Dentists' Provident

Protecting your lifestyle. Securing your future.

Annual Report | 2016

Dentists' Provident is a leading provider of income protection insurance to dentists in the UK and Ireland. We are a not for profit mutual organisation, owned by and managed solely for the benefit of our members.

Contents

Performance summary

- Net surplus before bonuses and tax of £33.5 million (2015: £25.6 million)
- Total assets of £273.6 million (2015: £247.7 million)
- Interest on members' bonus accounts maintained at 5%
- Dividends for income protection planholders maintained at £1.56 per share
- Dividends for retired dentists' planholders maintained at £1.80 per share
- Terminal bonus maintained at 15%

Financial summary

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Membership premium income	14.1	13.8	13.8	13.4	13.6
Total investment income	26.7	18.2	16.2	20.9	15.8
Sickness claims paid	4.2	4.2	4.6	4.5	4.2
Operating expenses	3.7	3.6	3.6	3.3	3.6
Bonuses paid to members	7.3	7.1	7.0	6.8	6.6
Total assets	273.6	247.7	228.8	212.6	191.4
Investment assets	260.2	227.8	216.7	203.9	172.9
Members' bonus accounts	85.6	84.5	83.4	81.7	80.3
Operating ratios					
Operating expenses to premium income ratio	26.4%	25.7%	26.2%	25.1%	26.7%
Benefits paid to premium income ratio	29.8%	30.3%	33.0%	33.6%	31.0%
Core surplus to average assets ratio[1]	12.5%	9.5%	9.8%	13.0%	11.7%

Note:
1. Core surplus is before bonuses to members and changes to sickness business provision.
Average assets is the mathematical average of the group's total assets at the current and previous year ends.

Chairman's statement

It is an honour to welcome you to our 2016 annual report and I am very pleased to announce that it has been another year of good progress.

2016 was a year of multiple strategic initiatives, as we made significant investment in our technology and insurance products to better meet the ever changing needs of the dental profession.

I am delighted to announce that we will be making a number of improvements to our membership offering in 2017, in what will be some of the biggest changes in the last ten years.

Our performance

We have delivered a strong performance despite the unpredictable events in the year. Our investments held up well and allowed us to return £7.3 million in bonuses to our members. This means that over the last 5 years, we have returned £34.8 million in bonuses alone to our members.

Governance

In becoming a member of Dentists' Provident, our members place their trust in us. They rely on us to protect their lifestyle and families when illness or injury stops them from being able to work. It is therefore my duty to ensure that we work to the highest possible standards of corporate governance, to ensure this trust is never misplaced and the society remains true to its founding principles.

During the year we continued enhancing our governance structure. The governance committee handed over its remuneration responsibilities to a newly formed remuneration committee, ensuring a dedicated platform for continued scrutiny of executive remuneration. I have complete confidence that our new governance structure will add to our effective and efficient decision making.

It is with great sadness that I announce the passing of our past chairman, Patrick O'Driscoll and our past chief executive Richard Harman. Both Pat and Richard devoted many years to the service of our society and on behalf of the board and I would like to extend our sincerest condolences to their families.

Raj retired from the board in March 2016 and I would like to thank him for his contribution to the board over the years.

I mentioned in my last report that Helen will be standing down from the board in May 2017. On behalf of the board, I would like to thank her again for her many years of service to the society and wish her all the best for the future.

The success of the society is in no small part the result of the commitment and hard work of our chief executive and his team. I would like to thank all those who have made this year a success and I look forward to our team continuing with the same drive and determination as always.

Finally, I want to thank my fellow directors for their support and their continued dedication and commitment to the group and I look forward to working with them in the future.

Kathryn Woolass
Chairman
17 March 2017

The case for Dentists' Provident

Unparalleled flexibility

We offer one of the most flexible income protection plans in the market, designed to cater to the diverse range of professional circumstances of our members. We also offer simple and easy options to change existing arrangements as our members' circumstances change. All our benefits are offered under a single membership contract, making it extremely convenient for our members to manage their arrangements.

Underwriting excellence

Our underwriting culture is based on the expertise of our people, who have built up their knowledge and experience over many years. The pragmatism of our underwriters exercised within a robust control environment is a genuine differentiator and a key source of competitive advantage.

Value for money proposition

We offer exceptional value for money to our members. As a not for profit mutual, our business is wholly focused on our members. Over the last five years, our benefit payments and bonuses to members have consistently ranged between 80-84% as a proportion of the total membership premiums.

Deep industry knowledge

Our business is supported by a team of experienced professionals, with deep knowledge of the dental industry, insurance, investments, actuarial, risk management and finance.

Doing the right thing

We believe that being ethical, honest and fair is a source of long term competitive advantage. We are a service and not sales led organisation. We believe that the route to building a sustainable and lasting business is in reflecting our core principles in our everyday dealings with our members.

Strong balance sheet

Our strong capital position enables us to attract high calibre talent and support innovation and sustainable growth. It also allows us to invest in providing our members with customised solutions and healthy long term returns.

Active risk management

We have a disciplined and proactive approach to managing risks. Our risk management approach allows us to ensure that we use our resources efficiently and effectively. The consistency of our performance is a testament to the effectiveness of our processes and controls.

Strong brand supported by excellent service

Our highly respected brand is based on our ability to deliver positive outcomes for our members. Our technical expertise is backed by a highly responsive and professional service.

Our business model

Our focus is always on our members

We are a Holloway income protection insurance specialist, distributing directly and through intermediaries within the UK and Irish dental markets. Our objective is to provide our members with comprehensive, tailored solutions, which will meet their needs throughout their lives. Forming partnerships with our members, based on flexibility, choice and exceptional service levels, we continue to deliver value and sustainable returns over the long term.

Our strategy

Our business model is centred on our members. We give our members the ability to create highly individualised plans, which are flexible enough to remain fit for purpose throughout their working lives. From the moment dentists choose to become a member, through to claiming and beyond, we treat each step as an opportunity to offer them extraordinary service and ethical, honest and fair outcomes.

Distribution

Our flexible offering is supported by a multichannel distribution system, making it easier for dentists to purchase our offering and to engage with us. Our offering is accessible through the web, telephone and also through independent intermediaries.

Our people

Our people are key to ensuring the successful delivery of our core objectives. Each employee fulfils a vital role in ensuring that we meet our members' needs, which ultimately helps drive our long term performance and success.

Underwriting

Since our start in 1908, we have built up an unparalleled insight into our core market. This has given us the knowledge and skill to price and manage risks intelligently and creatively. Our underwriters are given significant latitude within a robust control framework, so that we can provide our members with fair and reasonable terms.

Claims

The true value of our proposition lies in our ability to deliver the right outcomes for our members when it matters most. Nowhere is this more apparent than with a claim. We understand the emotional and financial strain of illness or injury and we engage actively with our members in an open, honest and empathetic manner to settle claims quickly and without undue fuss.

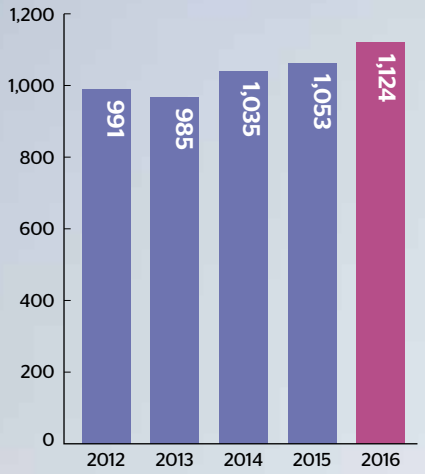
Long term investment

In addition to providing income protection insurance, the other strand of our business is the long term returns we provide our members. We manage our finances prudently and efficiently, to maximise these long term returns, whilst maintaining risks within acceptable limits.

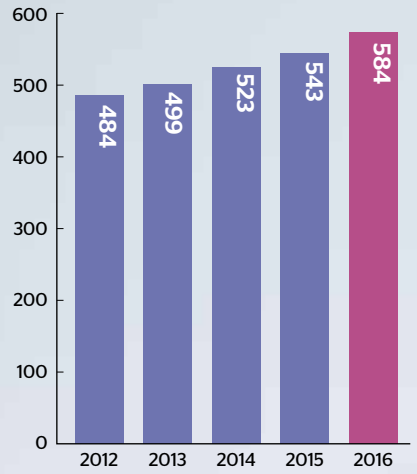
This means we ensure that we exercise budgetary control over our expenditure and manage our investments in a way that produces attractive but sustainable long term returns. We also actively seek to protect our members' financial interest in the society by holding assets in excess of our liabilities, to absorb the effects of any adverse experiences.

Key performance indicators

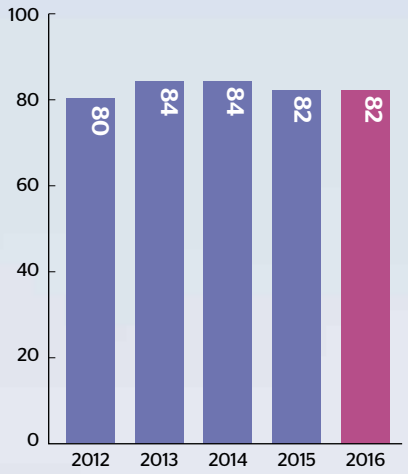
Average premium per member (£)



Average bonus per member (£)



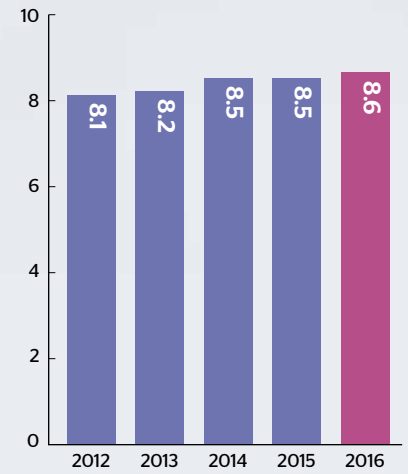
Bonuses and benefits to premium income ratio (%)



Average duration of short term claims (days)

Insured members who claimed (%)

Annualised returns to members over ten years (%)



Chief executive's report

Performance

An increase in investment revenue of 46% and steady growth in income from our insurance operations secured a confident surplus in a year dominated by concerns over China, the UK's referendum on continued membership of the EU and the US presidential election.

The devaluation in Sterling following the referendum benefitted the UK stock market and the international equity markets also made substantial gains on the back of the US election results. We have continued to benefit from our strategic currency diversification, with the US Dollar ending the year strongly.

However, both events have been surrounded by controversy and we remain cautious of a sudden correction.

The recent trend of improving claims experience continued in 2016, resulting in a release of £0.8 million from our sickness business provision. New business growth was lacklustre but overall membership income remained strong.

I am also pleased with the operating performance of our subsidiary, 1908 Property Holdings Limited, which made a notable contribution to our results.

Outlook

We look forward to unveiling our new suite of products during 2017 to complement our existing plans. We believe the changes will benefit every member and Kathryn and I look forward to writing to you with more details in the coming months.

Our investment portfolio remains defensive, with a higher than usual allocation to cash as a hedge against stretched valuations and emerging downside risks over the medium term.

Bonuses

We have never considered ourselves to be short termists and it is a reflection on the strength of our long term strategy that we continue to provide sustainable returns for our members.

In a low interest rate environment, I am pleased to announce that our bonus rates for 2016 have once again remain unchanged.

Employees

Finally, I would like to thank my colleagues for their continued hard work. They have shown enormous commitment and dedication in managing a multitude of changes in the year and I know they share my excitement as we look forward to this work coming to fruition in 2017.

Farrukh Mirza
Chief executive
17 March 2017

Financial review

Financial management framework

Our financial management framework seeks to maximise the value we deliver to our members whilst minimising the volatility of returns.

We supplement our membership premium income, with high quality, diversified streams of other income and manage our expenses carefully, so that the benefits of mutuality are not lost to inefficient business practices.

Financial performance

Our total operating surplus in 2016 was £26.2 million (2015: £17.0 million). We are beginning to see the benefits of our investment in our claims management framework, which has contributed to the release of a further £0.8 million from our sickness business provision (2015: £1.6 million).

Our investment portfolio again made a contribution of £26.7 million to this year's income (2015: £18.2 million). Our holdings in equities and foreign currencies were the main drivers of this contribution.

Capital management

We manage our solvency capital to ensure that we hold sufficient funds to meet our commitments to our members as well as our regulatory requirements. Although we aim to broadly match our assets to our liabilities, we can, at times, run a mismatched position to achieve better risk adjusted returns for our members.

Since the financial crisis, we have strengthened our capital position to improve our resilience to external shocks. The periodic bouts of extreme volatility in the markets serve as an important reminder of why our board manages its capital conservatively.

We use conservative and generally recognised accounting policies for internal and statutory reporting purposes. The accounting policies used in the preparation of these financial statements are set out in note 2.

Sickness business provision

Estimation of the sickness business provision is critical to the group, as it affects the assets we hold to match our liabilities and the overall surplus available for distribution to our members.

Our income protection business is subject to considerable uncertainty in terms of the timing, value and duration of claims. This makes estimating the sickness business provision subject to a number of assumptions. However, we have always adopted a conservative approach to estimating our sickness business provision.

As at 31 December 2016, the sickness business provision was £43.6 million (2015: £44.4 million), which is in excess of the equivalent provision calculated under Solvency II.

Asset allocation

Our investment management approach is driven by the profile of our liabilities and our investment risk appetite, which in turn is shaped by our views on the future performance of our insurance book and our view of the economic outlook.

We do not have a precise investment return target. Instead, we focus on opportunities, which, in our view, represent attractive risk adjusted propositions, whilst:

- maintaining an acceptable overall level of risk (having regard to the currency, nature and duration of the liabilities)
- maintaining an appropriate and broad mix of suitable investments
- protecting the interests of our members

Our investment strategy permits the use of any investment instrument approved by the board. The investment and capital management committee oversees the investment policy and strategy, which is implemented using investment mandates. The investment mandates include:

- details of the approved investments
- defined performance benchmarks
- benchmarks for asset allocation by asset type and market
- capitalisation and geographical spread
- counterparty and credit limits
- benchmarks for duration of the fixed interest portfolio

A review of our asset allocation and performance against a hypothetical portfolio, is shown in the following tables:

Group asset allocation

	2016 %	2015 %	2014 %	2013 %	2012 %
Equities	44	40	47	47	46
Fixed interest securities	16	17	20	20	21
Alternative assets and cash	40	43	33	33	33

Group investment performance

	2016 %	2015 %	2014 %	2013 %	2012 %
Group	11.6	8.3	7.9	12.0	10.4
Benchmark portfolio[1]	13.2	0.8	4.8	11.4	8.4

Note:

1. Benchmark based on a portfolio comprising 60% UK equities, 30% Gilts and 10% cash.

Underwriting and claims review

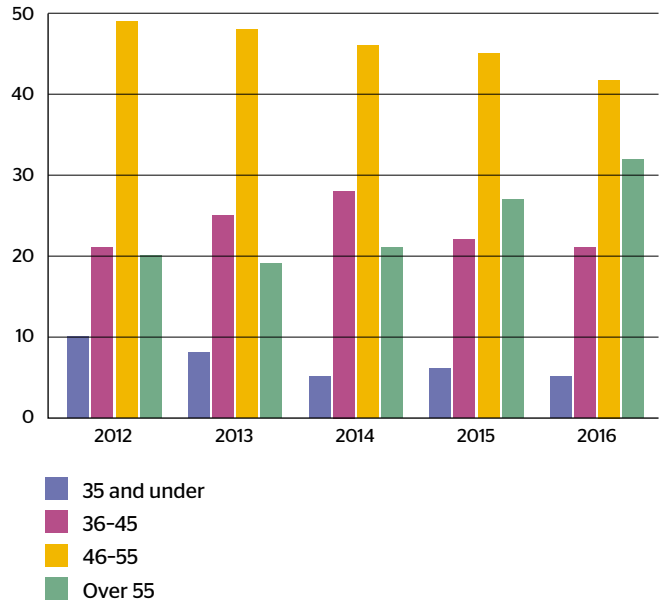
We believe that the long term success of the society and the competitiveness of our proposition depends on how effectively we underwrite new risks and the diligence with which we manage claims.

We have a strong system of internal controls, to ensure that the decisions we make are consistent with internal and external best practice and produce fair outcomes for the individuals and the membership as a whole. Each underwriting and claims decision is fully evaluated in light of the available information and any adverse decisions are subject to an additional layer of review, to ensure that an individual member's interests are protected.

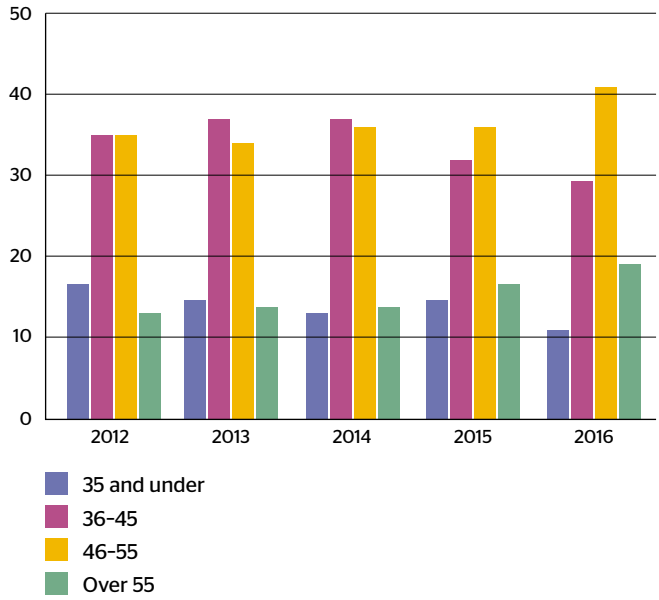
As a matter of principle, in cases where an adverse decision is under consideration, our processes allow for detailed member engagement, to ensure all relevant facts are considered and members have insight into the reasons and bases of our decision.

In 2016, we paid £4.2 million in sickness claims (2015: £4.2 million). The analyses of claims by gender and incapacity over the previous five years are detailed below.

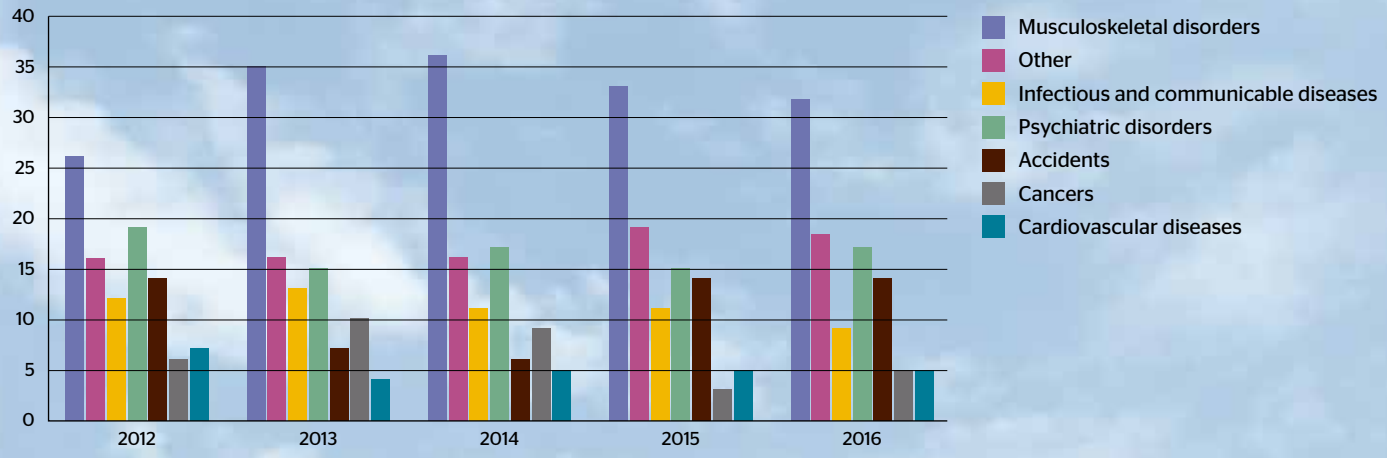
Age distribution of claims by gender – male (%)



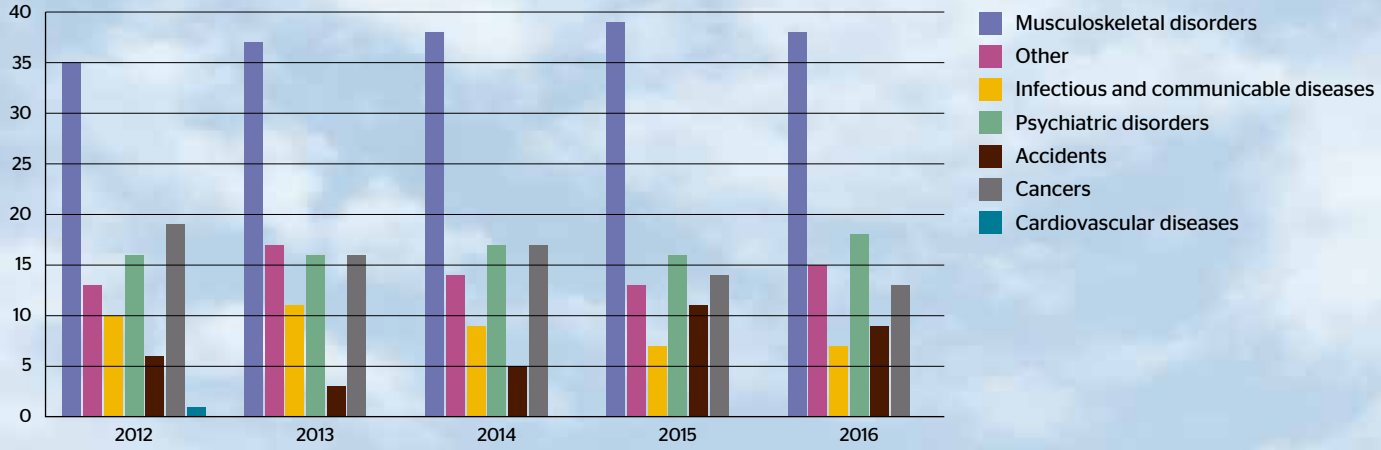
Age distribution of claims by gender – female (%)



Distribution of claims by incapacity – male (%)



Distribution of claims by incapacity – female (%)



Risk management

Risk management

A robust risk management framework underpins our business. We have predefined risk appetites for all key risk areas and our risk management policies and procedures are regularly reviewed and updated under the guidance of the board and its various committees. Our internal control environment is further enhanced by reviews of key processes and controls by external experts.

Risk management framework

Effective risk management is a core agenda item for the group. We consider that the proper management of risks allows the group to allocate resources more effectively and intelligently.

Over the years, we have sought to integrate our risk management and business processes. We have worked hard to increase risk awareness amongst staff, through training and by encouraging them to think about business issues holistically and of the reputational effects of inadequate risk management.

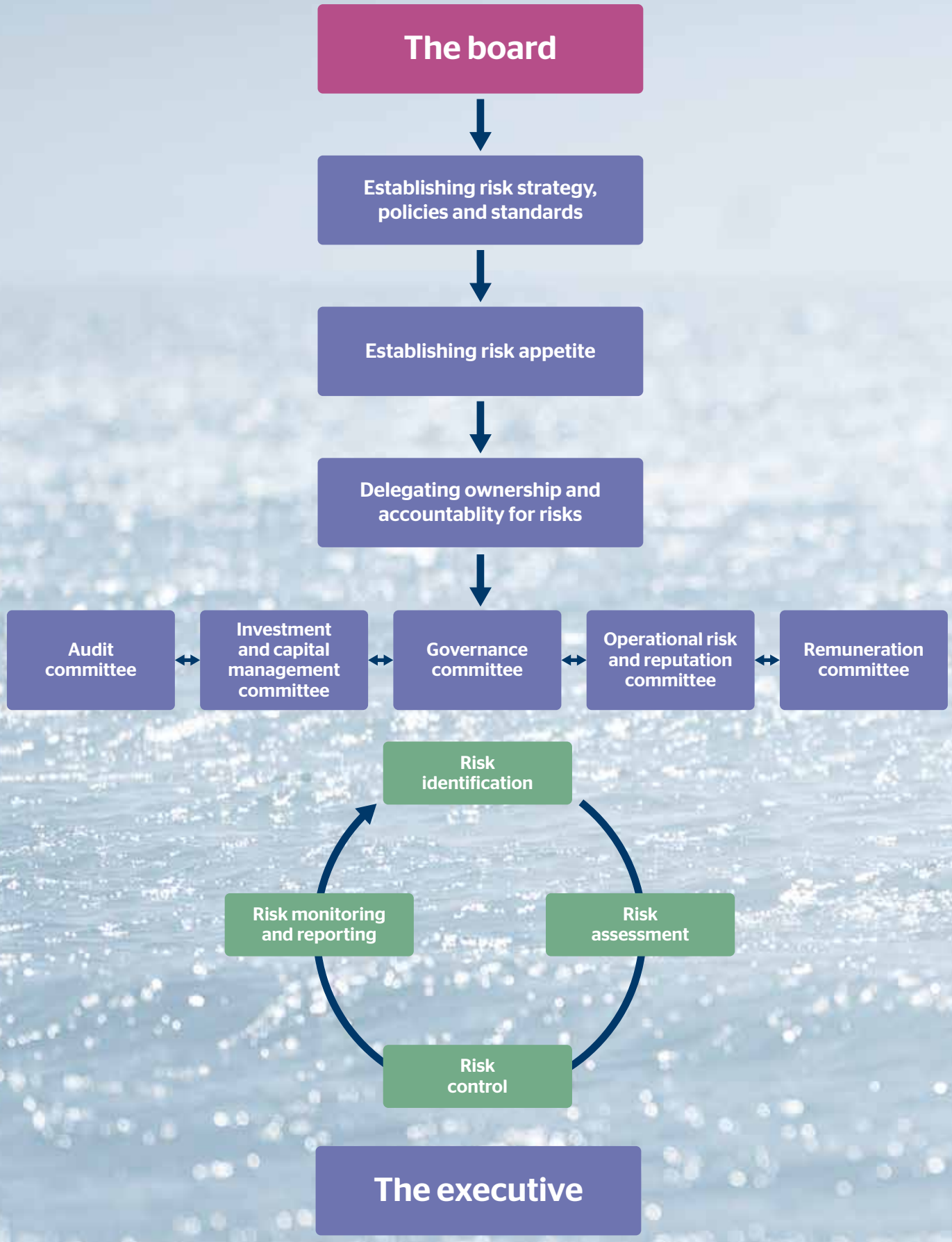
The key objectives of our risk management processes are to:

- protect and enhance our reputation
- protect our solvency position, to ensure long term financial strength, for the benefit of our members
- support the group's decision making by providing timely and appropriate risk information

The ultimate oversight for risk management remains with our board. However, some risk management areas have been delegated to board committees, who provide regular updates to the board on matters which fall within their remit.

The responsibility for day to day risk management lies with our executive team, who work alongside the heads of department. The heads of department are responsible for implementing the risk management policies and procedures and reacting to new and emerging risks.

The risk identification and management process ensures all key risks are collated centrally and risk owners are identified clearly. Regular monitoring, augmented by internal audit and compliance reviews, is designed to identify the effectiveness of the control environment. The status of the risks is reviewed periodically and a comprehensive reporting process is in place to communicate key risk information and other relevant information to the committees and the board.


The board
Establishing risk strategy, policies and standards
Establishing risk appetite
Delegating ownership and accountablity for risks
Audit committee
Investment and capital management committee
Governance committee
Operational risk and reputation committee
Remuneration committee
Risk identification
Risk assessment
Risk control
Risk monitoring and reporting
The executive

Principal risks

The risks and uncertainties described below are considered to have the most significant effect on the group's business, financial results and prospects. This list is not intended to be exhaustive.

Strategic risk

Risk description	Potential impact	Current mitigation
An inappropriate business strategy damages long term value for the members	We make a number of long term decisions based on our assumptions about the future environment within which the group will operate. If the actual outcomes are substantially different from our projections, this could have an adverse effect on our business.	Our strategic plans are reviewed regularly, to reflect the revised views of our longer term competitive and market position. We monitor the progress of the business against our strategic agenda at regular group and subsidiary board meetings.
The ineffective or non delivery of the group's business strategy	We have set up a number of projects to deliver key elements of our strategy. If these projects do not deliver as planned, we could fail to meet our objectives for our members.	We have in place experienced teams who oversee the delivery of all key projects. Our senior management team provides regular challenge, monitors ongoing progress and ensures that key decisions are being made appropriately.
The UK government fails to secure permission to conduct business in the EU with the same freedoms it currently enjoys	We currently offer our income protection plans to dentists residing in the Republic of Ireland under the EU's passporting arrangements. If these permissions are withdrawn and not replaced with similar alternative arrangements, this may have a material impact on the future strategy of the group.	We continue to monitor the situation regarding the UK's withdrawal from the European Union. Since the result of the referendum was announced, we have given consideration to a range of contingency plans, but until more information is known, we will not be taking any formal action.

Insurance risk

Risk description	Potential impact	Current mitigation
We do not price our plans appropriately and damage the long term value for our members	The pricing of our proposition takes into account not only our experience and expectations, but also external factors like the behaviour of our competitors. If we do not price our contracts appropriately, this could have an adverse impact on our business, through declining persistency or reduced underwriting surpluses for our members.	Our actuarial models are the primary tool for objectively deriving the pricing of our plans and the models and the underlying assumptions are subject to regular monitoring and challenge. We also regularly benchmark our pricing against our competitors, to identify any headline inconsistencies. Our senior management team work closely with all our operational staff, to ensure the pricing assumptions are supported by actual events and to identify early indicators of any divergence.
Our claims experience is significantly different from our expectations	If our claims experience is materially worse than we have assumed in our pricing assumptions, this could have an adverse effect on our members through a combination of higher future costs and reduced future bonuses.	Strong operational controls are the primary mechanism for managing our claims experience. Our finance and actuarial teams undertake detailed trend analysis and the results are fed back into the actuarial pricing models as well as into the operational decision making processes.

Insurance risk continued

Risk description	Potential impact	Current mitigation
The persistency of our business is significantly lower than our expectations	Lower than expected rates of persistency will lead to a fall in the value of future surpluses earned on our long term insurance business. This could feed through into higher than expected costs of managing our business and lower long term returns for our members.	We remain focused on continually developing our proposition, so that it remains competitive and our product features and service standards do not simply meet, but exceed, the expectations of our key stakeholders. The core emphasis of our marketing and business development teams is to enable our key stakeholders to understand our business philosophy and make better informed decisions regarding their insurance needs rather than focusing on price alone.
Our future expense experience is significantly different from our expectations	If our expenses are materially higher than we have assumed in our pricing assumptions, this could have an adverse effect on our members, through a combination of higher future costs of membership and reduced future bonuses.	We have strict processes for the authorisation and approval of costs, which are the primary mechanism for managing our expenses. These processes are further supplemented by detailed budgets, regular variance investigations and reporting by the senior management team.

Operational risk

Risk description	Potential impact	Current mitigation
Our information systems fail on a regular or prolonged basis	The group is dependent on a number of key information systems and processes. A loss of systems and access to facilities, including the website, could lead to significant disruption and could have an adverse operational, reputational and financial impact.	We have in place a robust business continuity programme which includes our disaster recovery arrangements. This is reviewed regularly, to identify areas for improvement and to ensure that arrangements are adequate and appropriate. We have an experienced technology team, who can respond appropriately to incidents as they arise.
We suffer a malicious attack on our network/IT infrastructure	A successful cyber attack on our network could result in us not being able to deliver our service to our members, or could also expose our members' sensitive information to the wider public via the internet. This could result in serious damage to our reputation with consequential member and revenue loss and the risk of financial penalties.	We have multiple layers of assurance in place. Our activities include regular employee training, technical assurance and audit activities, including vulnerability scanning and ethical hacking programmes. We regularly assess our security policies, standards and procedures and adjust them, where necessary, so they are proportionate to the threat profile we face.
Our key information systems fail to adapt to changes within our business	The introduction of new initiatives creates additional complexity in our information systems. If changes are not managed effectively, the core applications could lose their flexibility and create issues. These in turn could increase costs and cause delays when implementing the required business change.	Our systems architecture is reviewed continuously and improvements are made where appropriate. We have in place structured testing for key systems and where required, we hold periodic meetings with key vendors to keep abreast of any material changes.

Operational risk continued

Risk description	Potential impact	Current mitigation
Our third party service providers fail to meet our service expectations	We have entered into agreements with third party service providers for services covering a number of our operations. Failure to adequately manage the third party's performance could affect our reputation and our operational and financial performance. Loss of these contracts, or inability to renew or negotiate favourable replacement contracts, could have an adverse effect on future operating performance.	We have a number of procedures in place to manage our third party service providers' performance as well as having a centralised process for negotiating new contracts.
We fail to comply with our legal and regulatory requirements	We are subject to a comprehensive set of legal and regulatory requirements. Our failure to comply with these requirements could lead to fines, public reprimands, damage to our reputation, increased prudential requirements, enforced suspension of operations or, in extreme circumstances, withdrawal of regulatory authorisation. Non compliance may also lead to costs relating to investigations and compensation of affected members. In addition, reputational damage may adversely affect our long term future.	We have dedicated significant internal resources to this area. The work of the group's compliance function is supplemented by regular internal audit reviews. In addition, the employee rewards scheme places significant emphasis on legal and regulatory risks being mitigated.
Compliance with future regulatory and legislative changes may result in higher costs	Changes in regulation and legislation may result in additional requirements, which may add to the complexity of our business, increase the costs of meeting those requirements and/or require the group to hold additional capital, which will reduce the returns available to our members. In addition, any changes may also impact our business model by influencing customer demand and preference for our product.	Our senior management team regularly monitors major media outlets to identify and evaluate possible sources of regulatory or legislative changes. Where a likely source of change is identified, we look to minimise any detrimental impact on our strategy and to take advantage of any opportunities that arise.
We fail to conduct our business fairly and ethically	Our success is built on a foundation of fairness and honesty in our dealings with our key stakeholders. A breakdown in our cultural values could expose us to the risk of reputational damage and contribute to an increase in a range of other business risks.	We have put in place a range of controls and processes to manage this risk. Our key decision makers are encouraged to take a wide ranging view, as opposed to only focusing on narrow short term commercial factors.
We fail to put in place and implement appropriate succession plans	Our success is dependent on recruiting and retaining capable people in key roles. Failure to recruit the right people and cultivate our ethical values could adversely affect our ability to deliver on our objectives.	We aim to recruit talented staff and invest in their technical and professional development over many years so that they have the appropriate experience to take on more senior roles within the group. We also have detailed succession arrangements in place to account for planned and unplanned departures.
Failure to delivery key strategic projects	We have embarked on a project to upgrade our business infrastructure. Failure to deliver a successful outcome on this project could result in a number of risks, which may adversely effect the operational and financial performance of the group.	A project team, chaired by the project manager and including the project sponsor (chief executive), meets regularly to monitor the development of the project and address any issues promptly. A project management framework is followed, which sets out guidance on governance requirements, controls and reviews. The progress is also reported regularly to the governance committee and the board.

Counterparty risk

Risk description	Potential impact	Current mitigation
One or more of our counterparties become unable to perform their obligations	We are exposed to the risk of failure of, or default by, one or more of our counterparties. As part of our business, we invest in debt securities and other assets, to meet our obligations to our members. As a result, exposures can arise to issuers of debt and other financial instruments. Our day to day activities also mean that we are exposed to banking counterparties, as well as third party providers of services.	We manage our significant counterparty exposures by the application and monitoring of counterparty limits. All material contracts with third parties are governed by service level agreements, which are monitored and discussed regularly.

Liquidity risk

Risk description	Potential impact	Current mitigation
We have insufficient liquid assets to meet our financial obligations	A misjudgement in the level of liquidity we require could result in business disruption and have an adverse effect on our financial performance.	We maintain a suitable buffer over our expected routine cash requirements. In addition, the majority of our funds are invested in readily realisable assets. We also undertake regular stress tests, to ensure that we have sufficient liquidity to meet our needs.

Market risk

Risk description	Potential impact	Current mitigation
The value of our investments fluctuates as a result of factors other than changes in interest and currency rates	We invest in a range of asset classes where valuations can be affected by non technical factors, such as market sentiment, geo political uncertainty or issuer specific issues.	We manage asset price risk by maintaining a highly diversified portfolio of assets and by setting asset allocation and performance benchmarks, which ensure that we have an appropriate mix of assets and that we are not over or under exposed to a particular category or investment. The investment and capital management committee regularly monitors the actual asset allocation and performance against relevant benchmarks.
The value of the group's assets and liabilities, and the associated cashflows, fluctuates as a result of changes in interest rates	We hold assets and liabilities with different maturities, creating exposure to changes in interest rates. The exposure arises mainly from the group's investments in debt and fixed income securities and affects the rates used to calculate the sickness business provision.	Our exposure to interest rate risk is monitored using stress testing and duration benchmarks. We also use our strategic cash holdings to manage duration, thereby indirectly managing interest rate risk.
The value of the group's surpluses and assets fluctuates as a result of changes in exchange rates	We invest in funds, which invest in overseas debt and equity markets, creating exposure to changes in exchange rates. We also work with a number of suppliers whose operations are based outside the UK. This exposes part of our expenses to changes in exchange rates.	Our exposure to currency risk is managed primarily by authorisation controls. The investment and capital management committee monitors the currency exposures on a regular basis. We maintain holdings in selected foreign currencies to mitigate the effects of fluctuations in exchange rates on the group's surpluses.

Board of directors

Kathryn Woolass (62)
Chairman

Kathryn was appointed to our board as a non executive director in 1984 and as chairman in 2010. She is also a director of 1908 Property Holdings Limited and a member of the governance committee, the investment and capital management committee and the remuneration committee. She has previously been a member of the audit and risk committees. She previously worked full time in her orthodontic practice in South Yorkshire.

She has served in senior roles in various dental bodies, including treasurer and chair of the Rotherham Local Dental Committee, examiner for the Royal College of Surgeons for the Diploma in Orthodontic Therapy, member of the South Yorkshire Council of the British Dental Association, secretary of the South Yorkshire branch of the British Society for Paediatric Dentistry, secretary of the Local Orthodontic Committee of the South Yorkshire Strategic Health Authority, postgraduate dental tutor for Doncaster, Barnsley and Rotherham and a member of the Rotherham Oral Health Advisory Group.

Farrukh Mirza (46)
Chief executive

Farrukh joined our society as head of finance in 1999. He was appointed as deputy chief executive in 2003 and to the board and as chief executive in 2008. As the group's chief investment officer, he chairs the investment and capital management committee and is a director of 1908 Property Holdings Limited. After qualifying as a chartered accountant in 1995, he worked with Baker Tilly, BayernLB and PricewaterhouseCoopers, specialising in banking and insurance.

Davinderpal Kooner (62)
Vice chairman

Davinderpal was appointed as a non executive director in 2004 and as vice chairman in 2011. He is a member of the governance committee, the audit committee and the remuneration committee. Davinderpal is a fellow of the Pierre Fauchard Academy and vice chairman and member of the Ealing, Hammersmith and Hounslow Local Dental Committee. He is also a Justice of the Peace, non executive director of Dental Protection Limited and has general practices in West London.

He has worked extensively in the training of dentists and complementary professionals. He examined for the National Examination Board for Dental Nurses and he continues to examine for the Royal College of Surgeons of England for the MJDF Diploma of the Faculty of General Dental Practice. From 1997 to 2014, he was Regional Adviser in general dental practice and DF1 Vocational Training Programme Director for the London Deanery. He has also served as a professional member of the Fitness to Practise Panel of the General Dental Council, a General Commissioner of Income Taxes and as a member of the Health, Education and Social Care Chamber of the First-tier Tribunal.

Simon Elliott (42)
Executive director

Simon was appointed to our board as an executive director in 2015. He is the group's deputy chief executive with operational oversight of compliance, marketing and member services. He is also the group's secretary and a member of the investment and capital management committee. Simon joined the society in 2007 after working for 11 years at Deloitte LLP in their actuarial practice, advising and working with friendly societies and insurance companies within the UK and Europe.

Martyn Green (63)
Independent non executive director

Martyn was appointed to our board in 2010. He is the chairman of the governance committee and a member of the operational risk and reputation committee. He is also on the Council of Reference for the dental charity Bridge2Aid, a member of the Health, Education and Social Care Chamber of the First-tier Tribunal, a chair of the General Medical Council's Medical Practitioners Tribunal Service and a member of the Probate Committee of the Institute of Chartered Accountants in England and Wales. Martyn is a dental member of the Statutory Panellist Assurance Committee of the General Dental Council and is retired from general practice.

He was previously a chair of the General Dental Council's Fitness to Practise Panel. He has worked extensively in the training of newly qualified dentists, having been in various roles including Regional Adviser in general dental practice and Associate Postgraduate Dental Dean.

Helen Harrison (53)
Independent non executive director

Helen joined our board in 2004. She is a member of the operational risk and reputation committee, having served as chairman of the committee until February 2016. She is the principal of a multi disciplinary general and specialist dental practice in Cambridge. She has previously been a member of the representative body of the British Dental Association and its Council, Ethics, Practice Management and Healthcare Policy Committees and chairman of the Eastern Counties Branch. She has also been a member of the Cambridgeshire Local Dental Committee, the Cambridge Postgraduate Education Committee and a dental nursing tutor and examiner.


Kathryn Woolass


Farrukh Mirza


Davinderpal Kooner


Simon Elliott


Martyn Green


Helen Harrison


Giles Kidner


Raj Raja Rayan OBE


Alister Weightman


Huw Winstone

Giles Kidner (51)

Independent non executive director

Giles was appointed to our board in 2004 and is the chairman of the audit committee. He is a consultant orthodontist at the Buckinghamshire Healthcare and Oxford University Hospitals NHS Trusts and also works part time in private practice. He is also a lead orthodontist for the regional cleft lip and palate service, Caldicott Guardian and an examiner for both the Intercollegiate Membership and Speciality Fellowship examinations in Orthodontics.

Raj Raja Rayan OBE (63)

Independent non executive director

Raj was appointed to our board in 1989. Until his retirement in March 2016, he was also a member of the operational risk and reputation committee. He was an associate dean at the London Deanery and the chairman of the charity AOG Foundation Limited. He was previously dean of the Faculty of General Dental Practice at the Royal College of Surgeons of England and has served as chairman of finance, chairman of examinations and vice dean. He was also an elected council member of the General Dental Council and served on the Standing Dental Advisory Committee to the Secretary of State for Health and as adviser to the Lord Chancellor on judicial appointments.

Alister Weightman (52)

Independent non executive director

Alister was appointed to our board in 2011. He is a member of the audit committee and was appointed as the chairman of the operational risk and reputation committee in February 2016. He is a dental practice adviser for the Yorkshire and Humber Area Team of NHS England and has worked in general dental practice since 1987. He has been a clinical support manager for IDH Mydentist in the North East region, a past treasurer of the North Lincolnshire Local Dental Committee and dental practice adviser for Doncaster and North Lincolnshire Primary Care Trusts. He has also been a clinical assistant in orthodontics and a vocational trainer.

Huw Winstone (58)

Independent non executive director

Huw was appointed to our board in 2014. He was appointed to the operational risk and reputation committee and as chairman of the remuneration committee in February 2016. He has been in general dental practice since 1981 and is a principal of his family practice in North West Kent. Since 1996 he has been a dental practice adviser for the NHS, currently for NHS England Kent – South (South East). He has worked for over twenty years in Dental Foundation Training, as a Vocational Training Adviser, training Programme Director and an Associate Dean for Health Education Kent, Surrey & Sussex. He is also a local dental adviser for Dental Protection Limited and he has been a member of the Kent Local Dental Committee since 1988, being treasurer for over twenty years.

Committees at a glance

Audit committee
Giles Kidner (chairman)
Davinderpal Kooner
Alister Weightman

Governance committee
Martyn Green (chairman)
Davinderpal Kooner
Kathryn Woolass

Investment and capital management committee
Farrukh Mirza (chairman)
Simon Elliott
Kathryn Woolass

Operational risk and reputation committee
Alister Weightman (chairman)
(appointed February 2016)
Martyn Green
Helen Harrison
Huw Winstone
(appointed February 2016)
Raj Raja Rayan OBE
(retired March 2016)

Remuneration committee (formed February 2016)
Huw Winstone (chairman)
(appointed February 2016)
Davinderpal Kooner
(appointed February 2016)
Kathryn Woolass
(appointed February 2016)

Senior management


Sarah Bradbury


Paul Dixon


Bryan Gross


Craig Jeffrey


Kirby Mardle


Sarah Martin

Sarah Bradbury

Sarah joined us as head of marketing and communications in 2013. She has worked in service marketing and public relations in education, leisure and the dental industry for over 25 years. She has previously worked for the British Dental Association as the student/young dentist manager, Dental Protection Limited as marketing operations manager and for Denplan as strategic partnerships and brand manager.

Paul Dixon

Paul joined us as joint head of compliance and risk in 2015. Having initially trained as a barrister, he worked in practice for 10 years before moving into compliance in 2011. Experienced in both insurance and consumer credit, Paul received his postgraduate Diploma in Governance, Risk and Compliance through the International Compliance Association in 2015.

Bryan Gross

Bryan joined us as a senior underwriter in 2008 and was appointed as head of claims and underwriting in 2013. Bryan has a wealth of experience in the insurance industry covering a variety of roles, having previously worked at The Prudential and Gen Re.

Craig Jeffrey

Craig joined us as a member services consultant in 2008 and was appointed as head of member services in 2016. Craig has over 15 years' experience working in customer focused roles within financial services, having previously worked for The Royal Bank of Scotland Group and Scottish Widows.

Kirby Mardle

Kirby joined us in 2006 as a member services consultant. She later moved into the finance team and following her qualification as a Certified Chartered Accountant, was appointed as head of finance in 2012. She is also the group's head of human resources and company secretary of 1908 Property Holdings Limited.

Sarah Martin

Sarah joined us in 2008 and is joint head of compliance and risk. A solicitor, with a background in insurance and regulation, she has previously worked for Legal & General, the Financial Services Authority and Lloyd's of London.

Corporate governance report

Board membership and attendance at scheduled meetings

Kathryn Woolass (chairman)	4/4
Farrukh Mirza (chief executive)	4/4
Davinderpal Kooner (vice chairman)	3/4
Simon Elliott (deputy chief executive and secretary)	4/4
Martyn Green	4/4
Helen Harrison	1/4
Giles Kidner	4/4
Raj Raja Rayan OBE (*retired March 2016*)	0/1
Alister Weightman	4/4
Huw Winstone	4/4

Key items in the terms of reference

- approval and oversight of the group's objectives and strategy
- responsibility for the group's overall structure and capital requirements
- oversight of the group's operations, including approval of annual budgets and plans
- approval of the group's annual report and regulatory returns
- approval of any changes to the group's corporate governance structure
- approval of any material transactions that affect the group

Key items considered in 2016

Q1	Q2	Q3	Q4
Reports from the board committees	Reports from the board committees	Reports from the board committees	Reports from the board committees
Business performance for Q4 2015	Business performance for Q1 2016	Business performance for Q2 2016	Business performance for Q3 2016
Approval of actuarial reports	Approval of the Association of Financial Mutuals' combined code questionnaire	Approval of the premium rates	Approval of the valuation assumptions and recommended bonus rates
Business strategy update	Business strategy update	Business strategy review and approval	Business strategy update
Approval of the group's financial statements and statutory returns		Board performance review	Approval of operational budgets
Independence of arbitrators		Appointment of Moore Stephens LLP to fill the casual vacancy of the external auditor	Approval of compliance and Money Laundering Reporting Officer report
Review of the external auditor's key issues memorandum		Sessions without the chairman and chief executive	
		Enterprise risk management and own risk and solvency assessment	

Role of the board

Our board's primary role is to oversee and direct the affairs of the group and to further the interests of our members, in accordance with relevant law and our memorandum and rules. Our board meets at least four times a year and its responsibilities are set out in the board handbook, which also details the matters reserved specifically for it.

Board composition

At the date of this report, our board comprised a non executive chairman, chief executive, deputy chief executive and six non executive directors.

At the forthcoming annual general meeting, all of the directors will be offering themselves for re election, with the exception of Helen Harrison who is standing down to pursue other interests.

Key roles on the board

We have a robust system for corporate governance throughout the group with a clear division of responsibilities for those involved. Below is a brief description of the main responsibilities for the key roles on the board.

Chairman

Our chairman is responsible for the leadership and management of the board, overseeing the induction, evaluation and ongoing development of directors, ensuring we meet our overall governance standards and for maintaining an open and cooperative relationship with our members and other key stakeholders.

Vice chairman

Our vice chairman deputises for the chairman and supports her in the effective management of the board. As our senior non executive director, he also serves as an important intermediary between the chairman, the rest of the board and our members.

Chief executive

Our chief executive is responsible for developing our overall strategy, leadership of the senior management team and operational oversight of the day to day operations of the group.

Secretary

Our secretary is responsible for supporting the chairman in the effective operation of the board. He is also responsible for supporting individual directors in discharging their duties effectively.

Board committees

Our board has established various committees to assist it in effectively discharging its governance responsibilities. Information on the role and work of these committees is detailed on pages 32 to 41.

Independence

We believe that the most effective way to ensure the reality of independence is to provide guidance based on a framework of principles, rather than a prescriptive set of rules, which can be complied with to the letter, but circumvented in substance.

We believe that fundamental to independence is the personal integrity and objectivity of individuals. The main sources of threats to independence arise from conflicts of interest, financial dependence and over familiarity.

The overarching goal of our independence policy is to ensure that the relationship between our non executive directors, the group and executive directors is kept on an arm's length basis. To this end, we annually assess the independence of each non executive director against highly conservative benchmarks, covering conflicts of interest and financial integrity. We also have detailed policies in place covering personal relationships between staff.

For the above reasons, we do not strictly apply the nine year independence provision in the Corporate Governance Code for Mutual Insurers, primarily because we consider this to be an arbitrary figure. In addition, the complexity of the business means that it takes time for our new directors to begin delivering to their full potential. A nine year limit on non executive appointments would deprive us of a proper payback on our investment in their training and would be detrimental to our long term interests, by removing the stability, knowledge and insight offered by long serving directors.

However, we acknowledge that periodic refreshment of our board is essential to avoid the risks of complacency and group thinking and appropriate caps on tenure are in place to manage these risks.

The governance committee has considered the annual declarations for all non executive directors and has concluded that all non executive directors remain independent.

Our chairman was independent on her appointment to the board in 1984. However, in line with common practice, following her appointment as chairman in 2010, she is no longer classified as independent.

Conflicts of interest

We are aware that our directors have other commitments, however, we remain satisfied that these do not conflict with their duties as directors of the group. We have a robust set of procedures in place for the disclosure of actual or potential conflicts of interest. There is:

- an annual declaration signed by each director confirming that they consider themselves free of conflict
- an ongoing responsibility for each director to disclose immediately any changes in their circumstances, which may give rise to a conflict of interest, e.g. a new office or property
- a restriction on attendance at any part of a board meeting or vote on any agenda item in which a director has a material personal interest, unless the other directors unanimously agree otherwise

Our governance committee has reviewed the external commitments of all non executive directors and has concluded that there are no material conflicts of interest, which would preclude any director from continuing in office.

Board diversity

We are committed to ensuring that we appoint and retain non executive directors who bring experience, expertise and a range of opinions to the board. We are dedicated to:

- the principles of equal opportunity
- avoiding group think
- ensuring that we have a range of knowledge, skills and experience

We are of the opinion that the principles of diversity cannot be distilled down to a discussion about gender, race, disability, age, sexual orientation or religious or political beliefs. In addition, we draw our directors from a membership pool of highly educated and skilled individuals, who would find it unacceptable to be appointed to our board under a quota.

We are scrupulous in ensuring that we make all of our appointments on merit alone. We believe that the key to realising the benefits of diversity lie in ensuring that our board represents the views and opinions of the different strands of the dental profession and that our discussions cover the widest range of thoughts, ideas and opinions. This is only possible by selecting the most able candidates, united by a common purpose of doing the right thing, in an environment that encourages them to express their views openly and honestly.

We encourage and welcome interest from all candidates who would add to the quality of our board's discussions. With this in mind, we have considered whether we should introduce formal diversity targets in the context of our existing meritocratic process for the appointment of non executive directors. Against this overriding objective, the group does not currently propose to set targets for diversity on our board.

Board appointment and term

Our governance committee evaluates the board's balance of knowledge, skills and experience and uses this information to guide its recruitment activities and recommendations for the appointment of directors. The committee uses open advertising in relevant publications as the primary means of attracting applications from interested candidates.

The committee reviews the details submitted by the interested candidates, agrees a shortlist to be interviewed and recommends the preferred candidate to our board for appointment. As part of the recruitment process, the governance committee considers the other commitments of the candidates to ensure they are able to devote sufficient time to the role and whether there are any conflicts of interest.

All non executive directors are reappointed annually by our members, subject to the board being satisfied with their performance and commitment to the role. The governance committee oversees the process of continued appointments.

Non executive directors appointed after 31 December 2003 must retire from the board after 15 years of service. The other non executive directors have a mandatory retirement age of 65 years.

The terms and conditions of appointment of directors are available for inspection at our registered office during normal business hours and at the annual general meeting.

Director induction

The chairman, supported by our chief executive and group secretary, is responsible for arranging a comprehensive and structured induction programme for new directors. The formal induction programme may include:

- meeting with the chief executive, other non executive directors and senior management
- attending at least one board meeting as an observer
- a formal training programme and/or technical briefing on legal, regulatory, financial management and actuarial matters
- briefings on the group's governance and risk management framework and the responsibilities of the board and its committees
- access to key governance and management documentation
- discussion of the group's structure, strategy and business plans
- review of specimen reporting packs, detailing financial and operational measures

The induction programme provides the background knowledge new directors need to perform their duties effectively, as soon as possible, after joining our board.

When non executive directors are appointed to a board committee, they are provided with further induction on the role of the committee and their additional duties.

Continuing education

We believe that keeping up to date with key business issues is vital for each director to improve and maintain their knowledge and skills so they are able to discharge their duties effectively.

Therefore, we ensure that our non executive directors:

- receive regular training sessions on areas of significance including insurance, investment management, actuarial, compliance and finance
- attend training courses covering their duties as directors
- receive formal briefings by external experts during board meetings

Our directors receive ongoing training and updates on relevant issues as appropriate. Bespoke training was held in the year covering finance and prudential regulations.

As part of each director's performance appraisal, they are given the opportunity to discuss and address any training and development needs. Each director is responsible for ensuring they remain up to date with the issues affecting the group and their responsibilities as a director.

Performance evaluation

Performance evaluation of our directors is a key component in the delivery of the group's objectives.

Every year, all directors undergo a formal appraisal, covering their work on the board and any relevant committees. In addition, led by the chairmen, our various committees evaluate their own performance as a whole. Every third year, an externally facilitated review is carried out by an independent expert.

The reviews comprise each director completing a review form in respect of their roles on our board and committees. These forms are the basis of a confidential one to one meeting between the appraiser and the director. The evaluation of executive directors is led by the chief executive and the vice chairman leads the evaluation of the chairman. The evaluation of all other directors, including the chief executive is led by the chairman.

The form covers personal, committee and board performance and includes key areas such as strategy and planning, duties and responsibilities, board structure, performance monitoring and board culture.

Our governance committee review the results of the evaluation as a whole and this forms the basis of the discussions by the board of its own performance. The committee chairmen are responsible for presenting a summary of committee related themes to other members of the committees and to the board. The results of this year's review are detailed in the governance committee's report on pages 36 and 37.

Succession

We are aware of the need for effective succession planning in securing our long term success. The governance committee regularly discusses succession planning for all key individuals and these discussions take into account the skills and experience required now and in the future. Our governance committee recognises the need to develop internal talent, as well as the need to recruit externally.

Independent advice

We recognise that, from time to time, our directors may require additional independent expert professional advice at the group's expense. During the year, the remuneration committee requested independent expert advice on the chief executive's pension arrangements.

Communications with our members

We are committed to maintaining an open dialogue with our members in order to raise understanding and awareness of our products, strategy and performance. We use the annual general meeting and industry events as the primary mechanism for doing this.

In the year under review, the directors attended various dental conferences and met with existing and prospective members.

We encourage all our members to attend the annual general meeting and notice is sent at least 30 days in advance of the meeting. At the annual general meeting, separate resolutions are proposed on each substantive issue. When an issue has been determined at the meeting by a show of hands, the chairman confirms the number of proxy votes for and against the resolution. The chairmen of our board's sub committees are also available to answer relevant questions at the annual general meeting.

Our website provides information about the group, including its results and press releases.

Compliance with the corporate governance code for mutual insurers

The directors consider that the society has complied with the code (The UK Corporate Governance Code – An Annotated Version for Mutual Insurers) throughout the year, subject to the comments in this report regarding diversity and independence.

The audit committee


Giles Kidner


Davinderpal Kooner


Alister Weightman

Committee membership and attendance at scheduled meetings

Giles Kidner (chairman)	4/4
Davinderpal Kooner	4/4
Alister Weightman	4/4

Key items in the terms of reference

- Oversight of regulatory reporting
- monitoring the integrity of the financial statements and any related announcements
- monitoring the effectiveness of the group's internal controls and risk management systems
- monitoring and reviewing the effectiveness, independence and objectivity of the internal audit function
- oversight of the relationship with the group's external auditor
- considering and making recommendations to the board for the appointment, reappointment and removal of the external auditor
- monitoring and reviewing the group's compliance with any tax obligations

Key items considered in 2016

Q1	Q2	Q3	Q4
Management report for Q4 2015	Management report for Q1 2016	Management report for Q2 2016	Management report for Q3 2016
Approval of group financial statements and regulatory returns		Review of external audit tenders	Review of internal audit report
Review of the effectiveness of the external audit and key issues memorandum		Recommendation of the appointment of Moore Stephens LLP to fill the casual vacancy of the external auditor	Review of internal audit plan for year ended 31 December 2017
Session with the external auditor, without management present		Review of whistleblowing procedures	Review of external audit plan for year ended 31 December 2016
Reappointment of the external auditor		Review of committee performance and terms of reference	Review of year end actuarial assumptions
Solvency II day 1 methodology, assumptions and valuation			Session with the internal auditor, without management present

Role of the audit committee

The role of our audit committee is to assist the board on matters of financial reporting, risk management and internal control.

Whilst all our directors have a statutory duty to act in the best interest of the society, the audit committee has a particular role to act independently of management. To this end, all members of the audit committee are independent non executive directors, who collectively possess the requisite recent and relevant experience.

The committee is scheduled to meet four times a year, to discuss items such as internal and external audit plans, the financial statements of the group, the effectiveness of the internal controls, governance (including its own terms of reference), regulatory and actuarial matters and the performance, qualifications and independence of the internal and external auditors, including their remuneration for audit services.

Only members of the committee are entitled to attend the meetings. However, our chief executive, deputy chief executive and head of finance attended all four meetings during the year by invitation from the chairman. Our audit committee also meets with the external and internal auditors, without management present at least once a year.

Throughout the year, both the internal and external auditors had unrestricted access to the audit committee.

External audit

The committee has primary responsibility for overseeing the relationship and performance of the external auditor. This includes making the recommendation on their appointment, reappointment and removal, assessing their independence on an ongoing basis and negotiating their audit fee.

It is our policy not to use our statutory auditor in the provision of non audit services and in line with UK requirements, to seek mandatory tendering of our statutory auditor every ten years, with the audit engagement partner being rotated every five.

Key items considered during 2016

The summary of items considered during the year is outlined in the table on page 32 of this report. However, the following items stood out during the year.

The annual report 2015

Our audit committee spent considerable time scrutinising the 2015 annual report in light of the group's transition to the new Financial Reporting Standards and the changes made to the key accounting policies and the new disclosure requirements.

Following discussions with management, the external auditor and the chief actuary, the committee was satisfied with the integrity of the report and approved its submission to the board for approval.

Retendering of the external audit function

In 2016, new requirements came into effect governing the audits of public interest entities like Dentists' Provident. Following an evaluation of the effects of the new requirements, Buzzacott LLP decided to withdraw from providing audit services to such businesses and resigned from office in September.

Following the committee's recommendation to our board, Moore Stephens LLP were appointed to fill the casual vacancy arising as a result of Buzzacott LLP's resignation. The audit committee also recommended that a resolution be included at the next Annual General Meeting in May 2017, to appoint the firm as the group's statutory auditor.

Solvency II

The new Solvency II regulations came into effect on 1 January 2016 and following considerable preparatory work from our actuarial resources, we were ready on time. As part of these new regulations, the committee is responsible for reviewing and recommending to the board, the proposed methodology and assumptions used to value our assets and technical provisions under the Solvency II standard formula.

Following discussions with the chief actuary and the executive team, the methodology and assumptions put forward were approved by the committee.

2016 annual report and financial statements

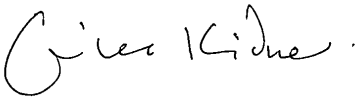
The committee has considered our annual report and financial statements for 2016 and has recommended them for approval by the board.

As part of the review process, the committee paid particular attention to matters of significance by virtue of their impact on the overall view of the accounts. These included:

- calculation of the fair value of investments in funds comprising non publically traded investments
- calculation of the fair value of properties, including those occupied by group undertakings
- recognition of income from investments in the financial statements
- valuation assumptions used in calculating the long term business provision

For each key area of judgement, the committee scrutinised the information and explanations provided by management, the external auditor and the chief actuary.

The committee also considered and discussed the clarity of disclosure within the annual report and financial statements, compliance with reporting guidelines and the basis of preparation of the financial statements.



Giles Kidner
Audit committee chairman
17 March 2017

The investment and capital management committee


Farrukh Mirza


Simon Elliott


Kathryn Woolass

Committee membership and attendance at scheduled meetings

Farrukh Mirza (chairman)	4/4
Simon Elliott	4/4
Kathryn Woolass	4/4

Key items in the terms of reference

- oversight of the group's investment strategy
- reviewing and approving the asset and liability management strategy
- oversight, appointment and removal of investment consultants and managers
- reviewing and monitoring the group's capital adequacy and capital management plans
- reviewing and monitoring liquidity, market and credit risk management strategies and policies
- agreeing the bonus recommendations with the chief actuary and making recommendations to the board

Key items considered in 2016

Q1	Q2	Q3	Q4
Review of the investment performance for Q4 2015 and market outlook	Review of the investment performance for Q1 2016 and market outlook	Review of the investment performance for Q2 2016 and market outlook	Review of the investment performance for Q3 2016 and market outlook
Assessment of new asset manager	Assessment of new asset manager	Decision on new investment manager appointment	Review of valuation assumptions and bonus rates
Review of tactical asset allocation	Review of tactical asset allocation	Review of tactical asset allocation	Review of tactical asset allocation
Review of capital adequacy, management plans and capital position	Review of capital adequacy, management plans and capital position	Review of capital adequacy, management plans and capital position	Review of investment consultants' performance
Review of the Solvency II day 1 valuation		Review of committee performance and terms of reference	

Role of the investment and capital management committee

The role of our investment and capital management committee is to assist the board in discharging its duty to effectively identify, assess and manage investment and capital management related risks.

In addition to focusing on credit, market and liquidity risks facing the group, the committee also oversees the group's capital management arrangements and the adequacy and sustainability of our bonus strategy.

The committee is responsible for the stewardship of the group's investment strategy and is scheduled to meet four times a year to discuss items such as capital adequacy, bonus rates, investment strategy, tactical asset allocation, performance of our investment managers and investment consultants and making recommendations regarding their appointment and removal.

The speed at which investor information disseminates through the financial markets means the committee must be structured in a way that decisions can be made in a timely and efficient manner. Therefore, the committee is made up of the group's chairman, chief executive and deputy chief executive to enable quorate meetings to be held at short notice.

Only members of the committee are entitled to attend the meetings. However, the head of finance attended all four of the meetings during 2016, by invitation from the chairman.

Throughout the year, the committee had unrestricted access to the group's investment consultants and chief actuary/with profits actuary.

Key items considered during 2016

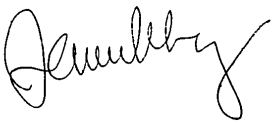
The summary of the items considered during the year is outlined in the table on page 34 of this report. However, the following key items stood out during the year.

The appointment of a new investment manager

The committee considered appointing a new equity manager but was not satisfied by the results of the legal due diligence and decided not to proceed with the investment.

Solvency II

The new Solvency II regulations came into effect on 1 January 2016. The committee reviewed and approved the appropriateness of the use of the standard formula and the economic assumptions used to undertake best estimate calculations.



Farrukh Mirza
Investment and capital management committee chairman
17 March 2017

The governance committee


Martyn Green


Davinderpal Kooner


Kathryn Woolass

Committee membership and attendance at scheduled meetings

Martyn Green (chairman)	4/4
Davinderpal Kooner	4/4
Kathryn Woolass	4/4

Key items in the terms of reference

- oversight of governance arrangements
- oversight of succession arrangements for executive and non executive directors
- authorisation of senior appointments
- monitoring progress against the group's strategy
- oversight of major infrastructure projects
- oversight of enterprise risk management

Key items considered in 2016

Q1	Q2	Q3	Q4
Board appointments and succession planning	Board composition and succession planning	Board composition and succession planning	Board composition and succession planning
Review of strategy and progress against plans	Review of strategy and progress against plans	Annual review of strategy and own risk and solvency assessment	Review of strategy and progress against plans
Review of the proposed nominations for the remuneration committee	Review of key enterprise risk management issues	Assessment of the impact of Brexit on the group	Review of emerging enterprise risks
Review of board composition		Review of key enterprise risk management issues	Review of annual budget for 2017
Handover of responsibilities to remuneration committee		Board performance review	
Review of emerging enterprise risks		Review of committee performance and terms of reference	

Role of the governance committee

Our governance committee's primary areas of responsibility are the oversight of the governance arrangements, board nomination duties, strategy and major infrastructure projects and enterprise risk management.

The nomination duties focus on ensuring our board has the appropriate mix of skills and knowledge to fulfil its responsibilities and that appropriate arrangements are in place for the succession of key personnel.

The oversight of strategy and major infrastructure projects involves monitoring progress on key strategic initiatives on behalf of our board. The committee acts as the first line of challenge to the detailed strategy initiatives produced by the executive directors.

The committee is also responsible for supporting the work of other committees in identifying, assessing and monitoring the new and emerging risks facing the group and making recommendations regarding risk appetite to the board and evaluating the effectiveness of the group's governance and risk management framework.

Our chief executive is required to attend all or part of the committee meetings. The committee comprises the group's chairman, the vice chairman and an independent non executive director jointly appointed by the chairman and vice chairman and is scheduled to meet at least four times a year.

The governance committee previously had oversight of all remuneration related matters until these were transferred to the remuneration committee in February 2016.

Key items discussed during 2016

The summary of the items discussed during the year is outlined in the table on page 36 of this report. However, the following key items stood out during the year:

Formation and handover to the remuneration committee

The committee reviewed the governance arrangements for the group in light of changes in the UK regulatory regime and recommended that the remuneration responsibilities be delegated to a separate remuneration committee, with Huw Winstone as chairman.

Monitoring the progress of our infrastructure projects

The committee reviewed the progress against plans of the key infrastructure projects to ensure these remained on track to deliver the planned benefits for the group.

Performance evaluation

The committee also considered the performance, independence and commitments of the existing directors standing for re election at this year's annual general meeting. It unanimously recommends to the members that all those directors listed within the notice of the annual general meeting offering themselves for reappointment, be re elected.

Martyn Green
Governance committee chairman
17 March 2017

The operational risk and reputation committee


Alister Weightman


Martyn Green


Helen Harrison


Huw Winstone


Raj Raja Rayan OBE

Committee membership and attendance at scheduled meetings

Alister Weightman (chairman) (appointed February 2016)	4/4
Martyn Green	4/4
Helen Harrison	1/4
Huw Winstone (appointed February 2016)	4/4
Raj Raja Rayan OBE (retired March 2016)	1/1

Key items in the terms of reference

- monitoring the adequacy of the risk systems and making appropriate recommendations to the board
- reviewing and reporting to the board on the systems governing the identification and management of insurance and operational risks
- receiving and reviewing regular reports from the executive and making appropriate recommendations to the board
- receiving and reviewing reports on legal and regulatory compliance and making appropriate recommendations to the board

Key items considered in 2016

Q1	Q2	Q3	Q4
Report from head of compliance and risk	Report from head of compliance and risk	Report from head of compliance and risk	Report from head of compliance and risk
Update on key conduct and reputational risk issues	Update on key conduct and reputational risk issues	Update on key conduct and reputational risk issues	Update on key conduct and reputational risk issues
	Update on the group's business continuity arrangements	Review of committee performance and terms of reference	Review of regulatory and money laundering risks
			Update on the group's business continuity arrangements

Role of the operational risk and reputation committee

Our operational risk and reputation committee oversees the adequacy of the operational, conduct and reputational risk management processes in place.

The committee regularly reports to our board on the systems governing the management of key operational, reputational and conduct risks and makes appropriate recommendations, when required.

The committee is made up of three independent non executive directors, who are the only individuals with the right to attend the committee meetings.

During the year, the chairman extended invitations to the chief executive and deputy chief executive to all four scheduled committee meetings. At each of its meetings, the committee received updates on key developments.

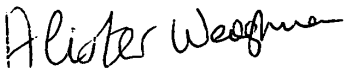
Key items discussed during 2016

The summary of the items discussed during the year is outlined in the table on page 38 of this report. However, the following stood out during the year.

Improving the risk monitoring process

The committee discussed and reviewed the key risk metrics to allow it to better track the group's progress against the risk management agenda. These changes are now in place and focus on the areas which the committee considers are key to the long term success of the group.

The committee also monitored the group's business continuity plans as well as undertaking regular thematic reviews of feedback from our members.



Alister Weightman
Operational risk and reputation committee chairman
17 March 2017

The remuneration committee (formed February 2016)

Huw Winstone

Kathryn Woolass

Davinderpal Kooner

Committee membership and attendance at scheduled meetings

Huw Winstone (chairman)	3/3
Kathryn Woolass	3/3
Davinderpal Kooner	3/3

Key items in the terms of reference

- oversight of remuneration arrangements for directors
- monitoring the structure of remuneration for the management team
- determining the targets for any performance related pay plans for the group
- oversight of any changes in employee benefit structures for the group

Key items considered in 2016

Q1	Q2	Q3	Q4
	Handover of responsibilities from the governance committee	Review of the executive remuneration policy	Review of annual packages for executive directors
	Induction and training arrangements of new committee members	Regulatory review	Discussion of remuneration for non-executive directors
	Regulatory review	Review of committee performance and terms of reference	Discussion of employee remuneration and bonus pool for 2017

Role of the remuneration committee

Our remuneration committee has oversight of the group's remuneration related matters. It is made up of three independent non executive directors who are the only individuals with the right to attend the committee meetings. The chief executive, deputy chief executive and head of human resources may also attend the meetings at the invitation of the chairman.

The committee is scheduled to meet at least once a year to review and set the remuneration policy for the directors as well as determining the total individual remuneration package for each executive director. As a rule, no director participates in any part of the meeting covering their own remuneration.

The committee also oversees the level and structure of the remuneration for the senior management team as well as approving any performance related pay plans operated by the group.

Key items discussed during 2016

The summary of the items discussed during the year are outlined in the table on page 40 of this report. However, the following stood out during the year:

Chief executive remuneration package

Since its formation in February 2016, the committee has worked with Barnet Waddingham LLP on the ongoing review of the chief executive's pension arrangements.

Group remuneration

The committee considered the policy and level of directors' and senior management's remuneration. The committee also reviewed the terms of the employee incentive plan and approved the 2017 distribution pool.

The directors' remuneration report, which includes further details on the remuneration policy, is set out on pages 42 to 43.

Huw Winstone
Remuneration committee chairman
17 March 2017

Directors' remuneration report

The remuneration policy

The objectives of any good remuneration policy are to attract, motivate and retain effective people. The key features of our remuneration policy, in relation to our executive directors, are as follows:

- to reward genuine contribution to the long term success of the society with packages aligned to the interests of our members
- give due consideration to the market environment, but be largely driven by the individual's level of responsibility, competence and contribution to our success
- make the retired dentists' plan mandatory for executive directors, to align their long term financial interests with those of our members
- ensure that notice periods are in accordance with general market practice

Executive directors' base salary

An executive director's base salary provides the core reward for the role and is set at a level designed to recruit, retain and motivate the skilled individuals required to deliver our strategy. Our remuneration committee (without any input from executive directors) reviews base salaries annually. When doing so, it takes into account factors such as:

- inflation data
- the individual's responsibilities, skills and experience
- the competitiveness of the salary, by reference to other organisations of similar size and industry and, most importantly, the results of the annual performance reviews
- feedback from independent remuneration consultants

Taking into account the contribution of the executives to the group and their remuneration compared with their peers, it was agreed that Farrukh Mirza be awarded a 2.5% salary increase with effect from 1 January 2016. The committee recommended a 10% increase in Simon Elliott's remuneration, also with effect from 1 January 2016, to reflect his new role and responsibilities as a director.

Executive directors' bonuses

Our board has recognised for many years the asymmetric nature of the risk/reward relationship, especially in relation to bonuses, and the logistical difficulties of implementing a plan that fits appropriately with the group's not for profit objectives.

For this reason, we continue to shun bonuses for executive directors. The primary component of executive directors' reward is therefore the base salary.

Fees for the chairman and non executive directors

The executive directors are responsible for setting and reviewing the fees of the non executive directors each year.

The chairman is consulted on the fee arrangements generally and the vice chairman on the fees for the chairman. Changes to the fees normally take effect from 1 January each year.

Non executive directors receive a basic fee and additional fees are payable for membership and chairmanship of the various committees.

Non executive directors may also claim session charges based on the British Dental Guild rate, but only for duties which do not form part of their normal duties and responsibilities.

Having regard to the economic environment, the performance of the society and non executive directors' remuneration compared with their peers, no changes in non executive director remuneration rates were proposed for 2016. Changes in the remuneration of individual non executive directors in 2016 were due to changes to their committee responsibilities in the year.

Benefits

The group's benefits package is designed to provide competitive monetary and non monetary benefits to assist the employees in carrying out their duties efficiently. Benefits are set within agreed parameters and are consistent across the group. The benefits package for executive directors includes health insurance and life insurance. Non executive directors are not entitled to any contractual benefits.

Retirement benefits

The chief executive is a member of the society's targeted final salary, defined contribution pension scheme, which is closed to new entrants. The deputy chief executive is a member of the group's defined contribution arrangement, which is open to all employees.

The chairman and non executive directors do not have any pension benefits.

During the year under review, no contributions (2015: £nil) were made in respect of the chief executive. The society makes contributions of 8% of basic salary in respect of the deputy chief executive.

Directors' remuneration

Details of directors' remuneration are set out in note 12 to the financial statements.

Service contracts

Subject to the requirements of the law and best practice, the directors' service contracts and terms and conditions of employment aim to strike the appropriate balance between the interests of the group and those of the individual. Copies of the directors' service contracts and letters of appointment are available for inspection at the registered office of the society.

The current notice period for non executive directors is six months and nine months for executive directors, which can be given by either party.

Non executive directors are not entitled to any compensation for loss of office and executive directors' compensation is limited to contractual notice pay entitlement.

External directorships

The executive directors are permitted to hold appropriate external non executive director appointments, provided they do not conflict with their commitments to the group. The executive directors may retain the fees paid for these services, subject to prior approval by the chairman.

No non executive directorships were held by the executive directors during the year.

Huw Winstone
Remuneration committee chairman
17 March 2017

Directors' report

This report should be read in conjunction with the strategic report on pages 4 to 23.

Principal activity and objectives

Dentists' Provident is a not for profit mutual organisation, incorporated under the Friendly Societies Act 1992. The group's principal business activity is the provision of income protection insurance to dentists in the UK and Ireland under the Holloway Contract principles.

A full discussion of the group's strategy is contained in the 'our business model' section of the strategic report.

The group did not undertake any activities during the year that were outside its powers.

Business review and future developments

An analysis of the future development and performance of the business can be found within the chairman's statement, the chief executive's report and the financial review section of the strategic report.

A description of the material risks facing the group are set out in the risk management section of the strategic report.

Cautionary statement regarding forward looking information

This annual report and financial statements contains forward looking statements. These are made by the directors in good faith, based on the information available at the time of the approval of the annual report and financial statements. The statements should be treated with caution, due to the inherent risks and uncertainties underlying such forward looking information. A number of factors, including those in this document, could cause actual results to differ materially from those contained in any forward looking statement.

The society does not intend to update any of these statements.

Bonuses

The board recommended that dividend rates remain unchanged at £1.56 and £1.80 for the income protection and retired dentists' plan holders respectively. Interest and terminal bonus rates also remain unchanged at 5% and 15% respectively. Total bonuses allocated to members in 2016 amounted to £7.314 million (2015: £7.126 million).

Directors

The names and biographies of the individuals who served as directors of the society during the year are set out on pages 24 to 25.

Indemnification of directors

In accordance with the society's memorandum and rules and applicable laws in England and Wales, the group provided an indemnity to the directors of the society and its subsidiary. In addition, the group maintained directors' and officers' liability insurance for the benefit of its directors and officers during the year under review.

Donations

Charitable donations totalled £6,300 (2015: £5,898). The group's policy on donations is to provide assistance to small local charities, bodies involved in improving dental health and those providing services to members of the dental profession facing financial and health issues.

Changes in fixed assets

Details of significant changes in the fixed assets of the group are detailed in note 18 to the financial statements.

Solvency

Throughout the financial year, the society maintained its solvency in excess of the required margin for its relevant class of business.

Accountability and internal controls

The board acknowledges its overall responsibility for the group's system of internal controls and for reviewing its effectiveness. On a day to day basis, the group's senior management is responsible for the operation, management and effectiveness of the system of internal controls. No material changes have been made to the internal controls system in the year.

The board has reviewed the effectiveness of internal controls during the year, including financial and operational controls. The board confirms that there is a continuous process for the identification, evaluation and management of the key risks facing the group, which were in place throughout the year and up to the date of the approval of the annual report and financial statements.

The board acknowledges that it is neither possible nor operationally efficient to eliminate risk completely. The group's system of internal controls is designed to manage, as opposed to eliminate, control risk and can only provide reasonable assurance against material misstatement, loss or error. Significant effort is dedicated to being fully aware of the risks to the group and managing these to an acceptable level.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 4 to 23.

The group meets its working capital requirements through maintaining part of its assets in suitably liquid assets such as cash and cash equivalents. The board believes the group has adequate resources to manage its business risks and the society and the group have sufficient resources and recurring income to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in the preparation of the financial statements.

On behalf of the board

Simon Elliott
Group secretary
17 March 2017

Statement of directors' responsibilities

Directors' responsibilities for preparing the financial statements

The following statements should be read with the statement of auditors' responsibilities included in the independent auditors' report. They are made to help members distinguish between the responsibilities of the directors and those of the auditor in relation to this year's financial statements.

The directors are responsible for preparing the annual report and financial statements. It is also their responsibility to state that they consider that the annual report and financial statements, when taken as a whole, is fair, balanced and understandable and provides the information necessary for members to assess the group's performance, business model and strategy.

Under the Friendly Societies Act 1992, the directors are required to prepare and approve financial statements for each financial year. The directors must only approve the financial statements when they are satisfied that they give a true and fair view of how the group and the society have performed at the end of the financial year, and that they give a true and fair view of the surplus or deficit of the group and the society for that year. The financial statements of the group and, where relevant, the society, have been prepared in accordance with:

- United Kingdom generally accepted accounting principles (UK GAAP)
- The Friendly Societies Act 1992

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the basis that the group is a going concern, unless it is inappropriate to presume that the group will continue in business

The directors are responsible for ensuring that proper accounting records are maintained. These must disclose, with reasonable accuracy at any time, the financial position of the group and the society and enable the directors to ensure that the financial statements comply with the Friendly Societies Act 1992.

The directors are also responsible for:

- safeguarding the assets of the group and the society
- taking reasonable steps to prevent and detect fraud and other irregularities
- ensuring the maintenance and integrity of the corporate and financial information included on the society's website

UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

Each of the directors in office at the date of signing these financial statements, whose names and functions are listed in the board of directors section on pages 24 and 25, confirms that to the best of their knowledge and belief, the group and the society's financial statements, which have been prepared in accordance with UK GAAP, give a true and fair view of the assets, liabilities, financial position and surpluses of the group and of the society and, taken as a whole, are fair, balanced and understandable.

On behalf of the board

Simon Elliott
Group secretary
17 March 2017

Independent auditors' report

To the members of Dentists' Provident Society Limited

Our opinion

In our opinion, Dentists' Provident Society's group financial statements and society financial statements:

- give a true and fair view of the state of the group's and of the society's affairs as at 31 December 2016 and of the group's and the society's income and expenditure 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 Friendly Societies Act 1992.

What we have audited

The financial statements included within the annual report and financial statements, comprise:

- the consolidated and society balance sheets as at 31 December 2016;
- the consolidated and society income and expenditure accounts for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom accounting standards comprising FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland', FRS 103 'Insurance contracts' and applicable law.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, set out on page 46, the directors are responsible for the preparation of the group 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 group 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 (APB's) ethical standards for auditors.

This report is made solely to the society's members, as a body, in accordance with section 73 of the Friendly Societies Act 1992. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' 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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group'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 financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of the risks of material misstatement

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. A summary of areas of audit focus are included in the table shown opposite. We have detailed our response to the risks identified and have commented on the outcome of the planned procedures. This is not a complete list of all risks identified by our audit.

Summary of areas of audit focus

Area of audit focus	Description	Assessment
The valuation of the sickness business provision	The group financial statements include a long term business provision of £129.197 million (2015: £128.902 million), which represents the estimated costs of settling benefits and claims associated with income protection products. This is set out in further detail in note 21. We have assessed this area as being of significant risk to the audit due to the significance of these amounts in deriving the group's results and because of the assumptions underpinning the calculation, which can be highly subjective.	In assessing the valuation of the long term business provision, we performed the following procedures: • We have utilised an independent actuary to report to us on the methodology applied in the calculation of the provision and the accuracy of the calculation itself. • We have obtained and reviewed the actuarial reports prepared by the Society's actuary and our reviewing actuary and ensured that all relevant judgements and estimates have been considered in forming our opinion. • We have reviewed and assessed changes to the assumptions used in the calculation to ensure these are reasonable and in line with acceptable parameters.
Calculation of the bonus provision	The risk of bonuses and the bonus provision not being correctly recorded in the nominal ledger. Bonuses are awarded as dividends on shares or interest on the bonus account balance as at the start of the year. Any withdrawals or changes in shareholdings during the year instils a degree of inherent uncertainty in the calculation and application of the dividends and interest.	In assessing the calculation we have: • Assessed the accuracy and completeness of recording and reporting of dividends and interest by the system, through a re-performance of the bonus calculation. This analysed the dividends, interest and terminal bonuses for all members. No issues were noted during the re-performance. • Reconciled the recorded annual interest and dividends in the policy administration system to the nominal ledger on a total basis. • Ensured that the interest rate and dividend per share had been agreed to board approval. • Substantively tested a sample of withdrawals in the year. No issues or exceptions noted from our sample testing.
Investment valuation	The valuation of certain investment funds is subject to judgement as market valuations are not available at the year end date.	In auditing these valuations, we have: • Reviewed the valuation of the funds and assessed the movement quarter to quarter during the year to assess the probability of material volatility in the valuation at year end. We are satisfied that there is no evidence of material misstatement in the valuation. • Assessed the performance of the wider investment market in the final quarter of the year, to assess whether there has been wider volatility in the market, which would indicate a material misstatement of valuation. No such volatility was noted that would impact the fund materially. • Ensured that foreign exchange rates have been assessed in comparison to market data and were found to be reasonable.

Our application of materiality

In planning and performing our audit we were influenced by our application of materiality. We set certain quantitative measures and thresholds for materiality, which, together with other qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of the procedures performed.

Based on our professional judgement, we determined materiality for the financial statements as a whole to be £2.300 million. The determinant in this assessment was the fund for future appropriations, as we consider this to be the most relevant benchmark. Our materiality represents 2% of this number.

Due to the much lower quantum of numbers included in the income and expenditure account, we have applied a lower level performance materiality of £200,000 to this primary statement and to the associated notes.

We have agreed with the audit committee that we shall report to them any misstatements in excess of £50,000 that we identify through the course of our audit, together with any qualitative matters that warrant reporting.

Opinion on other matters prescribed by the Friendly Societies Act 1992

In our opinion the directors' report has been prepared in accordance with the Friendly Societies Act 1992 and the regulations made under it, and the information therein is consistent with the financial statements for the financial year.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

(i) Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

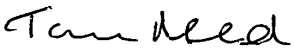
- materially inconsistent with the information in the audited financial statements;
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit;
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statements that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

(ii) Under the Friendly Societies Act 1992 we are required to report to you, if in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all information and explanations and access to documents that we require for our audit.

In accordance with our instructions from the society we review whether the corporate governance statement reflects the society's compliance with the provisions of the Annotated UK Corporate Governance Code specified by the Association of Financial Mutuals.



Thomas Reed
Senior Statutory Auditor

For and on behalf of
Moore Stephens LLP
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

17 March 2017

Consolidated income and expenditure account

For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Earned premiums	5	14,071	13,818
Investment income	6	7,019	3,844
Unrealised gains on investments	7	19,682	14,360
Total income		**40,772**	**32,022**
Claims incurred	8	(9,652)	(9,442)
Withdrawals from bonus accounts by members	21	5,459	5,255
Sickness business provision	21	793	1,566
Changes in long term business provisions		**6,252**	**6,821**
Bonuses	9	(7,314)	(7,125)
Net operating expenses	10	(3,714)	(3,552)
Investment management expenses		(213)	(293)
Total expenses		**(3,927)**	**(3,845)**
Taxation	13	55	(1,469)
Transfer to fund for future appropriations	20	**26,186**	**16,962**

The attached notes form an integral part of these financial statements.

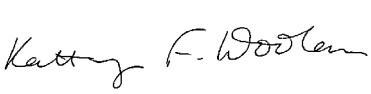
Consolidated balance sheet

31 December 2016

	Note	2016 £000	2015 £000
Assets			
Land and buildings	14	20,525	20,525
Other financial investments	16	239,693	207,287
Total investments		**260,218**	**227,812**
Debtors	17	124	39
Tangible fixed assets	18	4,240	1,854
Cash at bank and in hand		8,748	17,784
Total other assets		**12,988**	**19,638**
Prepayments and accrued income		307	196
Total assets		**273,637**	**247,685**
Liabilities			
Fund for future appropriations	20	140,462	114,276
Long term business provision	21	129,197	128,902
Provisions for liabilities	23	1,571	1,713
Creditors	24	2,407	2,794
Total liabilities		**273,637**	**247,685**

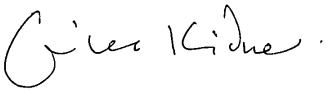
The attached notes form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 17 March 2017.



Kathryn Woolass
Group chairman

Farrukh Mirza
Group chief executive



Giles Kidner
Chairman of the audit committee

Society income and expenditure account

For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Earned premiums	5	14,071	13,818
Investment income	6	6,465	3,443
Unrealised gains on investments	7	19,682	6,410
Total income		**40,218**	**23,671**
Claims incurred	8	(9,652)	(9,442)
Withdrawals from bonus accounts by members	21	5,459	5,255
Sickness business provision	21	793	1,566
Changes in long term business provisions		**6,252**	**6,821**
Bonuses	9	(7,314)	(7,125)
Net operating expenses	10	(3,591)	(3,443)
Investment management expenses		(213)	(293)
Total expenses		**(3,804)**	**(3,736)**
Transfer to fund for future appropriations	20	**25,700**	**10,189**

The attached notes form an integral part of these financial statements.

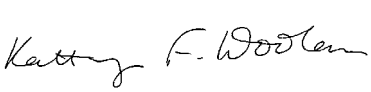
Society balance sheet

31 December 2016

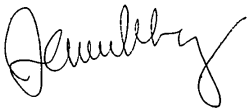
	Note	2016 £000	2015 £000
Assets			
Investment in subsidiary	15	4,600	4,600
Other financial investments	16	238,676	206,275
Total investments		**243,276**	**210,875**
Debtors	17	7,003	6,980
Tangible fixed assets	18	4,225	1,843
Cash at bank and in hand		7,419	16,900
Total other assets		**11,644**	**18,743**
Prepayments and accrued income		106	88
Total assets		**262,029**	**236,686**
Liabilities			
Fund for future appropriations	20	130,850	105,150
Long term business provision	21	129,197	128,902
Creditors	24	1,982	2,634
Total liabilities		**262,029**	**236,686**

The attached notes form an integral part of these financial statements.

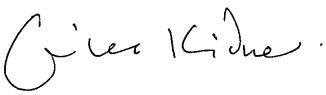
The financial statements were approved by the board of directors and authorised for issue on 17 March 2017.



Kathryn Woolass
Society chairman



Farrukh Mirza
Society chief executive



Giles Kidner
Chairman of the audit committee

Notes to the financial statements

For the year ended 31 December 2016

1. General information

The Dentists' Provident group, resident in the United Kingdom, comprises the Dentists' Provident Society Limited (the parent undertaking) and its wholly owned subsidiary, 1908 Property Holdings Limited.

The address of the registered office is 91-94 Saffron Hill, London, EC1N 8QP. The nature of the group's operations and its principal activities are set out in the strategic report on pages 4 to 23.

All figures are rounded to the nearest £1,000.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standards 102 and 103 (FRS 102 and 103) issued by the Financial Reporting Council. These financial statements are presented in accordance with the Friendly Societies (Accounts and Related Provisions) Regulations 1994.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 4 to 23. The report further describes the financial position of the group, liquidity position, the group's objectives, policies and processes for managing capital, its financial objectives, details of its financial instruments and its exposure to key risks.

The group meets its operational capital requirements through maintaining part of its assets in suitably liquid assets such as cash and cash equivalents. The board believes the group has adequate resources to manage its business risks and the society and the group have sufficient resources to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in the preparation of the financial statements.

Statement of cash flows

No statement of cash flows has been presented as Dentists' Provident meets the definition of a mutual life assurance company.

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of the parent and its subsidiary drawn up to 31 December 2016. The subsidiary has been consolidated from the date it commenced trading and all intercompany balances, surplus and transactions are eliminated.

2.3 Foreign currencies

The functional currency of the group is pounds sterling as it is the currency of the primary economic environment in which the group operates.

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange prevailing at the balance sheet date. All exchange gains and losses are included in the income and expenditure account.

2.4 Insurance classification

Insurance contracts are defined as those contracts under which the society accepts significant insurance risk from the member, by agreeing to compensate them if a specified uncertain future event adversely affects them. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

2.5 Revenue recognition

Premium income

The Holloway Contract is a long term insurance contract and premium income is recognised in the income and expenditure account when due from the members of the society. Where a contract lapses due to non receipt of premiums, then any premium income accrued but not received relating to the period after the date of lapse, is offset against premiums.

Investment income

Investment income includes dividends, interest, rent, realised gains and losses on the sale of investments and related expenses. Dividends, interest and rent are recorded on an accruals basis. Realised gains and losses on investments are calculated as either, the difference between the net sales proceeds and original cost in the case of investments purchased in the year, or as the difference between the net sales proceeds and prior year's valuation.

Unrealised gains and losses

Unrealised gains and losses on investments are calculated as the difference between the current and prior year end valuations or purchase price, if acquired in the year.

2.6 Taxation

The existing activities of the society are not chargeable to income or corporation tax in the UK.

The corporation tax currently payable is based on the subsidiary's taxable surplus in the financial year. Taxable surplus differs from net surplus as reported in the income and expenditure account, because it excludes items of

income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible.

The group's liability for current tax is calculated using applicable tax rates that have been substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. It arises where transactions or events which have occurred as at the balance sheet date result in an obligation to pay more, or a right to pay less, tax in the future. Timing differences are differences between the group's taxable surplus and its results as stated in the financial statements. These differences arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surplus from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference. Deferred tax relating to the sale of an investment property of the subsidiary is measured using the tax rates and allowances that will, or are reasonably expected to, apply to the sale of the asset.

Where items are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of the financial statements as the transaction or event which resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if:

- the group has a legally enforceable right to set off the current tax assets and liabilities; and
- the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same taxable entity.

2.7 Tangible fixed assets

Tangible fixed assets comprising fixtures, fittings, plant and equipment, and computer software and equipment, are stated at cost net of depreciation and any provision for impairment. Cost includes any associated expenditure directly attributable to the acquisition of the asset. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life. The group uses the following rates:

- Fixtures, fittings, plant and equipment at 10% and 12.5% per annum on a straight line basis
- Computer equipment and software at 20% and 25% per annum on a straight line basis

No depreciation is provided on assets in the course of construction.

2.8 Retirement benefit costs

Payments to the two defined contribution retirement benefit schemes are charged as an employee benefit expense as they fall due. Both schemes are independently administered by a third party and contributions are made on a contractual basis.

2.9 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is immediately recognised in the income and expenditure account.

An asset is impaired where there is objective evidence that as a result of one or more events after initial recognition, the estimated recoverable value of an asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. The impairment loss is reversed only to the extent that the revised carrying amount is no higher than the carrying value had no impairment been recognised.

2.10 Land and buildings

Land and buildings are held by the group to earn rental income and/or provide potential for future capital growth.

Land and buildings are initially recognised at cost, being the fair value of the consideration given, including the directly attributable transaction costs associated with the acquisition. Subsequent capital expenditure is then capitalised and included within the cost of the property.

In the year of acquisition, the cost of the land and buildings is deemed reflective of its fair value in the open market. In subsequent years, land and buildings are measured at fair value annually, with any change in fair value being recognised in the group's income and expenditure account.

2.11 Other financial investments

Recognition

Financial assets and liabilities are recognised when a member of the group becomes party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any instrument or contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Initial measurement

All financial assets and liabilities are initially measured at transaction price.

Subsequent measurement

Debt instruments that are classified as payable or receivable within one financial year, and which meet the following criteria, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

a. Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

b. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

c. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

d. There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Investments in collective investment schemes are measured at fair value with changes in fair value recognised in the income and expenditure account.

Realised and unrealised gains and losses arising from changes in fair value of investments are presented in the income and expenditure account in the period in which they arise. Dividend and interest income is recognised when earned. Investment management and other related expenses are recognised when incurred.

Derecognition of financial assets and liabilities

Financial assets are derecognised when:

- the contractual rights to the cash flows from the financial assets expire or are settled;
- substantially all of the risks and rewards of ownership of the financial assets are transferred to another party; or
- suitable levels of control of the assets have been transferred to another party so they have the practicable ability to sell the assets in their entirety to an unrelated third party and are able to exercise that ability unilaterally without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expired.

Fair value measurement

Where possible, the group will use the price quoted in an active market for an identical asset as at the measurement date as a measurement of fair value. If this information is not available, the board will follow the fair value hierarchy as set out by FRS 102 and outlined below to estimate the fair value.

a. The quoted price for an identical asset in an active market. An active market means when prices are readily and regularly available and that these prices represent actual and regularly occurring market transactions on an arm's length basis.

b. If quoted prices are unavailable, the price of a recent transaction for an identical asset, as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

c. A suitable valuation technique which can estimate what the transaction price would have been on the measurement date in an arm's length transaction.

Loans and other receivables are carried at cost less any provision for impairment in value.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Deposits held with credit institutions

Deposits held with credit institutions comprise monetary items, the withdrawal of which is subject to a fixed time constraint, and are measured at fair value.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

2.12 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Rentals receivable under operating leases are recognised as investment income on a straight line basis over the terms of the relevant lease.

Rentals payable under operating leases are recognised as operating expenses on a straight line basis over the terms of the relevant lease.

2.13 Insurance contracts

Claims

Claims incurred comprise sickness benefit and withdrawals of capital by the members of the society, net of subrogation recoveries. Claims are recognised in the financial statements when the relevant criteria for the payment of the claim are satisfied by the claimant.

Acquisition costs

Acquisition costs represent the direct and indirect costs relating to obtaining and processing new business.

Commissions consist of fees earned by independent third party financial advisers and are directly related to the acquisition of new business.

Having regard to the future premium levels, the directors do not consider the deferred acquisition costs to be material. As a consequence, all acquisition costs are recognised in the income and expenditure account in the period they are incurred

Long term business provision

Members' bonus accounts

The value of the member's bonus accounts is stated at current value.

Sickness business provision

At each reporting date the group performs a review of its long term business provision to ensure that its carrying value is appropriate, using current estimates of future cash flows and taking into account the relevant investment return. If that assessment shows the carrying amount of the liability is not appropriate, any deficiency or surplus is recognised as an expense or income in the income and expenditure account and with an increase or reduction in the liability for claims provisions being recognised.

The long term business provision is calculated by the chief actuary, having due regard to the requirements of the Friendly Societies (Accounts and Related Provisions) Regulations 1994.

2.14 Insurance receivables and payables

Receivables and payables arising under insurance contracts are recognised when due and are measured at amortised cost using the effective interest rate method. A provision for impairment is established when there is objective evidence that as a result of one or more events that occurred after initial recognition, the estimated future cash flows have changed.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations, which are dealt with separately, that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Fair value of certain assets

The directors use their judgement in selecting appropriate valuation techniques. Where possible, prices quoted for identical assets in active markets are used. However in certain instances, such price information is not available and the group must use alternative valuation techniques instead. Wherever possible, these techniques use market observable inputs derived from recent transactions for similar assets, in similar active markets. However in the absence of such data, other observable market data is used.

Deferred tax

The directors' judgement is required to determine the value of the deferred tax provision which should be recognised in the group accounts. Deferred tax arises on timing differences between taxable surplus and the net surplus of the subsidiary. The amount recognised is estimated using the tax rates that have been substantively enacted at the balance sheet date, which means the amount of tax which is paid in the future, could differ from these estimates.

Estimation of the sickness business provision

The value of the sickness business provision, classified as a liability within the balance sheet, contains an estimation of the net future liability in respect of the expected future and current sickness benefit claims.

The directors are responsible for approving the recommendations for the valuation methodology and assumptions used in calculating the sickness business provision. These recommendations are prepared and presented in accordance with the applicable Technical Actuarial Standards issued by the Financial Reporting Council and are subject to the review of the society's chief actuary.

4. Risk management objectives and policies

The business activities of the group expose it to a number of potential risks that can impact its abilities to meet its business objectives. The board is responsible for the group's internal control systems and for reviewing their effectiveness. The systems are designed to manage, as opposed to eliminate, risk and aim to provide reasonable and not absolute assurance.

The group's overall appetite for accepting and managing risks is set by the group's board. The group's risk management policies and procedures cover areas such as risk identification, management and reporting. The primary objective of the risk management framework is to protect the members, employees and other key stakeholders from consequences that could negatively affect the group's ability to meet its contractual, business and social objectives.

This note covers the risks relevant to the group's operations and financial statements from a qualitative and quantitative perspective.

Insurance risk

The risk under a contract of insurance with a member is the possibility that an insured event will occur and a claim become payable. The very nature of insurance is based on the unpredictability of the timing and severity of events. The principal risks the group faces in this area of business activity comprise the risk of adverse financial impact on the group due to inappropriate pricing of the income protection insurance contracts and the risk of claims experience being worse than anticipated with the associated impact on the sickness benefit reserve. Other less significant, but nonetheless material, risks under this heading include the loss of future premium income from lower than expected renewal of insurance business and higher than expected costs of managing the insurance portfolio.

The society manages insurance risk by following standard underwriting policies, which take into account the risks the group is prepared to accept, adopting a structured approach to underwriting and regular, formal analysis and monitoring of the insurance portfolio.

The society does not have within its product range any embedded options or guarantees.

The two key drivers of the group's claims experience are the inception rates for claims and the recovery rates for claimants. Part of these risks is mitigated by the fact that the society's income protection contracts allow for the premiums to be reviewed. Additional mechanisms for managing these risks include a structured approach to assessing and managing claims.

The impact of a 5% increase in the valuation assumption for morbidity would be to increase the sickness provision by £8.347 million (2015: £8.152 million).

The persistency experience of the society varies over time but has remained high in the past. Factors affecting persistency include the effectiveness of the sales process of the independent intermediaries, members' perception of the society and the insurance industry, regulatory changes in the dental profession, investment performance and the general economic environment.

Given the high level of persistency, a large proportionate increase in lapses is unlikely to have a material effect on the society.

The members of the society bear the impact of any changes in expense levels, as the expenses affect the amounts available for distribution to members as bonuses. An increase in the allowance for expenses from 25% to 30% of premiums would increase the sickness provision by £9.914 million (2015: £9.619 million).

A decrease in the valuation rate of interest of 75 basis points would increase the sickness provision by £3.698 million (2015: £3.659 million).

Equity risk

The group is exposed to equity risk through its holdings in collective investment schemes. This risk affects a significant but tightly controlled proportion of the overall investment portfolio and the holdings involved are well diversified across companies, industries and geographical regions. The board keeps the investment strategy under review to ensure the group's ability to write business and settle claims is not adversely affected by falls in the market value of equities. The fair value of equity type investments in the group's financial statements at 31 December 2016 was £135.139 million (2015: £112.320 million).

The equity risk is borne by the members of the society, as changes in equity valuations and income would directly impact the amounts available for distribution to the members. A 10% reduction in equity valuations would reduce the group's surplus for the year by £13.514 million (2015: £11.232 million).

Interest rate risk

The group's exposure to fixed income investments is principally through collective investment schemes. These investments also represent a significant part of the group's investment portfolio and are kept under regular review by the board. The fair value of fixed interest securities is normally inversely correlated to market interest rates, assuming credit and liquidity premia remain unchanged.

The holdings within the collective investment schemes are primarily within highly rated government and corporate debt, asset backed securities and term deposits. The group's fixed interest portfolio tends to have a relatively short duration, which provides a degree of protection against movements in the longer end of the yield curve. The fair value of fixed interest securities, including deposits with credit institutions, in the group's financial statements at 31 December 2016 was £84.596 million (2015: £74.087 million).

Although the group attempts to manage interest rate risk by broadly matching the duration and profile of the assets with underlying member liabilities, the interest rate risk is borne by the members of the society, as changes impacting the effective yield and valuations would directly

impact the amounts available for distribution to the members. A 100 basis points increase in market interest rates would reduce the group's surplus for the year by £0.240 million (2015: £0.926 million on a reduction of 100 basis points).

Property risk

The group has significant exposure to property and property related assets, through a combination of direct holding and holdings in collective investment schemes. The rental income and valuation are affected by the general conditions in the economy, such as GDP growth, employment trends, inflation and interest rates. In addition, local factors such as competition in the area from other landlords, attractiveness of the properties to prospective tenants, the state of repairs of the premises and the costs of maintenance and insurance impact the valuation and rental income from individual properties.

The group manages the risks associated with its own direct investments in property by effective management of the premises, credit evaluations of prospective tenants, application of appropriate lease covenants and ongoing monitoring of existing tenants. A 10% reduction in the valuation of property and property related assets would reduce the group's surplus for the year by £4.048 million (2015: £3.997 million).

Currency risk

The group's exposure to foreign exchange risk arises primarily through entering into insurance and investment contracts denominated in currencies other than pounds sterling. Currency risk is controlled as part of the group's day to day operations. A number of arrangements have been put in place that provide a partial, non qualifying hedge against currency risk. At the 2016 and 2015 year ends, the board did not consider the residual currency risk to be material to the group's operations.

Credit risk

This is the risk that one party to a financial transaction will fail to discharge its obligations, causing the other party to incur a loss. Credit risk in relation to financial investments and cash and cash equivalents is managed by the investment and capital management committee. The group's investment guidelines are constructed to avoid excessive exposure to any single counterparty and to ensure that debt and fixed income investments are concentrated in high quality investment grade holdings. In addition, the group investment and capital management committee has the right to impose stricter credit risk limits where it deems it appropriate.

The group credit risk in respect of balances with members is managed primarily by the terms and conditions set out in the society's rules, which allow it to cancel the membership of individuals in the event of non payment of premiums.

As at 31 December 2016, the group had no material debt or fixed income assets that were impaired beyond their reported fair values (2015: £nil).

Liquidity risk

The group is exposed to the daily need for cash resources mainly from claims for sickness benefits and capital withdrawals. Liquidity risk is the risk that the group, although solvent, is unable to meet its obligations associated with financial liabilities that are settled by cash and cash equivalents.

A significant part of the group's investments are in highly liquid assets, which can be readily converted into cash and at minimal cost. In addition, the use of budgets and business plans allows the group the ability to realistically estimate its liquidity requirements.

Capital risk management

The board is responsible for ensuring that the group holds an appropriate level of surplus capital. The society is also subject to an externally imposed capital requirement by the UK regulatory authorities. It is the group's policy to maintain capital in excess of the amounts determined under the statutory framework.

5. Earned premiums

Group and society	2016 £000	2015 £000
Analysis of gross premium written by class of business		
Insurance business premiums	11,397	11,192
Investment premiums	2,674	2,626
Holloway income protection insurance contracts	**14,071**	13,818

Analysis of gross premium written by geographic area	2016 £000	2015 £000
United Kingdom, Channel Islands and the Isle of Man	13,487	13,294
Ireland	584	524
Holloway income protection insurance contracts	**14,071**	13,818

6. Investment income

Group	2016 £000	2015 £000
Income from land and buildings	868	730
Income from other financial investments	5,455	2,385
Gains on realisation of investments	696	729
Total investment income	**7,019**	3,844

Society	2016 £000	2015 £000
Income from subsidiaries	303	311
Income from other financial investments	5,466	2,403
Gains on realisation of investments	696	729
Total investment income	**6,465**	3,443

No contingent rents have been recognised as income in the current or prior year.

7. Unrealised gains on investments

Group	2016 £000	2015 £000
Freehold land and buildings	–	7,950
Other financial investments	19,682	6,410
Total unrealised gains on investments	**19,682**	14,360

Society	2016 £000	2015 £000
Other financial investments	19,682	6,410
Total unrealised gains on investments	**19,682**	6,410

8. Claims incurred

Group and society	2016 £000	2015 £000
Withdrawals from bonus accounts by members	5,459	5,255
Sickness claims paid	4,193	4,187
Total claims incurred	**9,652**	9,442

9. Bonuses

Group and society	2016 £000	2015 £000
Dividends and interest to members on withdrawals	161	149
Annual interest to members	3,966	3,892
Annual dividends to members	2,420	2,369
Terminal bonuses to members on withdrawals	767	715
Total bonuses	**7,314**	7,125

10. Net operating expenses

Group	2016 £000	2015 £000
Acquisition costs	830	899
Administrative expenses	2,884	2,653
Total operating expenses	**3,714**	3,552

Society	2016 £000	2015 £000
Acquisition costs	830	899
Administrative expenses	2,761	2,544
Total operating expenses	**3,591**	3,443

Net operating expenses include:

Group	2016 £000	2015 £000
Commissions on direct business	109	122
Auditors' remuneration – Audit services	80	41
Actuarial fees	277	245
Depreciation and loss on disposal of fixed assets	184	146

Society	2016 £000	2015 £000
Commissions on direct business	109	122
Auditors' remuneration – Audit services	73	29
Actuarial fees	277	245
Depreciation and loss on disposal of fixed assets	182	142

11. Staff costs

Group and society	2016 £000	2015 £000
Wages and salaries	1,475	1,366
Social security costs	164	156
Other pension costs	155	132
Total staff costs	**1,794**	**1,654**

The other pension costs relate to the cost to the group of operating a defined contribution retirement benefit scheme for all qualifying employees.

The average number of employees employed, including directors, was:

Group and society	2016	2015
Acquisition	10	9
Management and administration	21	21
Total	**31**	**30**

12. Directors' remuneration

The remuneration of the directors, included within the staff costs disclosed in note 11, was:

	2016 Fees and salaries £000	2016 Benefits in kind £000	2016 Pension £000	2016 Total £000	2015 Fees and salaries £000	2015 Benefits in kind £000	2015 Pension £000	2015 Total £000
Non executive directors								
Kathryn Woolass	24	–	–	24	14	–	–	14
Martyn Green	14	–	–	14	10	–	–	10
Helen Harrison	10	–	–	10	10	–	–	10
Giles Kidner	10	–	–	10	10	–	–	10
Davinderpal Kooner	15	–	–	15	10	–	–	10
Raj Raja Rayan, OBE	2	–	–	2	9	–	–	9
Alister Weightman	14	–	–	14	9	–	–	9
Huw Winstone	10	–	–	10	4	–	–	4
	99	–	–	99	76	–	–	76
Executive directors								
Farrukh Mirza	238	3	–	241	233	3	–	236
Simon Elliott	115	2	9	126	29	–	2	31
	353	5	9	367	262	3	2	267
Total	**452**	**5**	**9**	**466**	**338**	**3**	**2**	**343**

13. Taxation

The tax charge comprises:

Group	2016 £000	2015 £000
Current tax on surplus on ordinary activities		
UK corporation tax	87	35
Deferred tax		
Movement in estimate of recoverable deferred tax asset	–	36
Movement in deferred tax on revaluation gains	(142)	1,398
Total tax (credit)/charge for the period	**(55)**	**1,469**

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the surplus before tax is as follows:

Group	2016 £000	2015 £000
Surplus on ordinary activities before tax	**26,131**	**18,431**
Tax on surplus on ordinary activities at standard UK corporation tax rate of 20% (2015: 20%)	5,226	3,686
Effects of:		
Income not taxable for determining current taxable surplus	(5,140)	(3,629)
Expenses not deductible for tax purposes	1	11
Utilisation of tax losses not previously recognised	–	(33)
Change in unrecognised deferred tax assets	–	36
Movement in deferred tax on revaluation gains	(142)	1,398
Total tax (credit)/charge for the period	**(55)**	**1,469**

The existing activities of the society are not chargeable to income or corporation tax under the Income and Corporation Taxes Act 1988.

14. Land and buildings

Group	2016 £000	2015 £000
Freehold land and buildings at valuation	**20,525**	20,525
Freehold land and buildings at cost	**9,763**	9,763

The land and buildings were last valued independently as at 31 December 2015 by Tuckerman Chartered Surveyors on an open market basis and in accordance with the RICS Appraisal and Valuation Manual. The directors do not consider that the valuation of land and buildings has changed significantly since the formal valuation.

The value of land and buildings occupied by the group for its own use amounted to £2.984 million (2015: £2.984 million).

The value of land included in the valuation amounted to £7.503 million (2015: £7.503 million).

At the balance sheet date, the group had contracted with tenants for the following future minimum lease payments:

Group	2016 £000	2015 £000
Within one year	724	650
In the second to fifth years inclusive	1,333	2,307
After five years	–	997
Total	**2,057**	**3,954**

15. Investment in subsidiary

Society	2016 £000	2015 £000
Shares in group undertakings	4,600	4,600

The society owns 100% of the ordinary share capital of 1908 Property Holdings Limited, a company registered in England. The group is of the opinion that the aggregate value of the investment is in excess of the amounts stated above.

Subsidiary undertakings	Country of undertaking	Nature of undertaking	Holding	%
1908 Property Holdings Limited, 91–94 Saffron Hill, London, EC1N 8QP	United Kingdom	Property holding	**4,600,000 ordinary shares of £1 each**	100

16. Other financial investments

Group	Valuation 2016 £000	Valuation 2015 £000	Cost 2016 £000	Cost 2015 £000
Shares and other variable yield securities	155,097	133,200	107,506	102,659
Debt and other fixed interest securities	75,522	59,958	65,668	51,943
Deposits with credit institutions	9,074	14,129	9,074	14,129
Total other financial investments	**239,693**	**207,287**	**182,248**	**168,731**

Society	Valuation 2016 £000	Valuation 2015 £000	Cost 2016 £000	Cost 2015 £000
Shares and other variable yield securities	155,097	133,200	107,507	102,659
Debt and other fixed interest securities	75,522	59,958	65,668	51,943
Deposits with credit institutions	8,057	13,117	8,057	13,116
Total other financial investments	**238,676**	**206,275**	**181,232**	**167,718**

The group and the society have a portfolio of investments in private equity and debt funds. The structure of these funds is such that the commitment is drawn down over the investment period. The total amount committed, net of drawdown, at the balance sheet date for the group and the society was £4.706 million (2015: £5.513 million).

17. Debtors

Group	2016 £000	2015 £000
Due from members	4	8
Other debtors	120	31
Total debtors	**124**	**39**

Society	2016 £000	2015 £000
Due from members	4	8
Other debtors	56	22
Amounts owed by group undertakings	6,943	6,950
Total debtors	**7,003**	**6,980**

18. Tangible fixed assets

Group	Fixtures, fittings, plant and equipment £000	Computer equipment and software £000	Total £000
Cost			
At 1 January 2016	477	5,240	5,717
Additions	6	2,564	2,570
At 31 December 2016	**483**	**7,804**	**8,287**
Depreciation			
At 1 January 2016	264	3,599	3,863
Charge for the year	59	125	184
At 31 December 2016	**323**	**3,724**	**4,047**
Net book value			
At 31 December 2015	213	1,641	1,854
At 31 December 2016	**160**	**4,080**	**4,240**

Society	Fixtures, fittings, plant and equipment £000	Computer equipment and software £000	Total £000
Cost			
At 1 January 2016	452	5,240	5,692
Additions	–	2,564	2,564
At 31 December 2016	**452**	**7,804**	**8,256**
Depreciation			
At 1 January 2016	250	3,599	3,849
Charge for the year	57	125	182
At 31 December 2016	**307**	**3,724**	**4,031**
Net book value			
At 31 December 2015	202	1,641	1,843
At 31 December 2016	**145**	**4,080**	**4,225**

The net book value of computer equipment and software includes assets in course of construction totalling £3.736 million (2015: 1.420 million).

19. Fair value analysis of total investments

The following table shows the analysis of investments carried at fair value based on the fair value hierarchy as at 31 December.

Group	Level A £000	Level B £000	Level C £000	Total £000
Land and buildings				
31 December 2015	–	–	20,525	20,525
31 December 2016	**–**	**–**	**20,525**	**20,525**
Shares and other variable yield securities				
31 December 2015	131,748	1,452	–	133,200
31 December 2016	**152,411**	**2,686**	**–**	**155,097**
Debt and other fixed interest securities				
31 December 2015	58,288	1,670	–	59,958
31 December 2016	**72,091**	**3,431**	**–**	**75,522**
Deposits with credit institutions				
31 December 2015	14,129	–	–	14,129
31 December 2016	**9,074**	**–**	**–**	**9,074**

Society	Level A £000	Level B £000	Level C £000	Total £000
Shares and other variable yield securities				
31 December 2015	131,748	1,452	–	133,200
31 December 2016	**152,411**	**2,686**	**–**	**155,097**
Debt and other fixed interest securities				
31 December 2015	58,288	1,670	–	59,958
31 December 2016	**72,091**	**3,431**	**–**	**75,522**
Deposits with credit institutions				
31 December 2015	13,117	–	–	13,117
31 December 2016	**8,057**	**–**	**–**	**8,057**

20. Fund for future appropriations

Group	2016 £000	2015 £000
At 1 January	114,276	97,314
Transfer from income and expenditure account	26,186	16,962
At 31 December	**140,462**	**114,276**

Society	2016 £000	2015 £000
At 1 January	105,150	94,961
Transfer from income and expenditure account	25,700	10,189
At 31 December	**130,850**	**105,150**

21. Long term business provision

Group and society	Bonus accounts: insured members 2016 £000	Bonus accounts: retired members 2016 £000	Sickness business provision 2016 £000	Total 2016 £000
At 1 January	41,268	43,264	44,370	128,902
Bonus accounts transferred	(1,905)	1,905	–	–
Bonuses	3,304	3,243	–	6,547
Withdrawals from bonus accounts by members	(2,422)	(3,037)	–	(5,459)
Transfer from income and expenditure account	–	–	(793)	(793)
At 31 December	**40,245**	**45,375**	**43,577**	**129,197**

Group and society	Bonus accounts: insured members 2015 £000	Bonus accounts: retired members 2015 £000	Sickness business provision 2015 £000	Total 2015 £000
At 1 January	41,875	41,502	45,936	129,313
Bonus accounts transferred	(1,975)	1,975	–	–
Bonuses	3,362	3,048	–	6,410
Withdrawals from bonus accounts by members	(1,994)	(3,261)	–	(5,255)
Transfer from income and expenditure account	–	–	(1,566)	(1,566)
At 31 December	**41,268**	**43,264**	**44,370**	**128,902**

22. Insurance liabilities

Group	2016 £000	2015 £000
Available capital resources at 1 January	112,542	95,632
Expense surpluses (including acquisition and non recurring costs)	(742)	(911)
Investment surpluses	20,618	11,802
Difference between actual and expected morbidity experience	7,016	6,473
Movements in premium rates	(331)	(116)
Other surpluses and deficits	(375)	(338)
Effect of previous solvency regime	1,734	–
Available capital resources at 31 December	**140,462**	**112,542**
Other adjustments	–	1,734
Fund for future appropriations at 31 December	**140,462**	**114,276**

Society	2016 £000	2015 £000
Available capital resources at 1 January	103,416	93,279
Expense surpluses (including acquisition and non recurring costs)	(742)	(911)
Investment surpluses	20,132	5,029
Difference between actual and expected morbidity experience	7,016	6,473
Movements in premium rates	(331)	(116)
Other surpluses and deficits	(375)	(338)
Effect of previous solvency regime	1,734	–
Available capital resources at 31 December	**130,850**	**103,416**
Other adjustments	–	1,734
Fund for future appropriations at 31 December	**130,850**	**105,150**

The significant assumptions used to determine the sickness provision are set out in the table below. These assumptions have been derived based on recent operating experience with appropriate allowances for prudence.

	Deferred 0 weeks reducing benefits	Deferred 0 to 52 weeks and 104 weeks level benefits	Options reserve
Method	Gross premium	Gross premium	1 year's gross premiums
Interest rate	0.75%	0.75%	N/A
Mortality	Nil	Nil	N/A
Morbidity	Prudent assessment based on recent experience	Prudent assessment based on recent experience	N/A

Restrictions on available capital

The available surplus held in the Holloway Business Fund can only be applied to meet the requirements of the society or be distributed to the members.

Solvency II

On 1 January 2016 the group's capital requirements changed as a result of Solvency II. Under Solvency II, capital resources are represented by own funds and the capital resource requirement by the Solvency Capital Requirement. Based on an unaudited Solvency II balance sheet, the group estimates own funds to be £171.143 million and a Solvency Capital Requirement of £101.679 million resulting in a surplus of £69.464 million over the Solvency Capital Requirement.

23. Provisions for liabilities

Group	2016 £000	2015 £000
At 1 January	1,713	279
(Credited)/charged to income and expenditure account	(142)	1,434
At 31 December	**1,571**	**1,713**

The provision relates to the revaluation gains recognised on the group's land and buildings.

24. Creditors

Group	2016 £000	2015 £000
Creditors arising out of direct insurance operations	220	172
Other creditors including taxation and social security	2,187	2,622
Total creditors due within one year	**2,407**	**2,794**

Society	2016 £000	2015 £000
Creditors arising out of direct insurance operations	220	172
Other creditors including taxation and social security	1,762	2,462
Total creditors due within one year	**1,982**	**2,634**

25. Leases

At the balance sheet date, the society had contracted to pay the following future minimum operating lease payments.

Society	2016 £000	2015 £000
Within one year	167	100
In the second to fifth years inclusive	615	423

26. Actuaries

The chief actuary of the society is Miss Alexandra Kim Durniat, a Partner in Barnett Waddingham LLP. The society has requested Miss Durniat to furnish it with the particulars required under Section 77 of the Friendly Societies Act 1992. Miss Durniat has confirmed that neither she nor her family, nor any of the partners in Barnet Waddingham LLP were members of the society, nor have they any financial or pecuniary interest in the society, with the exception of fees paid to Barnett Waddingham LLP for professional services, which amounted to £0.277 million (2015: £0.245 million).

27. Related party transactions

All members of the board are members of the society and are required to pay premiums to the society. Individuals practising dentistry are entitled to claim sickness benefits in the event of being unable to carry out their normal duties.

Any such payment would be made under the same terms and conditions as those applicable to all other members of the society. Premiums paid by the directors amounted to £40,110 (2015: £37,925). Sickness payments to the directors amounted to £nil (2015: £2,000). There were no outstanding amounts in relation to either at the year end (2015: £nil).

The group has taken advantage of the exemptions conferred by Financial Reporting Standard 102, section 33, from reporting details of transactions between the society and its subsidiary undertaking. Details of outstanding balances between Dentists' Provident and 1908 Property Holdings Limited are set out in the notes regarding year end debtors and creditors.

28. Valuation report

The actuarial valuation required under the UK prudential regulations has been prepared as at 31 December 2016. The valuation report is available for inspection at the registered office of the society.

Notice of annual general meeting

Notice is hereby given that the twenty fourth annual general meeting of the members will be held at 91–94 Saffron Hill, London EC1N 8QP on Tuesday 23 May 2017 at 1.30 p.m. (the 'AGM') for the purposes set out below:

1. To elect the officers of the society

a. The following directors retire by rotation and have indicated their willingness to offer themselves for re election:

1.1 Kathryn Woolass BDS, FDS, DDOrth
1.2 Farrukh Mirza FCA
1.3 Simon Elliott
1.4 Martyn Green BDS, FDSRCPS, MFGDP(UK), DPDS
1.5 Giles Kidner BDS, MSc, LDS, FDS(Orth), MOrthRCS
1.6 Davinderpal Kooner JP, BDS, LDSRCS, MGDSRCS, DGDP(UK), DipMDE(Lond)
1.7 Alister Weightman BDS
1.8 Huw Winstone BDS, LDSRCS, DGDP(UK)

2. To appoint the following as arbitrators of the society

2.1 Ruby Austin MBE
2.2 Damon Lambert
2.3 Prof Robert Lee
2.4 Sunit Malhan
2.5 Saleem Malik
2.6 Shiv Pabary MBE
2.7 Paul Protheroe
2.8 Raj Rattan MBE
2.9 Susie Sanderson OBE
2.10 Jerry Staffurth
2.11 Richard Toone

3. To approve the remuneration policy of Dentists' Provident Society Limited for the year ended 31 December 2016.

4. To approve the remuneration report of Dentists' Provident Society Limited for the year ended 31 December 2016 by way of an advisory vote.

5. To approve the annual report and financial statements of Dentists' Provident Society Limited for the year ended 31 December 2016.

6. To appoint Moore Stephens LLP as auditor and to authorise the board of directors to fix the auditor's remuneration.

By order of the board

Simon Elliott
Group secretary
17 March 2017

Arbitrators

Complaints procedure

We take all complaints extremely seriously and formal procedures are in place for handling them. We deal with all complaints as a matter of urgency and they are handled by suitably qualified employees within the society. We aim to resolve all complaints, usually within four weeks of being notified.

Serious complaints are dealt with by the head of compliance and risk. If a complaint is not resolved to the complainant's satisfaction, they can refer the matter to County Court, but only if both parties agree to this method. We will normally only agree to this course of action on disputes regarding a point of law. Alternatively, they can refer the matter to a panel of three independent arbitrators or refer the matter to the Financial Ombudsman Service within six months of our final response.

If a member refers the matter for arbitration, they have the right to select the members of the panel, provided they choose one dentist and one other with relevant financial experience from the individuals listed below. Both parties will be bound by the decision of the panel and there is no further right of appeal to the Financial Ombudsman Service.

Ruby Austin MBE – dentist

Ruby qualified in 1960 and subsequently worked in general practice and the hospital service. He also spent twenty years working as an industrial, and later inspecting, dentist for Marks and Spencer.

Since 1996, Ruby has been a vocational training adviser and course organiser for the London Postgraduate Medical and Dental Deanery, advising the Dean on matters regarding vocational training and continuing professional development of practitioners within London, until his retirement in 2013.

His previous involvements include being vice dean of the faculty of General Dental Practitioners, treasurer for the British Dental Association (Bromley and Beckenham), president of the British Society for General Dental Surgery, president of the Anglo-Asian Odontological Group, core examiner for the DGDP Exam, examiner for the MFGDP(UK) Exam, adviser on the NHS Oral Hearing Appeals Panel, NHS Tribunal as well as the Oral Health Unit of Primary Care R&D Centre.

In 2000, the Queen awarded Ruby with the MBE for his services to dentistry. Ruby is Chairman of Trustees of AOG charity and also a lecturer, author and reviewer.

Damon Lambert – chartered accountant

Damon has been the head of European taxes for the global reinsurer Swiss Re since 2010. He also worked for 11 years in KPMG's financial sector and for 3 years at Allied Irish Banks plc. Damon is a qualified chartered accountant. He was a member of the working party on the Tax Reform Commission instigated by George Osborne, co authoring the chapters on business taxation and tax reforms in other jurisdictions, and has led insurance sector representations on tax matters at the OECD.

Prof Robert Lee – dentist

Robert retired as professor and consultant in 2016 and was awarded Distinction in Orthodontics by the British Orthodontic Society. He is co author to a textbook on Orthodontics, which is published worldwide. Robert continues to submit research reports, teaches part time and works in clinical practice privately.

Sunit Malhan – dentist

After qualifying from The University of London in 1985, Sunit worked at The Eastman Dental Hospital for six months as an SHO in oral surgery. Initially, he was an associate in general practice and then purchased a practice in Hendon in 1988, followed by an Enfield practice in 1997. In 2001, he gained an additional qualification (DPDS) from the University of Bristol. Cosmetic dentistry and nervous patients are Sunit's areas of special interest.

Saleem Malik – senior legal advisor

Saleem qualified as a lawyer over 30 years ago and during that time he has worked in house for banks and for major city law firms. His specialisation is banking law. He is recognised by leading legal directories as a leading lawyer in the field of Islamic finance, an area in which he has practiced for over 16 years.

For the past twenty years he has been an adviser to several city law firms and has his own niche practice serving banks and corporate clients. He works with clients on transactions in England, the Middle East and Far East.

Saleem lectures and writes regularly and has been a contributor to a number of publications.

Shiv Pabary MBE – dentist

Shiv is a graduate of Newcastle dental school and qualified in 1985. Becoming a principal in 1988, he now works between three NHS practices as a general dental practitioner. He is also a dental adviser for NHS England (Cumbria and NE) and a past chairman of the GDC's professional conduct committee and health committee. He is currently a GDC Quality Assurance Inspector for dental programmes.

Having obtained his membership of the faculty of general dental practitioners in 1992, Shiv has held a part time teaching post at Newcastle Dental Hospital in the restorative dentistry department since 1996. He has been a member of the British Dental Association's general dental practice committee from 1996 to 2015 and sat on the education sub committee. He is also vice chair of the British Dental Guild. He has been a vocational trainer for over 15 years and has been a postgraduate dental tutor since 1995. He is currently the tutor in Clinical Governance for the Northern Deanery and is past chairman of the Oral Health Improvement Group in Newcastle. He was a lay magistrate from 1995 to 2015 and holds a Law Degree (LLB Hons) from Northumbria University. He is also a part time Associate Dento-Legal Adviser for Dental Protection.

In 2009, the Queen awarded Shiv with the MBE for his services to NHS dentistry.

Paul Protheroe – management consultant

Paul has had considerable experience over 30 years as a senior executive in financial services, including positions held at chief executive and main board director level.

He is currently managing director of Positive Insight Limited, a management consultancy focused on the mutual sector and Friendly Societies in particular.

Paul spent over 12 years as chief executive of a Holloway Friendly Society, specialising in income protection insurance. He has also been vice president of the Association of Friendly Societies (now the Association of Financial Mutuals).

Raj Rattan MBE – dentist

Raj is a graduate of University College Hospital, London. He has over 30 years clinical experience in general dental practice and has been a multi-practice owner. He has been involved in postgraduate dental education for over 20 years, as a vocational training adviser and then as Strategic Associate Dean at the London Deanery prior to becoming the Dental Director at Dental Protection in 2016.

He has considerable experience in the NHS and the private sector. He has been a policy adviser to the Department of Health and a professional adviser to NHS and private sector organisations on a consultancy basis. Raj has authored/co authored several text books, published numerous articles in the dental press and been involved in developing a number of e-learning initiatives. He is a former examiner for the FGDP, a visiting lecturer/teaching fellow to a number of postgraduate teaching programmes, and has lectured extensively in the UK and overseas.

In 2008, the Queen awarded Raj with the MBE for services to dentistry.

Susie Sanderson OBE – dentist

Susie, until recently, was a member of the BDA's principal executive committee and the BDA's audit committee. She remains a member of the international delegation and she is the treasurer and a board member of the Council of European Dentists. She is the former chair of the BDA's executive board (2006 –2012). She is a dento-legal adviser for Dental Protection. She has been involved in the BDA and LDC at local and national levels for a number of years and has enjoyed a wide scope of involvement, including education, finance, healthcare policy, GDPC, DCPs, students and young dentists.

In 2012, the Queen awarded Susie with the OBE for services to dentistry.

Arbitrators continued

Jerry Staffurth – actuary

Jerry is an actuary, employed by reinsurer Pacific Life Re, with responsibility for its corporate actuarial, research and actuarial modelling functions. He is the company's chief actuary. He qualified as an actuary in 1990 and has over 30 years' experience of actuarial roles in the insurance market. He started his actuarial career with Equity & Law and also spent three years working for Colonial Mutual in New Zealand. More recently, Jerry worked for Swiss Life (UK) for 13 years, up to the end of 2004, including eight years as appointed actuary. He subsequently joined Deloitte as a director in their actuarial and insurance practice. At Deloitte, he was responsible for a diverse range of projects in the UK life market, including capital management, product strategy, audit and mergers and acquisitions. He has been involved in a number of actuarial working parties and has contributed to papers on critical illness and treating customers fairly.

Richard Toone – chartered accountant

Richard is the managing partner at CVR Global. He is a qualified chartered accountant with twenty years' experience in the field of business recovery. He has conducted a wide range of appointments, dealing with a variety of assignments, including independent business reviews, expert witness, prosecuting claims, asset valuation, asset recovery and fraud investigations.

He previously worked at PricewaterhouseCoopers, before working at the largest specialist recovery firm in the country, Begbies Traynor. He has also contributed to, and is on the editorial board of, 'International Corporate Rescue'.

Dentists' Provident

Registered office: 91–94 Saffron Hill, London, England, EC1N 8QP
Telephone: +44 (0) 20 7400 5700 We may monitor calls to improve our service.
Fax: +44 (0) 20 7400 5701 **www.dentistsprovident.co.uk**