		(646,955)	-	(646,955)
Comprehensive income for the year		44,274	-	44,274
Actuarial gain on pension scheme	20	321,000	-	321,000
Total comprehensive income for the year		365,274	-	365,274
30 September 2015		(281,681)	-	(281,681)

The notes on pages 18 to 37 form part of these financial statements.

British Dental Association

Consolidated balance sheet at 30 September 2016

Company number 14161	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		3,495,194		3,637,332
Investments	12		878,695		781,096
Current assets					
Stocks	13	48,237		56,726	
Debtors	14	1,330,257		1,073,528	
Cash and cash equivalents		3,994,663		3,969,223	
		5,373,159		5,099,477	
Creditors: amounts falling due within one year	15	(4,635,143)		(4,387,659)	
Net current assets			738,014		711,818
Total assets less current liabilities			5,111,903		5,130,246
Creditors: amounts falling due after more than one year	16		(1,074,995)		(1,219,090)
Net pension liability	20		(4,548,353)		(2,173,780)
Net (liabilities)/assets			(511,445)		1,737,376
Reserves					
Income and expenditure account			(1,539,441)		588,074
Restricted funds			1,027,996		1,149,302
			(511,445)		1,737,376

The financial statements were approved by the directors and authorised for issue on 09.02.17



M Armstrong
Chair, Principal Executive Committee

The notes on pages 18 to 37 form part of these financial statements.

British Dental Association

Association balance sheet at 30 September 2016

Company number 14161	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		3,411,800		3,550,028
Current assets					
Stocks	13	48,237		56,726	
Debtors	14	1,307,666		1,056,779	
Cash and cash equivalents		3,007,501		3,110,860	
		<u>4,363,404</u>		<u>4,224,365</u>	
Creditors: amounts falling due within one year	15	<u>(4,913,126)</u>		<u>(4,663,204)</u>	
Net current liabilities			<u>(549,722)</u>		<u>(438,839)</u>
Total assets less current liabilities			<u>2,862,078</u>		<u>3,111,189</u>
Creditors: amounts falling due after more than one year	16		(1,074,995)		(1,219,090)
Net pension liability	20		<u>(4,548,353)</u>		<u>(2,173,780)</u>
Net liabilities			<u>(2,761,270)</u>		<u>(281,681)</u>
Reserves					
Income and expenditure account			<u>(2,761,270)</u>		<u>(281,681)</u>
			<u>(2,761,270)</u>		<u>(281,681)</u>

The financial statements were approved by the directors and authorised for issue on 09.02.17



M Armstrong
Chair, Principal Executive Committee

The notes on pages 18 to 37 form part of these financial statements.

British Dental Association

Consolidated statement of cash flows for the year ended 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities	19		209,075		(47,037)
Cash flows from investing activities					
Interest received		17,990		18,968	
Purchase of tangible fixed assets		(74,173)		(48,890)	
Purchase of investments		(114,958)		(236,125)	
Sale of investments		118,360		573,680	
Investment income		31,454		35,920	
Net cash from investing activities			(21,326)		343,553
Cash flow from financing activities					
Interest paid		(20,424)		(22,593)	
Repayment of bank loan		(141,884)		(139,715)	
Net cash from financing activities			(162,308)		(162,308)
Increase in cash and cash equivalents			25,441		134,208
Cash and cash equivalents at beginning of the year			3,969,223		3,835,015
			3,994,663		3,969,223
Cash and cash equivalents comprise:					
Cash at bank and in hand			3,994,663		3,969,223

The notes on pages 18 to 37 form part of these financial statements.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016

1 Accounting policies

The British Dental Association is an Association incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

These financial statements are the first financial statements prepared under FRS 102 and information on the impact of first-time adoption of FRS 102 is given in note 22.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent Association;
- Disclosures in respect of the parent Association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Association as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

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 section 9.4 of FRS 102 the Trust should be considered to be a subsidiary of the British Dental Association.

The consolidated accounts of the group incorporate the accounts of the BDA and its 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS102), effective 1 January 2015.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

1 Accounting policies (*continued*)

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. The net liability position is a result of the inclusion of a liability of £4,548,353 from the Association's defined benefit pension scheme. The Association's funding commitment to the pension scheme remains and the Association has agreed a long-term funding plan with the trustees of the scheme.

The directors have also assessed the impact of the financial budgets in place for 2016/17 and beyond against the working capital available, notably its cash. In 2014/15 the Association agreed a three-year strategy for the period 2015-2018. Successful implementation of our strategy will involve investment, re-organisation and redeployment of resources, at a time of financial recovery. The first priority has been financial recovery, and in this regard the Association has performed well, exceeding its financial target in each year of the plan to date. However, due to the wider economic uncertainties, the 2016/17 budget is prudent and predicts a small deficit while only investing in areas of significant need. 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 and unrealised gains and losses on investments are included in the consolidated statement of comprehensive income.

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 stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

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

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Deferred tax balances are not recognised in respect of permanent. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Fixed assets - Heritage assets

The Association's 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 102, 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 consolidated statement of comprehensive income when it is incurred.

Fixed asset investments

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

Financial assets

Financial assets, other than investment, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to consolidated statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated financial instrument.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

1 Accounting policies (*continued*)

Leased assets: Lessee

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 over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to consolidated statement of comprehensive income over the term of the lease and is calculated so that it 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 profit or loss on a straight-line basis over the term of the lease.

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 consolidated statement of comprehensive income or the consolidated statement of changes in reserves in accordance with FRS102.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Leases

Leases entered into by the group can either be an operating or finance lease. In order to determine the treatment of lease agreements, the directors assess whether the risks and rewards of ownership have been transferred from the lessor to the lessee. At present, all leases agreements are considered as operating leases with expenses recognised in the statement of comprehensive income.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

Other key sources of estimation uncertainty

Tangible fixed assets (see note 16)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The useful lives of the assets are assessed annually.

Investments (see notes 17 and 20)

The group's investment portfolio is managed by Barclays Wealth, a division of Barclays Bank Limited. The most critical estimates, assumptions and judgements relate to the determination of carrying value of the investments. The listed investments are valued at the quoted bid price at the reporting date. Gains or losses upon sales of investment assets as well as unrealised movements due to changes in the carrying value of the investments are recognised in the statement of comprehensive income.

Bad and doubtful debt

Provisions are made for doubtful debts at the end of the financial year. This requires management to consider the recoverability of debtor balances bearing in mind disputes against invoices, the length of time balances have been outstanding and also dealings between the two parties. A provision is made should management deem the debts doubtful, reducing the receivables balance in the financial statements.

Income Recognition

Revenue should be recognised when delivery has occurred or when services have been rendered. This means subscriptions paid in advance must be recognised over the duration of the membership period on a straight line basis. Given the Association operates a rolling membership year with members offered several payment options, an element of uncertainty exists in relation to the profiling of subscription income. Internal financial controls have been set up not only to prevent the loss of income but to gain assurance that income is recognised in the correct period. A detailed analytical review is performed on a monthly basis to ensure the data entered on the Association's CRM database reconciles with the financial ledger.

Pension scheme deficit

The increase in the scheme's deficit on an FRS102 measure over the year is a combination of a number of factors. In particular, a lower discount rate on government and corporate bond yields will impact on scheme assets. Set against this there were positive returns from the scheme assets over the year to the review date and the assumed allowance for commutation has led to a lower value being placed on the scheme's liabilities.

Although FRS102 can be viewed as being fairly prescriptive about the principles to be used when selecting assumptions there is still a range of assumptions that could be considered acceptable under the standard. Even small alterations, for example to the discount rate, can have a significant effect of the results.

3 Turnover

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

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

4 Net income

	2016 Income £	2016 Costs £	2016 Net £	2015 Income £	2015 Costs £	2015 Net £
Subscriptions	8,728,598	-	8,728,598	8,632,074	-	8,632,074
Commercial activity	7,159,524	(4,050,216)	3,109,308	6,989,951	(3,946,827)	3,043,124
Charitable activities	16,649	-	16,649	13,161	-	13,161
	15,904,771	(4,050,216)	11,854,555	15,635,186	(3,946,827)	11,688,359

5 Employees

	2016 £	2015 £
Staff costs consist of:		
Wages and salaries	5,716,839	5,623,080
Social security costs	564,185	532,471
Other pension costs	820,447	815,728
	7,101,471	6,971,279

The average number of employees (excluding members of the Principal Executive Committee) during the year was as follows:

	2016 Number	2015 Number
Senior management team	5	5
Member services directorate	86	83
Business services directorate	41	41
	132	129

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:

	2016 £	2015 £
Staff costs consist of:		
Wages and salaries	5,491,668	5,360,291
Social security costs	542,126	509,694
Other pension costs	779,496	773,175
	6,813,290	6,643,161

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

5 Employees (continued)

The key management personnel of the parent association and the subsidiary charity comprise the Senior Management Team. The total employee benefits of the key management personnel during the year was £524,000 (2015 - £598,000).

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

Salary range	2016 Number	2015 Number
£1 - £20,000	4	3
£20,001 - £30,000	21	24
£30,001 - £40,000	42	40
£40,001 - £50,000	34	35
£50,001 - £60,000	17	12
£60,001 - £70,000	6	7
£70,001 - £80,000	3	4
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	132	129

6 Directors

	2016 £	2015 £
Directors' remuneration consists of:		
Stipend payments	330,000	330,000

There were no (2015 - Nil) directors in the company who were considered to be salaried, full-time executive directors during the year.

The total amount payable to the highest paid director in respect of emoluments was £Nil (2015 - £Nil).

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

6 Directors (continued)

Stipend payments

	2016 £	2015 £
Michael Armstrong	75,000	75,000
Paul Blaylock	15,000	15,000
Victor Chan	15,000	15,000
Edward Crouch	37,500	29,077
Martin Fallowfield	-	11,250
Tim Harker	15,000	3,750
Philip Henderson	15,000	15,000
Judith Husband	37,500	15,000
Nigel Jones	15,000	32,820
Robert Kinloch	15,000	15,000
Rasikkumar Ladwa	15,000	28,103
Alison Lockyer	15,000	15,000
Susan Sanderson	3,750	15,000
Stephen Shimberg	15,000	15,000
Graham Stokes	-	15,000
Jason Stokes	15,000	3,750
Len D'Cruz	15,000	11,250
Paul Woodhouse	11,250	
Total	330,000	330,000

7 Operating surplus

	2016 £	2015 £
This has been arrived at after charging:		
Depreciation	216,311	301,711
Hire of other assets - operating leases	42,500	42,500
Auditors' remuneration:		
- audit services	23,901	19,950
- non audit services (advisory)	5,074	4,715

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

8 Interest payable and similar charges

	2016 £	2015 £
Bank loans repayable in more than five years	20,424	22,593

9 Other financial charges

	2016 £	2015 £
Expected return on pension scheme assets	(546,000)	(589,000)
Interest on pension scheme liabilities	802,000	815,000
Investment management charges	1,813	1,596
	257,813	227,596

10 Taxation on surplus

	2016 £	2015 £
<i>Current tax</i>		
UK corporation tax on surplus for the year	-	-

The tax assessed for the year is lower (2015 - lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Surplus on ordinary activities before tax	252,180	90,551
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 - 20%)	50,436	90,551
Effects of:		
Surplus not chargeable to corporation tax	(50,436)	(90,551)
Losses brought forward utilised in the year	-	-
Non trade donations unutilised	-	-
Current tax charge for year	-	-

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

11 Tangible assets

Consolidated	Long leasehold properties £	Office fixtures and fittings £	Heritage assets £	IT equipment £	Total £
<i>Cost</i>					
At 1 October 2015	4,550,605	594,605	60,000	1,620,677	6,825,887
Additions	-	44,973	-	29,200	74,173
Disposals	-	-	-	-	-
At 30 September 2016	4,550,605	639,578	60,000	1,649,877	6,900,060
<i>Accumulated depreciation</i>					
At 1 October 2015	1,374,751	566,602	-	1,247,202	3,188,555
Charge for year	91,012	14,510	-	110,789	216,311
Disposals	-	-	-	-	-
At 30 September 2016	1,465,763	581,112	-	1,357,991	3,404,866
<i>Net book value</i>					
At 30 September 2016	3,084,842	58,465	60,000	291,885	3,495,194
At 30 September 2015	3,175,854	28,002	60,000	373,474	3,637,332

In accordance with Financial Reporting Standard 102, the Association's 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 2016 (continued)

11 Tangible assets (continued)

Association	Long leasehold properties £	Office fixtures and Fittings £	IT equipment £	Total £
<i>Cost</i>				
At 1 October 2015	4,550,605	203,070	1,620,677	6,374,352
Additions	-	35,647	29,200	64,847
Disposals	-	-	-	-
At 30 September 2016	4,550,605	238,718	1,649,876	6,439,199
<i>Accumulated depreciation</i>				
At 1 October 2015	1,374,751	202,370	1,247,202	2,824,323
Charge for year	91,012	1,274	110,789	203,075
Disposals	-	-	-	-
At 30 September 2016	1,465,763	203,645	1,357,991	3,027,399
<i>Net book value</i>				
At 30 September 2016	3,084,842	35,073	291,885	3,411,800
At 30 September 2015	3,175,854	700	373,474	3,550,028

12 Fixed asset investments

Consolidated	2016 £	2015 £
<i>Quoted investments</i>		
At 1 October	781,096	1,183,340
Additions	114,958	236,125
Disposals	(118,360)	(573,680)
Realised gains	82,824	111,865
Unrealised gains/(losses)	18,176	(176,554)
At 30 September	878,695	781,096
Historic cost of investments	726,770	711,839

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

12 Fixed asset investments (continued)

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

	2016 £	2015 £
HSBC US\$ 50c	44,026	37,946

13 Stock

	Group 2016 £	Group 2015 £	Association 2016 £	Association 2015 £
Goods held for resale	48,237	56,726	48,237	56,726

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

14 Debtors

	Group 2016 £	Group 2015 £	Association 2016 £	Association 2015 £
Trade debtors	397,466	348,516	397,466	348,516
Other debtors	75,757	51,959	74,530	49,946
BDA Benevolent Fund	15,531	11,606	15,531	11,606
Prepayments and accrued income	841,503	661,447	820,139	646,711
	<u>1,330,257</u>	<u>1,073,528</u>	<u>1,307,666</u>	<u>1,056,779</u>

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

15 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Association 2016 £	Association 2015 £
Bank loan (secured - see note 15)	144,246	142,034	144,246	142,034
Trade creditors	308,604	152,308	308,604	152,308
Other creditors	97,356	105,750	97,356	105,750
Taxation and social security	178,808	171,235	178,808	171,235
Subscriptions paid in advance	2,816,942	2,944,734	2,816,942	2,944,734
Accruals and deferred income	1,089,188	871,598	1,038,855	812,586
Amounts owed to BDA Trust	-	-	328,317	334,557
	<u>4,635,143</u>	<u>4,387,659</u>	<u>4,913,126</u>	<u>4,663,204</u>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

16 Creditors: amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Association 2016 £	Association 2015 £
Bank loan (secured)	1,074,995	1,219,090	1,074,995	1,219,090

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 2016 £	Group Bank loan 2015 £	Association Bank loan 2016 £	Association Bank loan 2015 £
In less than one year	144,246	142,034	144,246	142,034
In more than one year but not more than two years	146,494	144,248	146,494	144,248
In more than two years but not more than five years	453,330	446,378	453,330	446,378
In more than five years	475,170	628,464	475,170	628,464
	1,074,995	1,219,090	1,074,995	1,219,090

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (*continued*)

17 Financial instruments

The Group's and Association's financial instruments may be analysed as follows:

	Group 2016 £'000	Group 2015 £'000
Financial assets		
Financial assets measured at fair value through statement of comprehensive income		-
Financial assets that are debt instruments measured at amortised cost	4,940,328	4,776,125
Financial liabilities		
Financial liabilities measured at fair value through statement of comprehensive income		-
Financial liabilities measured at amortised cost	2,196,470	2,127,681

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow and interest rate risk is included in the report of the directors.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

18 Commitments under operating leases

As at 30 September 2016, the group had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Other 2016 £	Land and buildings 2015 £	Other 2015 £
Operating leases which expire:				
Within one year	119,932	90,731	122,084	93,354
Between two and five years	196,320	66,039	273,752	156,770
Over five years	3,407,083	-	3,449,583	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	3,723,335	156,770	3,845,419	250,124
	<hr/>	<hr/>	<hr/>	<hr/>

19 Cash flows from operating activities

	2016 £	2015 £
Surplus for the year	252,180	90,551
Depreciation	216,311	301,711
Decrease/(increase) in stocks	8,490	(6,676)
(Increase) in debtors	(256,729)	(9,818)
(Decrease) in creditors	245,271	(306,503)
Pension scheme contributions paid in excess of pension charge	(382,426)	(375,480)
Investment management charge	(1,813)	(1,596)
Profit on disposal of investments	(18,176)	(111,081)
Interest receivable	(17,990)	(18,968)
Return on investments	(31,455)	(35,920)
Interest payable and similar charges	20,424	22,593
Other finance charges	257,813	227,596
(Profit)/loss from changes in fair value of investments	(82,824)	176,554
	<hr/>	<hr/>
Net cash generated/(expended) on operating activities	209,075	(47,037)
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

20 Pensions

Defined benefit scheme

At 30 September 2016 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 2016.

At the Review Date there was a deficit of £4,550,000. This compares to a deficit of £2,175,000 at the previous review date.

The increase in the Scheme's deficit on an FRS102 measure over the year is a combination of a number of factors. In particular, the significant fall in corporate bond yields has led to a lower discount rate and hence a significantly higher value being placed on the liabilities. However, this was partly offset by the deficit contributions paid by the Company over the period, the positive returns from the Scheme assets over the year to the Review Date and also the assumed allowance for commutation which has led to a lower value being placed on the Scheme's liabilities.

In light of the results of the triennial valuation as at 31 March 2014, the Scheme Trustees and employer agreed contributions of £31,290 per month will be paid by the employer from 1 April 2014, increasing annually at a rate of 3.7% on and from 1 April 2016. These contributions are expected to eliminate the shortfall in 8 years and 11 months from the valuation date.

The next actuarial valuation is due on 31 March 2017 and the contributions payable by the Employer will be reviewed as part of that valuation.

A triennial valuation of the defined benefit scheme was carried out at 31 March 2014. This information has been used by the actuary to calculate the value of the scheme assets and liabilities at 30 September 2016 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.

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

20 Pensions (continued)

Amounts recognised in the balance sheet

	2016 £'000	2015 £'000
Fair value of plan assets	20,858	18,070
Present value of plan liabilities	(25,408)	(20,246)
	<hr/>	<hr/>
Scheme deficit	(4,550)	(2,174)
	<hr/>	<hr/>

Reconciliation of defined benefit obligation

	2016 £'000	2015 £'000
Defined benefit obligation at the beginning of the period	20,246	20,096
Interest cost	801	816
Benefits paid	(415)	(430)
Actuarial (gain)	4,776	(236)
	<hr/>	<hr/>
Defined benefit obligation at the end of the period	25,408	20,246
	<hr/>	<hr/>

Reconciliation of assets

Fair value of assets at the beginning of the period	18,070	17,451
Expected return on assets (before any restriction)	719	712
Employer contributions	382	375
Benefits paid	(415)	(430)
Administration costs	(173)	(123)
Actuarial (loss) on assets	2,275	85
	<hr/>	<hr/>
Fair value of assets at the end of the period	20,858	18,070
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

20 Pensions (continued)

	2016 £'000	2015 £'000
<i>Amounts recognised in the consolidated income statement are as follows:</i>		
<i>Included in staff costs and overheads:</i>		
Current service cost	-	-
Past service cost	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
 <i>Amounts included in other finance costs</i>		
Net interest cost	255	226
	<hr/>	<hr/>
 <i>Analysis of actuarial loss recognised in other comprehensive income</i>		
Return on plan assets less interest	(2,275)	(85)
Experience gains and losses arising on the scheme liabilities	(486)	(396)
Changes in assumptions underlying the present value of the scheme liabilities	5,262	160
	<hr/>	<hr/>
	2,501	(321)
	<hr/>	<hr/>

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

20 Pensions (continued)

The major assumptions at 30 September 2016 as used by the actuary were:

	30 September 2016	30 September 2015
Discount rate	2.55% pa	4.00% pa
Inflation assumption (RPI)	3.45% pa	3.50% pa
Inflation assumption (CPI)	2.45% pa	2.50% pa
Pension increases in payment (RPI)	3.45% pa	3.50% pa
Salary increases	3.65% pa	3.70% 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)
Post-retirement mortality table	Males - 116% of S2NMa Females - 90% of S2 NFA	Males - 116% of S2NMa Females - 90% of S2 NFA
Post retirement mortality projection	CMI 2014 with a 1.25% pa long term rate of improvement	CMI 2014 with a 1.25% pa long term rate of improvement
Tax free cash	Members are assumed to take the maximum tax free cash possible	No allowance

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

	30 September 2016 (years)	30 September 2015 (years)	30 September 2014 (years)
Male currently aged 40	29.0	29.2	30.4
Female currently aged 40	32.3	32.5	31.6
Male currently aged 60	27.2	27.4	28.6
Female currently aged 60	30.4	30.6	29.6

Net pension assets

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

Asset category	30 September 2016	30 September 2015	30 September 2014
Equities	60%	59%	58%
Bonds	19%	20%	20%
Gilts	21%	20%	21%
Cash	0%	1%	1%

The actual return on the Scheme's assets net of expenses over the period to the review date was £2,994,000 (2015 - £674,000).

The assets do not include any investment in the BDA.

British Dental Association

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

21 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:

	2016 £	2015 £
Income	15,888,122	15,622,025
Cost of sales	(4,050,216)	(3,946,827)
Net income	11,837,906	11,675,198
Meeting and sessional costs	(712,421)	(762,474)
Staff costs and overheads	(9,514,455)	(9,395,465)
Branch expenditure	(448,688)	(416,031)
Donations	(882,378)	(826,408)
Operating surplus	279,964	274,820
Interest receivable	17,872	18,832
Interest payable and similar charges	(20,424)	(22,593)
Loss on disposal of fixed asset	-	(785)
Other finance charges	(256,000)	(226,000)
Surplus on ordinary activities before taxation	21,412	44,274
Taxation on surplus from ordinary activities	-	-
Surplus on ordinary activities after taxation	21,412	44,274

22 First time adoption of FRS 102

Following the adoption of FRS 102 pension administration costs previously recognised as part of actuarial gains or losses have been reclassified within other finance charges. The consolidated surplus for the year ended 30 September 2015 has been reduced by £178,000 with the actuarial gain on pension scheme increased by the same amount. There is no impact on total comprehensive income for the year or net funds.

There has been no other requirement to amend the financial statements of the British Dental Association following the adoption of FRS 102.