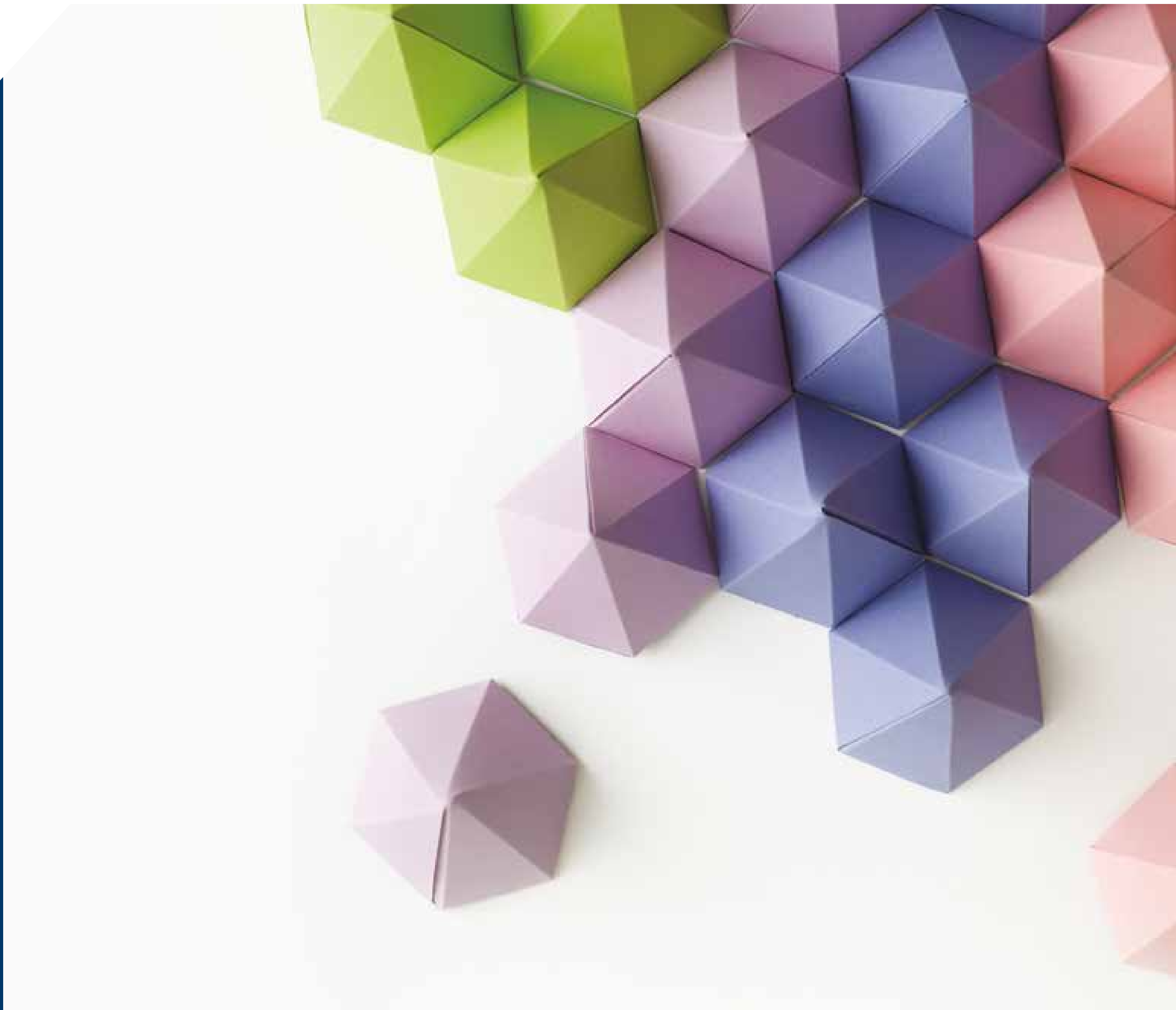
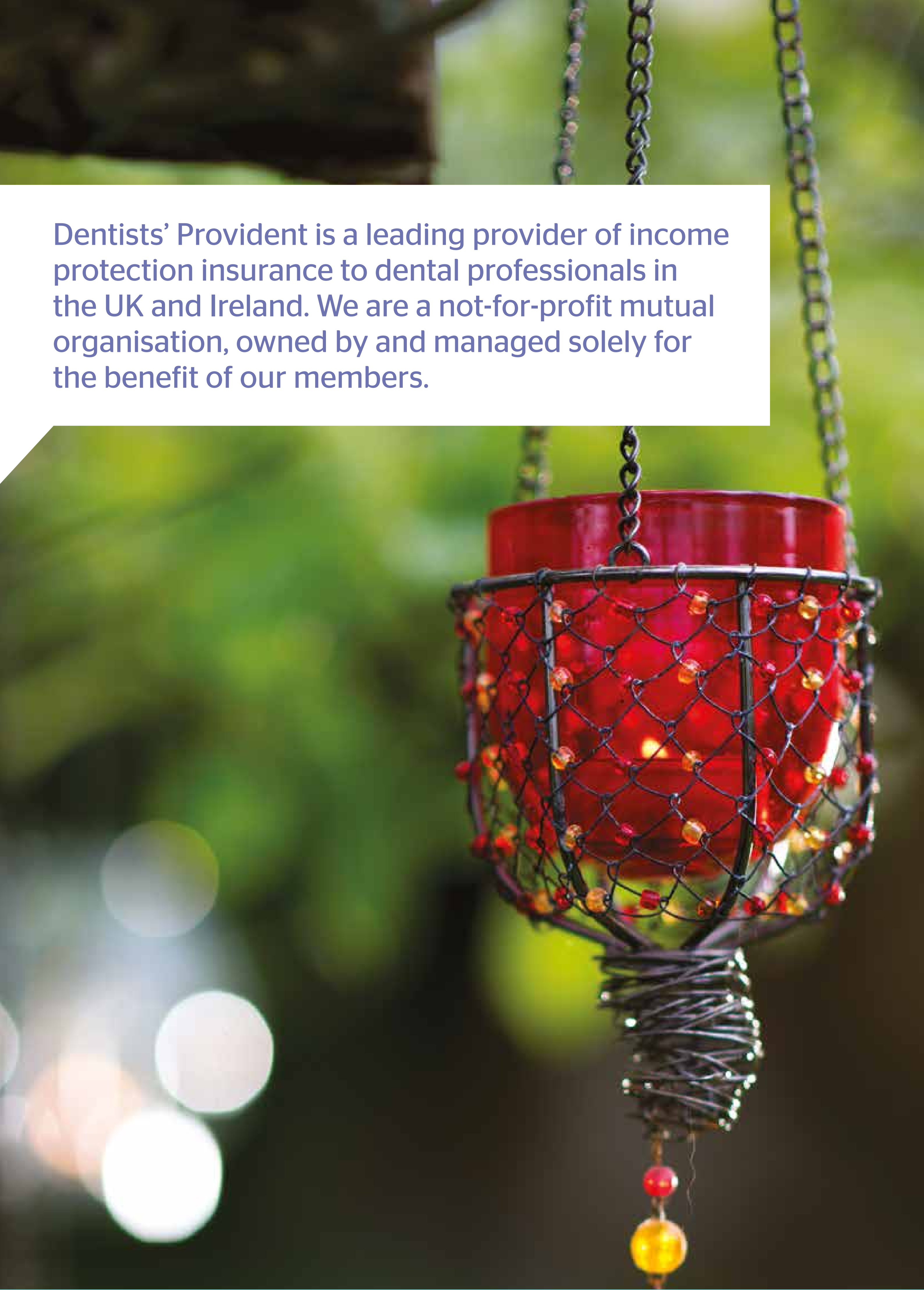
Annual Report

2019



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



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Performance summary

Group financial summary	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m
Membership premium income	14.1	14.1	14.2	14.1	13.8
Income and gains on investments	29.4	(1.3)	24.4	26.7	18.2
Benefit claims paid	(5.0)	(4.8)	(4.8)	(4.2)	(4.2)
Net operating expenses before depreciation	(3.8)	(4.2)	(3.8)	(3.5)	(3.4)
Bonuses to members	(7.4)	(7.7)	(7.3)	(7.3)	(7.1)
Total investment assets	307.1	278.8	274.7	260.2	227.8
Members' bonus accounts	89.5	88.4	87.5	85.6	84.5
Operating expenses before depreciation to premium income ratio	27.3%	29.8%	26.7%	24.8%	24.6%
Benefit claims paid to premium income ratio	35.5%	34.3%	34.2%	29.8%	30.3%

Bonus rates

	Final dividend rate for 2019* per participation unit	Annual interest rate for 2019	Interim dividend rate for 2020* per participation unit	Interim interest rate for 2020*	Loyalty bonus rate*
Lifestyle security plan	£6.00	5%	£5.40	4.5%	15%
Income security plan	£6.00	5%	£5.40	4.5%	15%
Income security plan (Ireland)	€8.00	5%	€7.20	4.5%	15%
Lifetime membership plan	£6.96	5%	£6.26	4.5%	15%
Lifetime membership plan (Ireland)	€9.24	5%	€8.31	4.5%	15%
Paid up membership plan	–	5%	–	4.5%	15%
Paid up membership plan (Ireland)	–	5%	–	4.5%	15%

* Applicable to the relevant withdrawal of funds in 2020. Loyalty bonus is only payable on certain qualifying withdrawals. The interim and loyalty bonus rates are not guaranteed and subject to change without notice

Chairman's statement

I would like to begin by paying tribute to Kathryn for her leadership and service to the society over the years. After a busy few months getting to grips with my role, I have been struck by the strength of the commitment of our directors and employees to the society and a genuine desire to do right by our members and I am truly honoured to have been appointed as chairman and present my first report to you.

Annual review

After all the major changes over the last few years, 2019 was a year of consolidation. Despite the political and economic uncertainty relating to the UK's exit from the EU, our new income protection plans continued to attract increasing interest from intermediaries and direct members in the UK and Ireland. Overall, we are very pleased with our membership performance. We have also begun to see a return of members, who had previously cancelled their plans, as a welcome endorsement of our strategy of putting a premium on quality and service over headline pricing.

Our operating costs have also begun returning towards historical trends, as we moved towards a more business as usual environment.

On investments, our strategy is to invest with an absolute return mindset and wherever possible avoid permanent loss of capital. This naturally results in a more defensive portfolio which tends to underperform in a rising market but does better in a bearish market and 2019 was no different. However, to put our performance into context, in the most recent review by Barnett Waddingham of with-profits funds in the UK, our fund was in the top decile over three and five year periods.

Brexit

Following the successful negotiation of the withdrawal agreement, the UK left the European Union on 31 January 2020, which triggered the start of the transition period. However, the uncertainty over whether the UK can reach an agreement on its future relationship with the EU before the end of the transition period, and what the nature of this relationship will be, continue to affect the group. As mentioned in our previous annual report, we remain committed to continuing to work with the dental profession in the Republic of Ireland. However, on a longer term basis, new economic barriers to transacting business, combined with material regulatory divergence, could mean it is no longer viable to undertake business there, and we may have to reconsider our plans. We hope that after 111 years of working with the profession in the Republic of Ireland, a sensible political solution is found, which will allow us to continue providing our members there with the valuable protection they need.

Financial review

Financial management framework

The objective of our financial management framework is to maximise the value we provide our members, whilst minimising the volatility of returns. We seek to supplement our premium income with high quality diversified streams of other income, and manage our expenses effectively, so that the benefits of mutuality are not lost to inefficient business practices.

Financial performance

Overall, the group produced a surplus of £17.483 million for the year (2018: deficit £0.142 million) and our total investment income increased to £29.347 million from a deficit of £1.328 million.

Due to changes in assumptions, we charged an additional £7.779 million to technical reserves compared to a release of £4.514 million in 2018.

Our premium income and claims experience remained largely unchanged from 2018. However, as expected, our net operating expenses before depreciation fell to £3.836 million (2018: £4.196 million) reflecting the absence of last years' one off costs associated with the launch of our new product range.

Capital management

We manage our solvency capital to enable us to meet our obligations to the current and future generations of our members, as well as our regulatory requirements. Although we aim to broadly match our assets to our liabilities, we, at times, run a mismatched position to achieve better risk adjusted returns for our members.

Ensuring that we have sufficient capital to be resilient in the face of external shocks, is a key element of our capital management and bonus declaration plans. The periodic bouts of volatility in the financial markets serve as an important reminder of the need to manage capital conservatively. Further, the pace of technological change means that to remain relevant in the market, and to serve our members effectively, we need to continually invest in our systems and processes. Ensuring we have sufficient resources to undertake major technology projects, when the need arises, is a secondary but another important objective of our capital management strategy.

In determining our available capital resources, we apply conservative and generally recognised accounting policies for internal and statutory purposes. The accounting policies used in the preparation of these financial statements, are set out in note 2.

The group's capital position as at 31 December was as follows:

Group excess capital under Solvency II	2019 £000	2018 £000
Fund for future appropriations	206,512	189,029
Revaluation of assets under Solvency II	(5,724)	(6,533)
Solvency capital requirement	(113,099)	(93,831)
Excess capital under Solvency II regulations	87,689	88,665

Investment management

Our approach to investing 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 portfolio and our view of the business and economic outlook.

We do not employ benchmark investment return targets. Instead, we focus on opportunities which not only represent attractive risk adjusted propositions over the long term, but also:

- maintain the overall level of risk, having regard to the currency, nature and duration of the liabilities, within acceptable limits
- maintain a suitable and broad mix of investments
- protect 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 bases
- asset allocation by asset type and market
- counterparty, credit and other risk limits

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

Group liquidity and investment allocation	2019 %	2018 %	2017 %	2016 %	2015 %
Equities	44	43	46	44	41
Fixed interest securities	10	11	13	16	17
Alternative assets and cash [1]	46	46	41	40	42

1 Alternative assets include real estate funds, private market funds and hedge funds.

Group investment performance	2019 %	2018 %	2017 %	2016 %	2015 %
Group	9.8	(0.5)	8.7	10.4	7.9
Reference portfolio [2]	13.6	(5.2)	8.4	13.2	0.8

2 Reference portfolio is based on a hypothetical portfolio comprising 60% UK equities, 30% Gilts and 10% cash.
(Source: Dentists' Provident Group Financial Statements, figures based on the group's reporting currency)

Underwriting and claims review

Our long term success, and the competitiveness of our proposition, are intrinsically linked with how effectively we underwrite risks, and the diligence with which we manage claims.

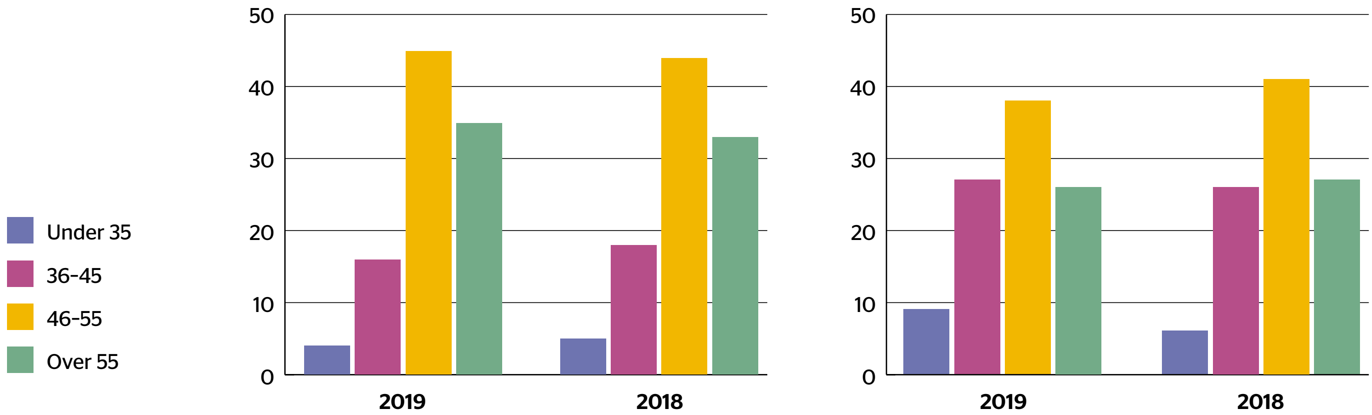
We have put in place a strong system of internal controls, consistent with industry best practice, to price and manage risks effectively. Within this structured framework, underwriters and claims assessors are given significant latitude, to ensure that decisions produce fair outcomes for individuals and our membership as a whole.

Adverse decisions are subject to additional oversight, to ensure that individual member's interests are protected. Our process also allows for detailed engagement, to ensure that all relevant factors are considered, and members have an understanding of the reasons and bases of our decisions. In our opinion, clear communication of the rationale for our decisions, is central in engendering the trust of our members, improving persistency and minimising complaints.

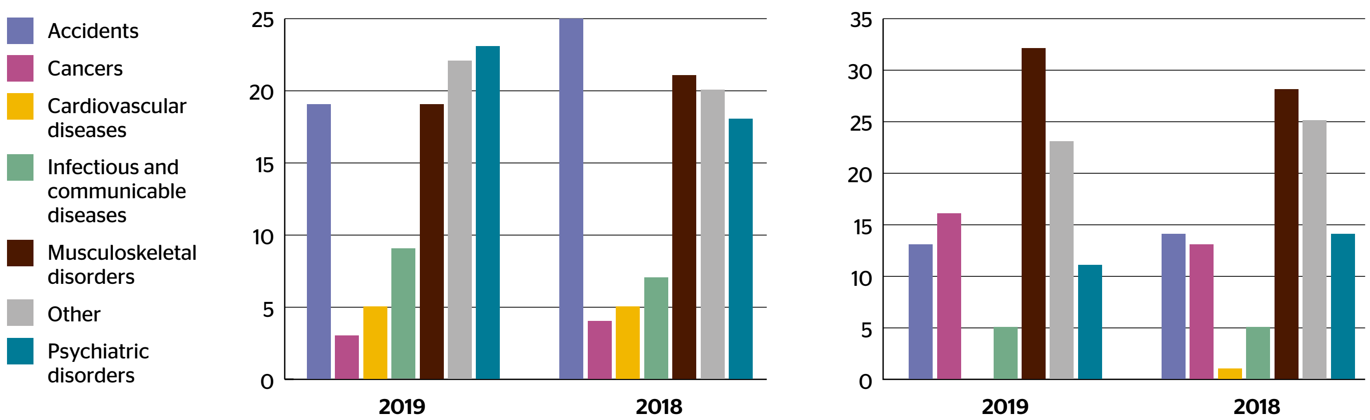
Complaints about our plans and service	2019	2018	2017	2016	2015
Underwriting and administration related complaints received	10	4	5	7	7
Claims related complaints received	9	5	8	8	5
Complaints referred to the Financial Ombudsman Service	5	1	0	0	0
Complaints where the final decision by the ombudsman upheld the member's complaint	0	0	0	0	0

In 2019, we paid £4.996 million (2018: £4.826 million) in claims. A further analysis of claims is set out below:

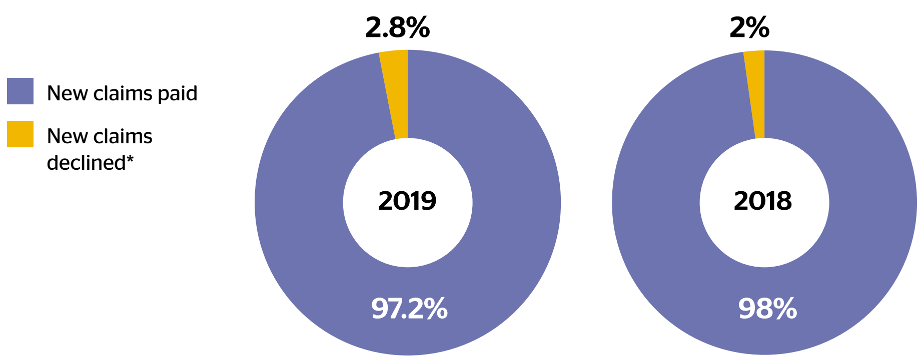
Claims by age – male (%)　　**Claims by age – female (%)**



Claims by illness/injury – male (%)　　**Claims by illness/injury – female (%)**



Claims received and paid



*New claims were declined because the claimant did not meet the definition of incapacity, their condition was not covered by the plan, they did not provide all the information required to assess the claim or the plan conditions were not met.

Corporate governance

I have set out our full corporate governance statement later in the annual report.

In 2019, the board decided to end the society's membership of the Association of Financial Mutuals. As a result, the society is no longer required to report against the AFM corporate Governance code and is free to choose the most appropriate governance reporting framework.

The board has considered whether to continue applying the AFM corporate governance code, or choose from a number of other recognised codes, including the Wates Code, the Full UK Corporate Governance Code or the Quoted Companies Alliance (QCA) Corporate Governance Code.

After due consideration the board has decided to adopt the principles of the QCA Corporate Governance Code, interpreted in the context of a mutual company. The board believes that the QCA Corporate Governance Code, best meets the reporting needs of our stakeholders, having regard to the size and complexity of our business.

Employees

In 2019, we made significant changes to our board. In February, we appointed Kirby Mardle as chief finance officer, and in May, Kathryn Woolass retired from the board, and we appointed Raj Rattan and Melanie Stern, as new non executive directors. On behalf of the board, I would like to wish our new directors well in their new roles.

Finally, I would like to thank my colleagues on the board, and at the head office for their support in my first year as Chairman, and also for their commitment and hard work. I would like to especially thank Davinderpal for his outstanding contribution to the board over the years. He has served the society and its members with unflinching loyalty, and as vice chairman, he has been a valuable counsel, not only to me, but also to the rest of the board. We will miss his wisdom, wit and decency. On behalf of the board, I wish him the very best for the future and a long and happy retirement.

Events since the year end

The 2019 Novel Coronavirus, that originated in the Hubei province of China in December 2019, and now named COVID-19 by the World Health Organisation (WHO), has had an unprecedented effect on our personal and professional lives. I would like to extend my deepest sympathies to all members affected.

2020 will be a challenging year, like many insurers, we are facing the dual impact of increased claims and steep falls in the financial markets. Bearing in mind, the board's key obligations to our cross section of current and future members, we will continue to do what is right for all our members, as a whole, within the limits of our rules.

Our income protection plans, allow members to make a claim when they suffer a loss of earnings because of an illness or injury. Our treatment of any members affected by COVID-19, is the same as that adopted during the SARS outbreak of 2003 – where a member, who is eligible to claim income protection benefits is confirmed as being infected with the illness, then they will be eligible to make a claim, subject to the terms and conditions applicable to their cover.

As noted earlier in my report, our investment portfolio is defensively positioned, and although we have been affected by the general market downturn, our substantial holdings in cash have meant that our overall investment losses in 2020 to date, have been substantially less than the market.

Giles Kidner

Giles Kidner
Chairman
09 April 2020

Principal risks and uncertainties

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

Description of the key risk	How the risk is currently managed
Our success depends on how well we understand our market, our members and other factors which affect our business. We make a number of long term decisions, based on our assumptions about the future environment within which we operate. An inappropriate or ineffective business strategy could have wide ranging implications for our members, market share and reputation.	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. We have experienced teams in place, 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.
We currently offer our income protection plans to dental professionals, resident in the Republic of Ireland, under the EU's passporting arrangements. The UK government is in the process of negotiating the UK's future relationship with the European Union, although its details still remain uncertain. If we are unable to continue selling and/or servicing our business in the Republic of Ireland, this could have a significant impact on our long term strategy.	We continue to monitor the situation regarding the UK's negotiations with the European Union. The UK's exit from the European Union, led to the start of a transitional period, until at least 31 December 2020, and the group will continue to service existing business and accept new business from the Republic of Ireland during this time. The group has plans to enable it to continue business in the Republic of Ireland, after the end of the transitional period, and will use the period between the exit date and the end of the transition arrangements, to action these plans. If by the end of the transitional period, the plans are only partially implemented, or if our plans change, the group will stop accepting new business in Ireland. The group will continue servicing its existing plans, as allowed for in the draft legislation approved by the Oireachtas, until it is able to implement a more appropriate/alternative solution on a permanent basis.

Insurance risk

Description of the key risk	How the risk is currently managed
The insurance industry is highly price competitive. Prolonged periods of pricing pressure can have negative effects on financial performance, customer service and reputation of individual insurers and the industry's reputation as a whole. If we do not price our plans appropriately, this could damage our financial performance through declining persistency and/or reduced underwriting surpluses.	Our actuarial models are the primary tool for objectively deriving the pricing of our plans, and the models and underlying assumptions, are subject to regular monitoring and challenge. Senior members of our team work closely with operational staff, to ensure the pricing assumptions are supported by actual events, and to identify early indicators of any divergence. We also benchmark our pricing against our competitors regularly, to identify material inconsistencies.
If our claims experience is materially worse than we have assumed in our pricing assumptions, this could adversely impact our members, through a combination of higher future premiums and reduced future bonuses.	Strong operational controls are the primary mechanism for managing our claims experience. Our finance and actuarial teams also undertake detailed trend analysis, and the results are fed back into the actuarial pricing models and operational decision making processes.
If the persistency of our business is significantly lower than our expectations, this will lead to a fall in the future surpluses on our long term insurance business. In turn, this could feed through into higher capital requirements, higher than expected costs of managing our business and lower long term returns for our members.	We continually invest in our proposition, so that it remains competitive and meets the needs of our key stakeholders We also engage regularly with intermediaries, members and prospective members, to enable them to gain a deeper insight into our products, market positioning and business philosophy, so that they are able to make more informed decisions..

Operational risk

Description of the key risk	How the risk is currently managed
We are dependent on a number of key information systems and processes. A loss of systems and access to facilities, including the website, on a regular or prolonged basis could lead to significant disruption and could have an adverse operational, reputational and financial impact If changes are not managed effectively, the core applications could lose their flexibility, to adapt to changes within our business, and develop complications..	We have in place a 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 to incidents as they arise, and who review the technology platforms continuously, to identify areas of improvements and then make the necessary changes.
A cyberattack on our network, could result in us not being able to deliver our service to our members, or expose their 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 assess our security policies, standards and procedures regularly, and adjust them where necessary, so they are appropriate to the risks we face.
We have entered into agreements with third party service providers, for services covering a number of our operations. A failure to adequately manage third parties' 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 adverse effects on our 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 are subject to various 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. Meeting new or changed requirements may also result in additional complexity to the business, increasing costs or capital requirements.	We have allocated significant internal resources to this area. We have a dedicated compliance function resourced by suitably experienced individuals. 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.
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 result in failure to conduct our business fairly and ethically. This 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 culture and remuneration arrangements encourage key decision makers to take a wide ranging view, as opposed to focusing exclusively on narrow, short term commercial factors.
Our long term future is dependent on recruiting and retaining capable people in key roles. If we fail to implement appropriate succession plans and fail to recruit the right people, who share our ethical values, this 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.

Counterparty risk

Description of the key risk	How the risk is currently managed
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

Description of the key risk	How the risk is currently managed
If we misjudge the level of liquidity required and have insufficient liquid assets to meet our financial obligations, this 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

Description of the key risk	How the risk is currently managed
We invest in a range of asset classes where valuations can be affected by non technical factors, such as market sentiment, geopolitical uncertainty or issuer specific issues, which could adversely affect our financial performance.	We manage asset price risk by maintaining a highly diversified portfolio of assets and by setting asset allocation and performance targets, 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 criteria.
We hold assets and liabilities with different maturities, creating exposure to changes in interest rates, which can affect our financial performance, value of our assets and cashflows. The exposure arises mainly from the group's investments in debt and fixed income securities, and affects the rates used to calculate the technical provisions.	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.
We offer plans in Ireland, and invest in currencies and in funds, which invest in overseas debt and equity markets, creating exposure to changes in exchange rates, which can affect our financial performance and the value of our assets. 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 also maintain holdings in selected foreign currencies, to mitigate the effects of fluctuations in exchange rates on the group's surpluses.

Governance

Board of directors and secretary

Giles Kidner (54)

Chairman and non executive director

(appointed 24 May 2019)

Giles was appointed to the board in 2004, and as chairman, in May 2019. He 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. He has previously been the chairman of the audit committee.

He is a consultant orthodontist at Buckinghamshire Healthcare, and Oxford University Hospitals NHS Trusts and also works part time in private practice. He is lead orthodontist for the Spires regional cleft lip and palate service, Caldicott Guardian and an examiner for both the Intercollegiate Membership, and Speciality Fellowship examinations in Orthodontics.

Kathryn Woolass (65)

Chairman and non executive director

(retired 24 May 2019)

Kathryn retired from the board on 24 May 2019. She was appointed to the board as a non executive director in 1984, and as chairman in 2010. Until her retirement, she was 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 also 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 (49)

Chief executive

Farrukh joined the 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 also 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 (65)

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 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 is a Fellow of the International College of Dentists.

He has worked extensively in the training of dentists and complementary professionals and is currently a trainer for DF1 scheme in South West London region. He has examined for the National Examination Board for Dental Nurses and 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 and chair 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 (45)

Executive director

Simon was appointed to the board as an executive director in 2015 and has operational oversight of the compliance and marketing teams. He is also a member of the investment and capital management committee and a director of 1908 Property Holdings Limited. 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 (66)

Independent non executive director

Martyn was appointed to the 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.


Giles Kidner


Kathryn Woolass


Farrukh Mirza

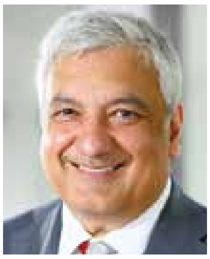

Davinderpal Kooner


Simon Elliott


Martyn Green


Jim Karim


Kirby Mardle


Raj Rattan MBE


Melanie Stern


Alister Weightman


Huw Winstone

Jim Karim (53)

Independent non executive director

Jim was appointed to the board in 2017 and as chairman of the audit committee in May 2019. Jim is a chartered accountant with over 20 years' experience in the banking industry, working in various senior risk management roles. He is currently a Head of Risk for Liquidity and Banking Market Risk at a major UK bank, with responsibility for risk monitoring and control of the bank's UK liquidity, asset and liability management, ALCO investments and pensions risks.

Kirby Mardle (35)

Executive director and group secretary

(appointed 15 February 2019)

Kirby was appointed to the board in February 2019 and has operational oversight of the finance and member services teams. She joined the society in 2006 as a member services consultant. She later moved into the finance team and following her qualification as a Chartered Certified Accountant, was appointed as head of finance in 2012. She is also the head of human resources.

Raj Rattan MBE (62)

Independent non executive director

(appointed 27 May 2019)

Raj was appointed to the board in May 2019. He combined his career in general dental practice with his role as Associate Dean at the London Deanery. He has been a policy adviser at the Department of Health and provided consultancy services to the NHS and the private and corporate sector. He has worked at Dental Protection for over 20 years where he was first appointed as a dento-legal adviser and is now Dental Director. He has been an examiner for the Faculty of General Dental Practitioners and has lectured extensively throughout the UK and overseas. He has written extensively about practice management, governance and risk management within the dental profession and was appointed MBE for services to dentistry in 2008.

Melanie Stern (56)

Independent non executive director

(appointed 27 May 2019)

Melanie was appointed to the board in May 2019. Melanie is a consultant and honorary senior clinical lecturer in orthodontics at the Charles Clifford Dental Hospital and a lead cleft orthodontist for the Trent Regional Cleft Network. She also works part time in private practice.

Melanie teaches undergraduates, postgraduates and speciality trainees and is also an examiner for the University of Sheffield.

Alister Weightman (55)

Independent non executive director

Alister was appointed to the board in 2011. He is the chairman of the operational risk and reputation committee and a member of the audit committee. 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 (61)

Independent non executive director

Huw was appointed to the 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 in North West Kent. He worked for over twenty five years in Dental Foundation Training, as a Vocational Training Adviser, Training Programme Director and an Associate Dean for Health Education England. Since 1996 he has been a dental adviser for the NHS and is currently Senior Dental Adviser for NHS England South East (Kent, Surrey & Sussex). He has been a member of the Kent Local Dental Committee since 1988, being treasurer for over twenty years.

Other key employees


Sarah Bradbury


Paul Dixon


Alexandra Fisk


Bryan Gross


Paul Roberts


Nikos Vlachos

Sarah Bradbury
Sarah joined the society 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 the society as joint head of compliance and risk in 2015 and was appointed sole head of compliance and risk in 2019. Having initially trained as a barrister, he worked in practice for ten 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.

Alexandra Fisk
Alex joined Dentists' Provident in 2013 as part of the marketing team and was appointed as head of member services in 2018. Alex has almost ten years' experience in a variety of commercial businesses in both membership and marketing roles.

Bryan Gross
Bryan joined the society as a senior underwriter in 2008 and was appointed as head of 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.

Paul Roberts
Paul joined the society in 2006 as a claims assessor and was appointed head of claims in 2017. Paul has over 20 years' experience working in income protection, previously working for Unum and Legal & General.

Nikos Vlachos
Nikos joined the society in 2016 and was appointed as head of information systems in 2020. After completing his bachelor degree in Mathematics, he obtained post graduate degrees in Applied Mathematics and Information Technology. Before joining the society, Nikos worked in a variety of roles for more than ten years across a range of industries.

Corporate governance

This section provides an explanation of how Dentists' Provident applies the principles of the QCA Corporate Governance Code.

Further information on the Board's corporate governance procedures can be found on our website.

Establish a strategy and business model which promote long-term value for the members

Our strategy and business model is discussed, agreed and reviewed by the Board as a regular agenda item.

Since our inception in 1908, we have been fully committed to the not-for-profit mutual business structure. Being owned by our members, with no shareholders, allows us to focus on building a long term sustainable business, that places the interests of our membership ahead of others. Our strategy has always been to be the quality-focused income protection insurance provider of choice for dental professionals in the UK and Ireland. We do this by:

- Providing our members with individualised and comprehensive insurance plans, which are flexible enough to remain fit for purpose throughout a dental professional's career
- Investing prudently and with a long term mindset, to maximise the returns for our members and to improve the resilience of our finances
- Employing a team of experienced and dedicated industry professionals, to manage the day to day operations of the group
- Taking a fair and disciplined approach to underwriting and claims management
- Treating our members ethically, to build mutually beneficial long term relationships, based on respect and trust
- Distributing our proposition directly and through independent financial advisers, using digital and traditional channels
- Pricing our plans in a clear, sustainable and transparent manner
- Effectively managing our cost base and key risks.

This has, and continues to, enable us to maximise the long term value we create for our members, within the context of a mutual business model.

Further information regarding our strategy and business model is set out in the other sections of the strategic report.

Seek to understand and meet member needs and expectations

We regularly attend industry events to meet with members, prospective members, intermediaries and other dental industry participants, to ensure that we have a clear and up to date understanding of the needs of these important stakeholders.

Many of our directors have held senior positions within the profession, and have been involved in the training and education of dental professionals. This gives our key decision makers a unique opportunity to look at the needs of our core market from the top-down and from the bottom-up.

All directors are members of the society. This also gives our board a direct connection with our plans and services, and deeper insight into the needs and expectations of other members.

Our products, their suitability, and relevance to our target market are also discussed regularly as part of the board's discussions regarding strategy.

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Our strategic focus on the long term means that, in order to succeed, we need to recognise our responsibilities to a wider spectrum of stakeholders, including staff, suppliers, our members and the wider dental profession. We endeavour to treat our employees and conduct business ethically and fairly. We also give proper consideration to environmental, social and governance factors within our investment decision-making process.

We are a respected member of the dental community, and we take an active interest in matters affecting the dental profession. We have, and continue to be involved with charitable bodies involved in improving dental health and those involved in supporting members of the dental profession facing financial or health issues.

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks, and plans to manage these, are set out on pages 10 to 13.

Our business is underpinned by a robust risk management framework. An effective risk management system allows us to allocate resources more efficiently. The key objectives of our risk management systems are to:

- support decision making by providing timely and appropriate risk information
- protect our solvency and financial position
- protect and enhance our reputation

The ultimate oversight for risk management remains with the board. However, certain duties have been delegated to board committees, who provide regular updates to the board, on activities that fall within their remit.

There are predefined risk appetites for all key risk areas, and risk management policies and procedures are reviewed and updated regularly, to reflect the environment within which we operate. Our risk identification and management process also ensures that all key risks are collated centrally and risk owners are clearly identified. The status of the risks is reviewed periodically and a structured reporting process is in place to communicate key risks and other relevant information to the board and its committees.

The day to day responsibility for risk management lies with the chief risk officer. The heads of departments are responsible for operational implementation of risk management policies and procedures and for reacting to new and emerging risks.

In addition, regular operational monitoring, augmented by internal audit and compliance reviews provides assurance on the effectiveness of the control environment.

Maintain the board as a well-functioning, balanced team led by the chair

The 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. The 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.

The main responsibilities of the board include:

- 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
- oversight of financial reporting, internal controls and risk and capital management
- approval of any material transactions that affect the group
- dialogue with key stakeholders
- oversight of the corporate governance framework

The board comprises a non executive chairman, chief executive, two executive directors and six independent non executive directors.

In assessing the independence of directors, we take an objective view of a director's tenure and we do not consider that after nine years non-executive directors automatically cease to be independent. The main threat to independence arises from conflicts of interest, financial dependence and over familiarity, and the most effective way of ensuring independence of thought and action is by focusing on these risks. Each year, we assess the independence of each non executive director, against highly conservative benchmarks, covering conflicts of interest, personal and professional connections and financial integrity.

The governance committee has considered the declarations by the non executive directors and has concluded that all non executive directors, with the exception of the chairman, remain independent. Giles Kidner was deemed to be independent until his appointment as chairman. However, in line with common practice, he is no longer classified as an independent non executive director.

The governance committee oversees the process of continued appointments. All directors are reappointed annually by our members, subject to the board being satisfied with their performance and commitment to the role. Over the years, the group has steadily reduced the maximum tenure of non executive directors and depending on the date of appointment, non executive directors must retire from the board at the age of 65 or after 15 or 9 years of service.

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

We are committed to ensuring that we appoint and retain non executive directors who bring relevant experience and expertise, strategic and operational skills and insights required to drive the group forward.

We are scrupulous in ensuring that all our appointments are on merit. The Governance Committee ensures that new directors are selected through a robust recruitment process, targeted at complementing the strengths of the board as a whole. We strive to ensure 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. As a result, we do not consider that targets based on gender or ethnicity fit with our meritocratic principles, nor would such targets improve our governance framework.

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 continue discharging their duties effectively. Therefore, we ensure that our non executive directors:

- receive regular training in areas of significance
- attend training courses covering their duties as directors
- receive formal briefings by external experts during board meetings

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

The group also has procedures in place for directors to obtain additional independent expert professional advice at the group's expense. No such advice was sought by any director in 2019.

The directors' biographies and skill sets are detailed on pages 14 to 15 of the annual report and on the 'About us' section of our website.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Every year, all directors undergo a formal appraisal, covering their work on the board and any relevant committees. In addition, led by the chairmen, the various committees evaluate their own performance as a whole. 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.

An externally facilitated review is also carried out by an independent expert every four years, and the last such review was carried out in 2017. 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 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.

The governance committee reviews the results of the annual and externally facilitated evaluation as a whole and these form 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 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. Within this context, the periodic refreshment of the board is essential, to avoid the risks of complacency, groupthink and perhaps most importantly losing touch with segments of our core market, and over the years we have gradually reduced the maximum length of tenure to manage these risks.

Promote a corporate culture that is based on ethical values and behaviours

A strong product suite is only part of a successful strategy. We believe that treating our members, employees and other stakeholders with the same ethics, honesty and respect that we ourselves, as people would expect, is a simple yet powerful differentiator of our business and one that has been, and continues to be, a key source of our long term competitive advantage. From the moment individuals engage with us, we treat each step as an opportunity to offer extraordinary service and ethical, honest and fair outcomes.

Conduct and corporate citizenship form key elements of the benchmark used to determine the discretionary bonus allocation for employees. We recognise that conflicts of interests can be a risk to ethical behaviour and mainly for this reason, the society eschews bonuses for executive directors. In addition, we have put the following processes in place to manage the risk of conflicts:

- restrictions on bonus account transactions at certain times of the year
- annual declarations by staff covering actual and potential conflicts
- ongoing responsibility for staff to disclose, immediately, any changes in their circumstances, which may give rise to a conflict of interest
- restrictions on participating in any discussions or decisions in which an individual has a material personal interest

The group's performance against its ethical values and cultural norms is monitored by the board's committees. The committee chairmen report on the work of the committees to the board as a whole on a quarterly basis.

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

We have a robust system for corporate governance throughout the group, with a clear division of responsibilities for those involved.

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

The vice chairman deputises for the chairman and supports him in the effective management of the board. The vice chairman also fulfils the role of the senior non executive director, serving as an important intermediary between the chairman, the rest of the board, and our members.

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

The secretary is responsible for supporting the chairman in the effective operation of the board, and the individual directors in discharging their duties effectively.

The board has established various committees, to assist it in effectively fulfilling its governance responsibilities. Information on the role and work of these committees is detailed on pages 20 to 30 of the annual report and the 'About us' section of our website.

Communicate how the company is governed and is performing by maintaining a dialogue with members and other relevant stakeholders

We report on our financial performance annually.

We are committed to maintaining an open dialogue with our members 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.

We encourage 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 the board's committees are also available to answer relevant questions at the annual general meeting.

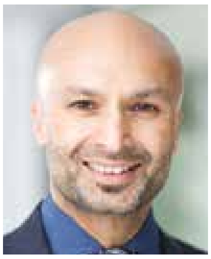
Our website provides information about the group, including its current and past results and press releases.

Giles Kidner

Giles Kidner
Chairman
09 April 2020

The audit committee

Giles Kidner



Jim Karim

Davinderpal Kooner

Alister Weightman

Role of the audit committee

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

The main responsibilities of the audit committee include:

- 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 financial 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

The committee is scheduled to meet four times a year. Only members of the committee are entitled to attend the meetings. However, Farrukh Mirza, Simon Elliott and Kirby Mardle attended all four meetings during the year by invitation from the chairman. The committee also meets with the external and internal auditors without management present, at least once a year.

Full details of the committee's terms of reference can be found on our website www.dentistsprovident.co.uk.

Committee composition

The committee comprises at least three members, who are appointed by the board on the recommendation of the governance committee. All members of the committee must be independent non executive directors, at least one of whom shall have recent and relevant financial experience. The chairman of the board cannot be a member of the committee.

Committee membership and attendance at scheduled meetings

Giles Kidner (chairman) (stepped down 24 May 2019)	2/2
Jim Karim (chairman) (appointed 24 May 2019)	4/4
Davinderpal Kooner	4/4
Alister Weightman	4/4

Internal and external auditors' access to the committee

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

Policy on non audit services and auditor rotation

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 2019

The key items considered in the year were:

First meeting of 2019

The committee approved the 2018 annual report and draft solvency and financial condition report. As part of approval of the annual report, the committee paid particular attention to matters of significance by virtue of their impact on the overall view given by the financial statements, the clarity of disclosures, the basis of preparation and compliance with reporting guidelines.

In addition, the committee also considered the Q4 2018 management report, the chief actuary's report, the key issues arising out of the audit of the financial statements, and from the report on internal controls by the internal auditor. The committee also discussed the effectiveness of the external audit, the proposal for the reappointment of the external auditor at the 2019 annual general meeting and met with the internal and external auditors without management being present.

Second meeting of 2019

The committee considered the Q1 2019 management report and a report from the FRC on audit quality.

Third meeting of 2019

The committee considered the Q2 2019 management report and reviewed the internal audit function. The committee also reviewed the performance of the internal and external auditors and undertook the annual review of the whistleblowing policy and the society's membership of the AFM. The committee also reviewed the appropriateness of the QCA Corporate Governance Code.

The committee also received and approved the reports from the internal auditors, and undertook a self assessment of its own performance and reviewed the adequacy of its terms of reference.

Fourth meeting of 2019

The committee considered the Q3 2019 management report and competitor analysis and reviewed the internal and external audit plans. The committee also received and approved the 2019 year end actuarial assumptions.

The committee also met with the internal and external auditors without management present.

2019 annual report

The committee has considered the 2019 annual report and recommended it for approval by the board. The committee has paid attention to matters materially affecting the view given by the financial statements. In particular:

- the methodology for calculating the fair value of property and non publicly traded investments
- the criteria used for the recognition of income in the financial statements
- the valuation assumptions used in the calculation of the technical provisions
- the adequacy and clarity of disclosures and compliance with generally accepted accounting principles.

Jim Karim

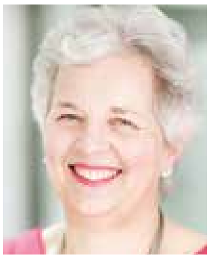
Jim Karim
Audit committee chairman
09 April 2020

The investment and capital management committee


Farrukh Mirza


Simon Elliott


Giles Kidner


Kathryn Woolass

Role of the investment and capital management committee

The role of the 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.

The main responsibilities of the investment and capital management committee include:

- 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

The committee is scheduled to meet four times a year. Only members of the committee are entitled to attend the meetings. However, the chief actuary attended two meetings by invitation from the chairman.

Full details of the committee's terms of reference can be found on our website www.dentistsprovident.co.uk.

Committee composition

The committee comprises the chief executive, another executive director and a non executive director appointed by the board.

Committee membership and attendance at scheduled meetings

Farrukh Mirza (chairman)	4/4
Simon Elliott	4/4
Giles Kidner (appointed 24 May 2019)	2/2
Kathryn Woolass (retired 24 May 2019)	2/2

Access to investment consultants and chief actuary/with profits actuary

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

Key items considered during 2019

The key items considered in the year were:

First meeting of 2019

The committee considered the performance of the investment portfolio for Q4 2018 and ratified the changes to the portfolio. The committee also reviewed the chief actuary's report and the disclosures in the annual report regarding the investment performance and the work of the committee.

Second meeting of 2019

The committee considered the performance of the investment portfolio for Q1 2019 and reviewed the performance of the current asset managers.

Third meeting of 2019

The committee considered the performance of the investment portfolio for Q2 2019 as well as the recommendations for 2020 premium rates and the results of an expert review on the underwriting and claims process and controls.

In addition, the committee also reviewed the committee handbook, undertook a self assessment of its own performance and reviewed the adequacy of its terms of reference. It also held a session without the chairman.

Fourth meeting of 2019

The committee considered the performance of the investment portfolio for Q3 2019 and the group's tactical asset allocation. The committee also received and approved the year end actuarial assumptions for 2019.

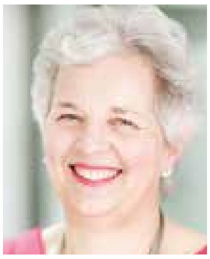
Farrukh Mirza

Farrukh Mirza
Investment and capital management committee chairman
09 April 2020

The governance committee


Martyn Green


Davinderpal Kooner


Kathryn Woolass


Giles Kidner

Role of the governance committee

The role of the governance committee is to assist the board in discharging its duty in the area of corporate governance and enterprise risk management.

The main responsibilities of the governance committee include:

- 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

The nomination duties focus on ensuring the 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 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, making recommendations regarding risk appetite to the board and evaluating the effectiveness of the group's governance and risk management framework.

The committee is scheduled to meet at least four times a year and the chief executive is required to attend all or part of the committee meetings.

Full details of the committee's terms of reference can be found on our website www.dentistsprovident.co.uk.

Committee composition

The committee comprises the group's chairman and two independent non executive directors appointed by the board. The chairman of the board cannot be the chairman of the committee.

Committee membership and attendance at scheduled meetings

Martyn Green (chairman)	4/4
Davinderpal Kooner	4/4
Kathryn Woolass (retired 24 May 2019)	2/2
Giles Kidner (appointed 24 May 2019)	2/2

Key items considered during 2019

The key items considered in the year were:

First meeting of 2019

The committee considered the feedback on the performance reviews for the non executive directors and reviewed the disclosures in the annual report regarding the work of the committee.

In addition, the committee discussed communications from the regulator and the regular supervisory report.

Second meeting of 2019

The committee considered the board and committee composition and succession arrangements, and reviewed the conflict of interest declarations of the new appointees. The committee also received an update on the group's Brexit plans.

Third meeting of 2019

The chairman of the board presented his summary of the results of the directors' performance evaluations to the committee, which also undertook a self assessment of its own performance and reviewed the adequacy of its terms of reference. The committee also reviewed the group's progress against its strategic targets, and also approved the own risk and solvency assessment and changes to the society's risk management framework.

Fourth meeting of 2019

The committee reviewed the annual budget for 2020, received an update on the group's progress towards its business strategy and reviewed the frequency of the externally facilitated board reviews following the adoption of the QCA corporate governance code.

Martyn Green

Martyn Green
Governance committee chairman
09 April 2020

The operational risk and reputation committee

Alister Weightman

Martyn Green

Huw Winstone

Role of the operational risk and reputation committee

The role of the operational risk and reputation committee is to assist the board in discharging its duties in the area of operational, conduct and reputational risk management.

The main responsibilities of the operational risk and reputation committee include:

- monitoring the adequacy of the conduct, reputational, regulatory compliance and business continuity risk management systems and making appropriate recommendations to the board
- reviewing and reporting to the board on the systems governing the identification and management of conduct, reputational, regulatory compliance, and business continuity risks
- receiving and reviewing regular reports from the executive and making appropriate recommendations to the board.

The committee is scheduled to meet four times a year. Only members of the committee are entitled to attend the meetings. However, Farrukh Mirza and Simon Elliott attended all four meetings during the year by invitation from the chairman.

Full details of the committee's terms of reference can be found on our website www.dentistsprovident.co.uk.

Committee composition

The operational risk and reputation committee comprises at least three members, who are appointed by the board on the recommendation of the governance committee. All members of the committee must be independent non executive directors. The chairman of the board cannot be a member of the committee.

Committee membership and attendance at scheduled meetings

Alister Weightman (chairman)	4/4
Martyn Green	3/4
Huw Winstone	4/4

Key items considered during 2019

The key items considered in the year were:

First meeting of 2019

The committee considered the progress on the implementation of the changes to the group's business continuity arrangements, and the report on conduct, reputation and regulatory risks and received an update on the group's Brexit plans. The committee also reviewed the disclosures in the annual report regarding the work of the committee.

Second meeting of 2019

The committee considered the progress on the implementation of the changes to the group's business continuity arrangements, the report on conduct, reputation and regulatory risks.

Third meeting of 2019

The committee considered the report on conduct, reputation and regulatory risks and the money laundering reporting officer's report and undertook a self assessment of its own performance and reviewed the adequacy of its terms of reference.

Fourth meeting of 2019

The committee considered the progress on the implementation of the changes to the group's business continuity arrangements and the report on conduct, reputation and regulatory risks.

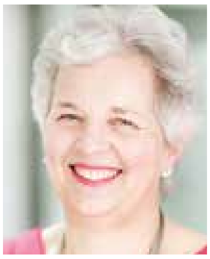
Alister Weightman

Alister Weightman
Operational risk and reputation committee chairman
09 April 2020

The remuneration committee

Huw Winstone

Davinderpal Kooner



Kathryn Woolass

Giles Kidner

Role of the remuneration committee

The role of the remuneration committee is to assist the board in discharging its duties in relation to the group's remuneration related matters.

The main responsibilities of the remuneration committee include:

- oversight of remuneration arrangements for directors
- monitoring the level and 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

The committee is also responsible for ensuring that contractual terms regarding termination and any termination payments are fair to the individual and the group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

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. Any executive director and the head of human resources may also attend the meetings at the invitation of the chairman.

Full details of the committee's terms of reference can be found on our website www.dentistsprovident.co.uk.

Committee composition

The committee comprises the chairman, vice chairman and an independent non-executive director appointed by the board.

Committee membership and attendance at scheduled meetings

Huw Winstone (chairman)	3/3
Davinderpal Kooner	2/3
Kathryn Woolass (retired 24 May 2019)	1/1
Giles Kidner (appointed 24 May 2019)	2/2

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
- to give due consideration to the market environment but be largely driven by the individual's level of responsibility, competence and contribution to our success
- to make the retired dentists' plan mandatory for executive directors, to align their long term financial interests with those of our members
- to 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 reviews base salaries independently, 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

The committee considered the performance of the individual executive directors, their skills and experience and the responsibilities of their roles. The committee noted that the duties performed by the executive directors were wider than those typical for their standard roles. The comparison with the executive directors' peers was a secondary, but nonetheless important consideration.

Based on the above, the committee proposed a 6% increase in the remuneration for the chief executive and a 5% increase for the other executive directors.

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. They 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.

An increase of 5% was proposed for the fees associated for each of the board and committee roles.

Benefits

The executive directors do not receive any benefits other than life insurance and a fixed benefits allowance. Non executive directors are not entitled to any contractual benefits.

Retirement benefits

The chief executive was a member of the group's targeted final salary, defined contribution pension scheme. The chief executive stopped accruing further benefits under the scheme from 1 January 2017 and the scheme was wound up in 2018. Instead, since 1 January 2017, he is entitled to a cash allowance in lieu of pension. The cash allowance is set as a percentage of base salary in accordance with pre existing terms of employment. The maximum pension allowance payable is 30% of base salary.

Simon Elliott and Kirby Mardle are members of the group's defined contribution arrangement, which is open to all employees. The committee also reviewed their retirement benefit arrangements as part of their overall review of executive remuneration and recommended increasing the group's pension contribution level to 15.0% from 1 January 2019.

No pension benefits are available to non-executive directors, including the chairman.

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.

Key items considered during 2019

The key items considered in the year were:

First meeting of 2019

The committee considered the remuneration related disclosures in the annual report and reviewed the appropriateness of the executive directors' contracts.

Second meeting of 2019

The committee reviewed and accepted the changes to the new executive director's contracts and considered the appropriateness of the executive remuneration policy and agreed the basis for the executive remuneration review at its next meeting. It also undertook a self assessment of its own performance and reviewed the adequacy of its terms of reference.

Third meeting of 2019

The remuneration of the directors was reviewed in full, to ensure the level and structure continued to serve the best interests of the society and its members. In doing so, the committee considered the performance of each of the directors and the remuneration benchmarks when proposing the changes set out earlier in the remuneration report. The committee also approved the overall remuneration budget for the group, as well as the bonus pool for operational employees.

Huw Winstone

Huw Winstone
Remuneration committee chairman
09 April 2020

Directors' report

This report should be read in conjunction with the strategic report on pages 4 to 13.

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 dental professionals in the UK and Ireland.

Further discussion of the group's strategy is contained in the chairman's statement .

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 developments and performance of the business can be found within the chairman's report.

A description of the material risks facing the group are set out in the principal risks and uncertainties section of the annual report.

Bonuses

The recommended final bonuses applicable to the various plans are set out on page 1. Total bonuses allocated to members in 2019 amounted to £7.413 million (2018: £7.670 million).

Directors

Board membership and attendance at scheduled meetings

Kathryn Woolass (chairman) (retired 24 May 2019)	1/1
Giles Kidner (chairman) (appointed 24 May 2019)	4/4
Farrukh Mirza (chief executive)	4/4
Davinderpal Kooner (vice chairman)	3/4
Simon Elliott (executive director)	4/4
Martyn Green	4/4
Jim Karim	4/4
Kirby Mardle (executive director) (appointed 15 February 2019)	4/4
Raj Rattan MBE (co-opted onto the board 27 May 2019)	2/2
Melanie Stern (co-opted onto the board 27 May 2019)	2/2
Alister Weightman	4/4
Huw Winstone	4/4

The biographies of the directors are set out on pages 14 to 15.

At the forthcoming annual general meeting, all of the directors will be offering themselves for re election, with the exception of Melanie Stern and Raj Rattan, who will be standing for election to the board and Davinderpal Kooner, who will be stepping down having served the maximum permitted term.

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.

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 £20,730 (2018: £20,600). 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 shown in note 18 to the financial statements.

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.

The board has assessed the viability of the group over a five year period based on the group's strategic plan. The plan was approved by the board in September 2018, covering the period 2019-2023 and was reviewed in September 2019.

As detailed in this annual report, the group has a robust process for managing its operations and for the approval of the risk appetite, risk monitoring and reporting. The board believes that the group is well placed to manage its business effectively, having regard to its nature, scale and complexity. The board does not have any reason to believe the group will not continue to be in operation over the foreseeable future.

The board also believes the group has adequate 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.

Please also refer to note 29 for further information.

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 the system 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 was 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 risks completely. The group's system of internal controls is designed to manage, as opposed to eliminate, control risks 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.

Cautionary statement regarding forward looking information

This annual report 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. 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.

Statement of directors' responsibilities

Directors' responsibilities for preparing the financial statements

The following statements should be read with the statement of auditor's responsibilities included in the independent auditor's 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 financial statements. It is also their responsibility to state that they consider that the annual report, 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 the state of affairs and 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 current directors, whose names and functions are listed in the governance section on pages 14 to 15, 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 surplus or deficit of the group and of the society and, taken as a whole, are fair, balanced and understandable.

Statement of disclosure to auditor

The directors of the society, at the date of approval of the annual report and financial statements, confirm that in so far as they are aware:

- there is no relevant audit information of which the society's auditor is unaware; and
- the directors individually have taken all necessary steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board

Kirby Mardle

Kirby Mardle
Director and group secretary
09 April 2020

Financial statements

Independent auditor's report

To the members of Dentists' Provident Society Limited

Opinion

We have audited the financial statements of Dentists' Provident Society Limited (the "Society") and its subsidiary (together the "Group") for the year ended 31 December 2019 which comprise the consolidated income and expenditure account, consolidated balance sheet, Society income and expenditure account, Society balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 Insurance Contracts (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Group's and Society's 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 2019 and of the Group's and Society's surplus 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Area of focus	Work performed to address this risk	Conclusion of findings
Valuation of technical provisions The Group financial statements include a net technical provision of £107.46 million (2018: £98.52 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 technical provision, we performed the following procedures: • We have utilised an independent actuary to report to us on the methodology and assumptions that underpin 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 technical provisions to ensure these are reasonable and in line with acceptable parameters. • We have reviewed and reconciled the data used by the actuaries in their projections to that audited by us and extracted from the underlying member systems, to ensure completeness and accuracy.	As a result of the procedures performed, we did not identify any matters to suggest that the technical provisions are materially misstated
Covid-19 going concern (see note 29) Following the year end the Covid-19 virus has hit the UK and could have a significant impact on the business of the Society, being the provision of income protection products to dental professionals. This impact is not limited to significant uncertainty in the investment markets and a fall in investment markets but also an, as yet, unquantified impact on claims on the Society. At 31 December the Society has coverage of the Solvency Capital Requirement (SCR) of 174% and following stress testing of the Solvency position concludes that the Society remains able to meet its SCR, prior to the implementation of management actions, such as reduction in bonuses. The stress scenarios have considered the combined incidence of significant stock market fall, increased morbidity experience , increased expenses and mass conversion to income protection only. Management have concluded that the Society remains a going concern at the date of signing these financial statements and have not identified any material uncertainties. Due to the potential significance of this event we consider the risk to be significant, including the risk of incomplete disclosures.	In assessing the directors' consideration of the impact of Covid-19 on the going concern status of the Society, we have reviewed and considered the following: • The Directors stress testing of budgets and projections of the society for the 12 months from the date of approval of the financial statements. We have considered the impact of Covid-19 on these budgets. • We have reviewed the compliance with SCR over the 12 months from the date of signing, when stressed for possible consequences of the Covid-19 crisis.	Our key observations are set out in the conclusions related to going concern section of our audit report.

Our application of materiality

In planning and performing our audit we were influenced by our application of materiality. We consider materiality to be the magnitude by which misstatements, including omissions, could change or influence the economic decisions of reasonably knowledgeable users that are taken on the basis of the financial statements. Importantly, we also take into account the nature of identified misstatements and the particular circumstances of their occurrence when evaluating their effect on the financial statements as a whole, and so misstatements below these levels will not necessarily be evaluated as immaterial.

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 £1,000,000 (2018: £950,000). The principal determinant in this assessment was the Company's net assets, which we consider to be the most relevant benchmark, as it reflects a key measure of the performance of an insurance company and is used to assess the level of free reserves and in determining solvency. Our materiality represents 0.5% (2018: 0.5%) of this number. A lower level of materiality has been determined and applied to non-balance sheet items, being £280,000 (2% of premiums). This methodology wasn't used in 2018.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Basic performance materiality was set at £750,000 (2018: £712,500) which represents 75% (2018: 75%) of the above materiality levels.

We agreed with the Audit Committee that we would report to them any misstatements in excess of £20,000 (2018: £48,000) that we identified through the course of our audit, together with any qualitative matters that warrant reporting.

An overview of the scope of the audit

The audit of the Group financial statements includes the audit of the Society and its subsidiary. The scope of the audit for the financial statements has been determined by our application of our materiality to the financial statements in association to the risks of the Company when determining the level of work to be performed. All audit work was performed directly by the audit engagement team with the assistance of appointed experts.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of the valuation of technical provisions which are subject to management judgement and estimation.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Friendly Societies Act 1992, PRA and FCA rules, FRS 102 and FRS 103. We obtained our understanding through internal and external training, the use of an appropriately qualified and experienced audit team who specialise in the insurance sector.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focused on laws and regulations that could give rise to a material misstatement in the company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- review of correspondence with the PRA and FCA; and
- review of the Company's compliance plan, annual MLRO report, breaches register and Internal Audit reports.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely, as auditor of the financial statements, we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that might reasonably represent a risk of material misstatement due to fraud.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Friendly Societies Act 1992

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Friendly Societies Act 1992 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities Statement set out on pages 32 to 33 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Audit Committee on 9 September 2016. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or Society and we remain independent of the Society in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Reed

Thomas Reed,
Senior Statutory Auditor

For and on behalf of
BDO LLP
Statutory Auditor
London, UK

09 April 2020

Income and expenditure account

For the year ended 31 December 2019

	Note	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Earned premiums	5	14,060	14,073	14,060	14,073
Investment income	6	1,353	2,049	661	1,542
Unrealised gains/(losses) on investments	7	27,994	(3,377)	26,394	(3,229)
Total income		**43,407**	**12,745**	**41,115**	**12,386**
Claims incurred	8	(10,577)	(11,008)	(10,577)	(11,008)
Withdrawals from bonus accounts by members		5,581	6,182	5,581	6,182
Technical provisions	21	(7,779)	4,514	(7,779)	4,514
Other provisions	22	(460)	473	(460)	473
Changes in long term business provisions		(2,658)	11,169	(2,658)	11,169
Bonuses to members	9	(7,413)	(7,670)	(7,413)	(7,670)
Net operating expenses	10	(4,750)	(5,038)	(4,710)	(4,891)
Investment management expenses		(73)	(296)	(73)	(296)
Total expenses		(4,823)	(5,334)	(4,783)	(5,187)
Taxation	13	(453)	(44)	–	–
Transfer to fund for future appropriations	20	**17,483**	**(142)**	**15,684**	**(310)**

Balance sheet

31 December 2019

	Note	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Assets					
Land and buildings	14	24,600	23,000	–	–
Investment in subsidiaries	15	–	–	4,600	4,600
Other financial investments	16	282,508	255,760	281,980	255,236
Total investments		307,108	278,760	286,580	259,836
Negative technical provisions	21	26,356	34,681	26,356	34,681
Debtors	17	83	154	6,943	6,986
Tangible fixed assets	18	5,913	6,742	5,913	6,740
Cash at bank		7,071	7,149	5,048	5,642
Total other assets		12,984	13,891	10,961	12,382
Prepayments and accrued income		264	411	135	300
Total assets		**346,795**	**327,897**	**330,975**	**314,185**
Liabilities					
Fund for future appropriations	20	206,512	189,029	193,207	177,523
Technical provisions	21	133,792	133,199	133,792	133,199
Provision for liabilities	22	1,959	1,499	1,959	1,499
Provision for deferred taxation	23	2,119	1,753	–	–
Creditors	24	2,413	2,417	2,017	1,964
Total liabilities		**346,795**	**327,897**	**330,975**	**314,185**

The attached notes 1 to 29 form an integral part of these financial statements.
The financial statements were approved by the board of directors and authorised for issue on 09 April 2020.

Giles Kidner

Giles Kidner
Group chairman

Farrukh Mirza

Farrukh Mirza
Group chief executive

Jim Karim

Jim Karim
Chairman of the audit committee

Notes to the financial statements

For the year ended 31 December 2019

1. General information

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 dental professionals in the UK and Ireland.

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 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 section of the annual report.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these 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.

2.1.1 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 section of the annual report. This section 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.

Please also refer to note 29 for further information.

2.1.2 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. 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 society and its subsidiary 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

2.5.1 Premium income

The society's contracts are long term insurance contracts 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.

2.5.2 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.

2.5.3 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 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 have occurred as at the balance sheet date, that 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 at 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 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 tax assets and liabilities; and
- the 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 10%, 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 defined contribution retirement benefit scheme are charged as an employee benefit expense as they fall due. The scheme is 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

2.11.1 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.

2.11.2 Initial measurement

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

2.11.3 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. Dividends and interest income are recognised when earned. Investment management and other related expenses are recognised when incurred.

2.11.4 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.

2.11.5 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.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

2.11.6 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.

2.11.7 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.

2.11.8 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 transfers 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 term of the relevant lease.

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

2.13 Insurance contracts

2.13.1 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.

2.13.2 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.

2.13.3 Technical provisions

At each reporting date the group performs a review of its technical provisions to ensure that the carrying values are appropriate, using current estimates of future cash flows and investment return. If the assessment shows the carrying values of the technical provisions are no longer appropriate, any deficiency or surplus is recognised in the income and expenditure account.

The technical provisions are calculated on a best estimate market consistent basis in accordance with the requirements under the Solvency II regime and appropriate UK Prudential regulations.

The technical provisions include the risk margin, which is an allowance for the cost, to a third party, of undertaking the group's risks that are not hedgeable under the Solvency II regime.

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, 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.

3.1 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.

3.1.1 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.

3.1.2 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.

3.1.3 Technical provisions

The directors are responsible for approving the recommendations for the valuation methodology and assumptions used in calculating the technical provisions. These recommendations are prepared and presented in accordance with the applicable Technical Actuarial Standards issued by the Financial Reporting Council and reviewed by 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.

4.1 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 most of 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 10% increase in the morbidity assumption would be to increase the technical provisions by £5.520 million (2018: £6.593 million).

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

Given the past level of persistency, a large proportionate increase in the current lapse experience 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 expense assumption of 20% would increase the technical provisions by £7.107 million (2018: £8.241 million).

A decrease in the yield curves used to calculate the technical provisions of 75 basis points would increase the technical provisions by £0.185 million (2018: £0.801 million).

The maturity profile of the technical provisions is set out in note 21.

4.2 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 the year end was £154.590 million (2018: £137.849 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 £15.459 million (2018: £13.784 million).

4.3 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 2019 was £107.533 million (2018: £97.027 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 75 basis points reduction in the yield curve would increase the group's surplus for the year by £0.084 million (2018: £0.151 million).

4.4 Property risk

The group has significant exposure to property and property related assets, through a combination of direct holdings 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 £4.137 million (2018: £3.928 million).

4.5 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 current and preceding year ends, the board did not consider the residual currency risk to be material to the group's operations.

4.6 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 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.

At the year end, the group had no material debt or fixed income assets that were impaired beyond their reported fair values (2018: £nil).

Further information on the credit risk profile of the group's fixed interest securities and deposits with credit institutions is set out in note 16.

4.7 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 at minimal cost. In addition, the use of budgets and business plans allows the group the ability to realistically estimate its liquidity requirements.

4.8 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 regulatory framework.

5. Earned premiums

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Analysis of gross premiums written by class of business				
Insurance business premiums	11,336	11,355	11,336	11,355
Investment premiums	2,724	2,718	2,724	2,718
Total long term insurance contracts	**14,060**	**14,073**	**14,060**	**14,073**
Analysis of gross premiums written by geographic area				
United Kingdom, Channel Islands and the Isle of Man	13,418	13,491	13,418	13,491
Ireland	642	582	642	582
Total long term insurance contracts	**14,060**	**14,073**	**14,060**	**14,073**

6. Investment income

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Income from subsidiary	–	–	346	318
Income from land and buildings	905	837	–	–
Income from other financial investments	3	2,554	(130)	2,566
Gains/(losses) on realisation of investments	445	(1,342)	445	(1,342)
Total investment income	**1,353**	**2,049**	**661**	**1,542**

No contingent income has been recognised in the financial statements in the current or previous year.

7. Unrealised (losses)/gains on investments

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Freehold land and buildings	1,600	(148)	–	–
Other financial investments	26,394	(3,229)	26,394	(3,229)
Total unrealised gains on investments	**27,994**	**(3,377)**	**26,394**	**(3,229)**

8. Claims incurred

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Withdrawals from bonus accounts by members	5,581	6,182	5,581	6,182
Income protection benefit claims	4,996	4,826	4,996	4,826
Total claims incurred	**10,577**	**11,008**	**10,577**	**11,008**

9. Bonuses to members

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Dividends and interest to members on withdrawal	195	212	195	212
Annual bonuses to members	6,585	6,796	6,585	6,796
Terminal bonuses on withdrawal of funds	633	662	633	662
Total bonuses to members	**7,413**	**7,670**	**7,413**	**7,670**

10. Net operating expenses

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Acquisition costs	1,318	1,477	1,310	1,477
Administrative expenses	3,432	3,561	3,400	3,414
Net operating expenses	**4,750**	**5,038**	**4,710**	**4,891**
Net operating expenses include:				
Commissions to financial intermediaries	294	261	294	261
Auditor's remuneration - audit services	68	70	60	62
Actuarial fees	156	209	156	209
Depreciation and loss on disposal of fixed assets	914	842	911	839

11. Staff costs

The remuneration of our staff, included within the note 10 above was:

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Wages and salaries	1,558	1,604	1,558	1,604
Social security costs	178	185	178	185
Other pension and associated costs	142	130	142	130
Total staff costs	**1,878**	**1,919**	**1,878**	**1,919**

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

	2019 Group	2018 Group	2019 Society	2018 Society
Average number of employees, including directors				
Acquisition	7	9	7	9
Management and administration	21	19	21	19
Total	**28**	**28**	**28**	**28**

Details of directors' remuneration included within staff costs above are set out in note 12.

12. Directors' and key employees' remuneration

The remuneration of directors, included within the total staff costs above was:

	2019 £000 Salary and fees	2019 £000 All taxable benefits	2019 £000 Pension related benefits	2019 £000 Total	2018 £000 Salary and fees	2018 £000 All taxable benefits	2018 £000 Pension related benefits	2018 £000 Total
Non executive directors								
Kathryn Woolass	12	–	–	12	28	–	–	28
Giles Kidner	22	–	–	22	10	–	–	10
Martyn Green	16	–	–	16	15	–	–	15
Jim Karim	11	–	–	11	9	–	–	9
Davinderpal Kooner	19	–	–	19	18	–	–	18
Raj Rattan MBE	3	–	–	3	–	–	–	–
Melanie Stern	3	–	–	3	–	–	–	–
Alister Weightman	16	–	–	16	15	–	–	15
Huw Winstone	16	–	–	16	15	–	–	15
Executive directors								
Farrukh Mirza	285	4	86	375	269	4	81	354
Simon Elliott	133	4	20	157	130	4	16	150
Kirby Mardle	88	4	13	105	–	–	–	–
	624	**12**	**119**	**755**	**509**	**8**	**97**	**614**

The remuneration of the key employees detailed on page 13 along with Kirby Mardle, prior to her appointment to the board, included within total staff costs was:

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Wages and salaries	472	530	472	530
Other pension and associated costs	34	40	34	40
	506	**570**	**506**	**570**

13. Taxation

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
UK corporation tax	87	69	–	–
Deferred tax	366	(25)	–	–
Total tax charge for the year	**453**	**44**	–	–

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

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
(Deficit)/surplus on ordinary activities before tax	**17,936**	**(98)**	**15,684**	**(310)**
Tax on surplus/(deficit) on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	3,408	(19)	2,980	(59)
Effects of:				
Income not taxable for determining current taxable profit	(3,297)	59	(2,980)	59
Expenses not deductible for tax purposes	1	29	–	–
Movement in deferred tax on revaluation gains	366	(25)	–	–
Adjustments to tax charge in respect of previous periods	(25)	–	–	–
Total tax charge/(credit) for the year	**453**	**44**	–	–

14. Land and buildings

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Valuation				
Freehold land and buildings at the start of the year	23,000	23,044	–	–
Additions	–	104	–	–
Revaluation	1,600	(148)	–	–
Freehold land and buildings at the end of the year	**24,600**	**23,000**	–	–
Value of land included in the valuation above	8,659	8,175	–	–
Value of land and building occupied by the group for its own use	4,611	4,611	–	–
Value of land and buildings at cost	10,649	10,649	–	–

The freehold land and buildings were revalued to fair value on 31 December 2018 based on a valuation by Tuckerman Chartered Surveyors, an independent valuer with recent and relevant experience in the location and class of properties being valued. The properties were valued on an open market basis and in accordance with the RICS Appraisal and Valuation Manual. No special assumptions were applied to the valuation of the properties and there are no restrictions on the realisability of the investment properties.

A directors' valuation has been performed for the land and buildings as at 31 December 2019. The main inputs used by the group were an agreed sale price, discount rates, rental yields, rental growth rates based on current market conditions, comparable transactions and industry data. The directors are satisfied that the valuation figure stated constitutes fair value.

At 31 December, the group had contracted with tenants for the following future minimum lease payments:

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Within one year	594	716	–	–
In the second to fifth years inclusive	1,938	2,555	–	–
After five years	61	333	–	–

15. Investment in subsidiaries

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Shares in group undertakings	–	–	4,600	4,600

The directors are of the opinion that the aggregate value of the investment is in excess of the amounts stated above.

Information about the subsidiary	Country of incorporation	Principal activity	Holding	% held
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

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Valuation				
Shares and other variable yield securities	171,360	154,134	171,360	154,134
Debt and other fixed interest securities	102,837	93,381	102,837	93,381
Deposits with credit institutions	8,311	8,245	7,783	7,721
Total other financial investments	**282,508**	**255,760**	**281,980**	**255,236**
Cost				
Shares and other variable yield securities	91,723	99,503	91,723	99,503
Debt and other fixed interest securities	92,905	81,376	92,905	81,376
Deposits with credit institutions	8,311	8,245	7,783	7,721
Total other financial investments	**192,939**	**189,124**	**192,411**	**188,600**

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 £1.425 million (2018: £2.960 million).

The credit risk profile of fixed interest securities and deposits with credit institutions shown above is as follows:

	2019 Group	2018 Group	2019 Society	2018 Society
Investment grade	93%	90%	93%	90%
Sub-investment grade	3%	3%	3%	3%
Unrated	4%	7%	4%	7%

17. Debtors

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Other debtors	83	154	43	39
Amounts owed by subsidiary undertaking	–	–	6,900	6,947
Total debtors	**83**	**154**	**6,943**	**6,986**

18. Tangible fixed assets

	2019 £000 Group Fixtures, fittings, plant and equipment	2019 £000 Group Computer equipment and software	2019 £000 Group Total	2019 £000 Society Fixtures, fittings, plant and equipment	2019 £000 Society Computer equipment and software	2019 £000 Society Total
Cost						
At the start of the year	497	7,846	8,343	472	7,846	8,318
Additions	–	85	85	–	84	84
Disposals	(1)	–	(1)	(1)	–	(1)
At the end of the year	**496**	**7,931**	**8,427**	**471**	**7,930**	**8,401**
Accumulated depreciation and impairment						
At the start of the year	443	1,158	1,601	420	1,158	1,578
Charge for the year	33	881	914	30	881	911
Eliminated on disposal	(1)	–	(1)	(1)	–	(1)
At the end of the year	**475**	**2,039**	**2,514**	**449**	**2,039**	**2,488**
Net book value						
At the start of the year	54	6,688	6,742	52	6,688	6,740
At the end of the year	**21**	**5,892**	**5,913**	**22**	**5,891**	**5,913**

19. Analysis of investments by fair value hierarchy

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Land and buildings				
Level 1	9,100	–	–	–
Level 2	–	–	–	–
Level 3	15,500	23,000	–	–
Total	**24,600**	**23,000**	**–**	**–**
Shares and other variable yield securities				
Level 1	168,136	150,651	168,136	150,651
Level 2	–	–	–	–
Level 3	3,224	3,483	3,224	3,483
Total	**171,360**	**154,134**	**171,360**	**154,134**
Debt and other fixed interest securities				
Level 1	99,222	88,782	99,222	88,782
Level 2	–	–	–	–
Level 3	3,615	4,599	3,615	4,599
Total	**102,837**	**93,381**	**102,837**	**93,381**
Deposits with credit institutions				
Level 1	8,311	8,245	7,783	7,721
Level 2	–	–	–	–
Level 3	–	–	–	–
Total	**8,311**	**8,245**	**7,783**	**7,721**

Transfers between levels of fair value hierarchy

For investments that are measured at fair value, the group determines whether transfers have occurred between the levels of the fair value hierarchy by re-assessing the categorisation at the end of the reporting period.

£9.100 million of assets, categorised under Land and buildings, were transferred from level 3 to level 1 based on the availability of observable inputs. As at the reporting date, the group was party to an agreed contract of sale for one of its directly held properties.

20. Fund for future appropriations

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
At the start of the year	189,029	189,171	177,523	177,833
Transfer (to)/from the income and expenditure account	17,483	(142)	15,684	(310)
At the end of the year	**206,512**	**189,029**	**193,207**	**177,523**
Excess capital under Solvency II				
Fund for future appropriations	206,512	189,029	193,207	177,523
Revaluation of assets under Solvency II	(5,724)	(6,533)	(5,724)	(6,533)
Solvency capital requirement	(113,099)	(93,831)	(113,099)	(93,831)
Excess capital under Solvency II	**87,689**	**88,665**	**74,384**	**77,159**

The revaluation of assets under Solvency II relates to items of computer equipment and software which are not admissible as assets under the regulations.

The directors are of the opinion that the excess capital under Solvency II as opposed to the fund for future appropriations is more representative of the amounts available for distribution to members.

21. Technical provisions

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Charged/(Credited) to the income and expenditure account				
Change in best estimate liability of the insurance portfolio	8,324	1,474	8,324	1,474
Change in best estimate liability of the members' bonus accounts	(977)	(2,230)	(977)	(2,230)
Change in risk margin	432	(3,758)	432	(3,758)
Change in technical provisions	**7,779**	**(4,514)**	**7,779**	**(4,514)**
Best estimate liability of the insurance portfolio				
At the start of the year	(34,681)	(36,155)	(34,681)	(36,155)
Changes in assumptions	6,998	2,075	6,998	2,075
Changes in membership	(1,269)	(2,762)	(1,269)	(2,762)
Other surpluses and deficits	2,596	2,161	2,596	2,161
At the end of the year (A)	**(26,356)**	**(34,681)**	**(26,356)**	**(34,681)**
Best estimate liability of the members' bonus accounts				
At the start of the year	115,097	116,422	115,097	116,422
Changes in assumptions	22	(814)	22	(814)
Changes in membership	4,534	3,184	4,534	3,184
Other surpluses and deficits	(4,395)	(3,695)	(4,395)	(3,695)
At the end of the year (B)	**115,258**	**115,097**	**115,258**	**115,097**
Analysed as				
Members' bonus accounts	89,516	88,379	89,516	88,379
Best estimate of future bonus account liabilities	25,742	26,718	25,742	26,718
At the end of the year	**115,258**	**115,097**	**115,258**	**115,097**
Risk margin				
At the start of the year	18,102	21,860	18,102	21,860
Change in risk margin	432	(3,758)	432	(3,758)
At the end of the year (C)	**18,534**	**18,102**	**18,534**	**18,102**
Negative technical provisions (A)	(26,356)	(34,681)	(26,356)	(34,681)
Technical Provisions (B) + (C)	**133,792**	**133,199**	**133,792**	**133,199**
Maturity profile of negative technical provisions				
On demand, no fixed maturity or within one year	(20)	(34)	(20)	(34)
Between one and five years	1,699	1,084	1,699	1,084
Between five and ten years	5,943	7,148	5,943	7,148
More than ten years	18,734	26,483	18,734	26,483
Maturity profile of technical provisions				
On demand, no fixed maturity or within one year	80,871	82,148	80,871	82,148
Between one and five years	14,552	13,009	14,552	13,009
Between five and ten years	16,833	19,059	16,833	19,059
More than ten years	21,536	18,983	21,536	18,983

Key assumptions

The significant assumptions used to determine the insurance technical provisions are set out below.

Assumption	Details
Short term and future morbidity	This represents expected future sickness and varies by age and gender. This is set with reference to the group's recent experience.
Claims in payment morbidity	This represents the recovery of currently sick members and varies by length of time a member has been sick. This is set with reference to the group's recent experience.
Persistency	This represents members choosing to terminate their policies. This is set with reference to the group's recent experience.
Inflation	This is set with reference to the market implied inflation curve published by the Bank of England.
Expenses	This is set with reference to the group's expected future costs in administering the policies and assets for insured members.
Future interest and dividend	This is set with reference to the prevailing interest rate with consideration of the UK spot yield curve produced by EIOPA. The dividend rates are set assuming a continuation of the last declared dividend rates.
Loyalty bonus	This is set assuming a continuation of the prevailing loyalty bonus at the end of the reporting year.
Discount rate	The UK and Euro spot yield curve produced by EIOPA.

The following table sets out the tables used in calculating the short term and future morbidly experience. In calculating the technical provisions, 50% of the table for males and 65% of the table for females is used as these proportions represent a best estimate of future experience.

	Modified weeks of sickness table – Females			Modified weeks of sickness table – Males		
Age	**First six months**	**Second six months**	**Thereafter**	**First six months**	**Second six months**	**Thereafter**
25	0.5954	0.0922	0.1038	0.4428	0.0517	0.0582
35	0.6620	0.0973	0.2468	0.4924	0.0545	0.1384
45	0.8660	0.1893	1.0210	0.6441	0.1062	0.5726
55	1.3360	0.5038	2.8861	1.0221	0.4408	3.2370

22. Provision for liabilities

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
At the start of the year	1,499	1,972	1,499	1,972
Charged/(credited) to the income and expenditure account	460	(473)	460	(473)
At the end of the year	**1,959**	**1,499**	**1,959**	**1,499**

The provision comprises obligations in respect of compensation and employee entitlements. The entire provision is expected to be settled after 12 months.

23. Provision for deferred tax

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
At the start of the year	1,753	1,778	–	–
Charged/(credited) to the income and expenditure account	366	(25)	–	–
At the end of the year	**2,119**	**1,753**	**–**	**–**

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

24. Creditors

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Due within one year				
Creditors arising out of direct insurance operations	301	342	301	342
Other creditors including taxation and social security	2,112	2,075	1,716	1,622
Total creditors	**2,413**	**2,417**	**2,017**	**1,964**

25. Leases

At 31 December, the society had contracted to pay the following future minimum operating lease payments:

	2019 £000 Group	2018 £000 Group	2019 £000 Society	2018 £000 Society
Within one year	–	–	189	189
In the second to fifth years inclusive	–	–	47	236

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 £0.156 million (2018: £0.209 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 £84,007 (2018: £75,712). Sickness payments to the directors amounted to £598 (2018: £nil). Capital withdrawals amount to £75,592 (2018: £nil) There were no outstanding amounts in relation to either at the year end (2018: £nil).

During the previous year the group procured estate maintenance and construction services in the ordinary course of business from Mardle Developments Limited, a company closely connected with Miss Kirby Mardle, Director and group secretary. The transactions were undertaken on an arms-length basis and on the standard commercial terms applicable to both parties. The net value of work done by Mardle Developments Limited during the year amounted to £98,000. There were no such transactions during 2019.

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 17 and 24.

Details of remuneration related transactions between the group and its key management personnel are detailed in the remuneration report and notes 12 and 22.

28. Valuation report

The actuarial valuation required under the UK prudential regulations has been prepared as at 31 December 2019. The valuation report is available for inspection at the registered office of the society.

29. Non adjusting post balance sheet events

As noted in the Chairman's report, the effects of the COVID-19 epidemic have been felt globally in early 2020. This has impacted individuals, businesses and the wider economy and is likely to continue to do so for the foreseeable future.

The group has conducted a review of the group's business and its compliance with internal and regulatory capital requirements. In conducting this review, Management has considered various scenarios affecting investment performance, lapses and morbidity. The analysis has not identified solvency concerns or any concerns affecting the group's ability fulfil its business objectives. Whilst these scenarios are considered to be reasonable, there remains considerable uncertainty as to the duration and severity of the Covid-19 epidemic along with its economic, social and political implications.

Management continue to monitor the business, including claims and membership performance. In the limited period to the date of the approval of these financial statements, business performance has remained in line with expectations. The operating systems and processes, including remote working arrangements, have remained resilient and the business has continued to operate satisfactorily in this time.

Based on the information available as at the date of the approval of this annual report, management have not identified any material uncertainties and are not aware of any reason why it would no longer be appropriate to prepare the financial statements on a going concern basis.

No adjustments have been made to the accounts to reflect this post balance sheet event.

Other information

Notice of annual general meeting

Notice is hereby given that the twenty seventh annual general meeting of the members will be held at 91-94 Saffron Hill, London EC1N 8QP on Friday 21 August 2020 at 5.00 p.m. (the 'AGM') for the purposes set out below:

1. To elect the officers of the society

1.1. The following directors were co opted onto the board with effect from 27 May 2019 and under the rules of the society have offered themselves for election:

a. Raj Rattan MBE BDS, FFGDP(UK), FICD, FFFLM

b. Melanie Stern BDS, FDSRCS(Eng), MSc, MOrthRCS, FDS(Orth)

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

a. Giles Kidner BDS, MSc, LDS, FDS(Orth), MOrthRCS

b. Farrukh Mirza FCA

c. Simon Elliott

d. Martyn Green BDS, FDSRCPS, MFGDP(UK), DPDS

e. Jim Karim ACA

f. Kirby Mardle FCCA

g. Alister Weightman BDS

h. Huw Winstone BDS, LDSRCS, DGDP(UK)

2. To appoint the following as arbitrators of the society

a. Prof Robert Lee

b. Sunit Malhan

c. Saleem Malik

d. Shiv Pabary MBE

e. Susie Sanderson OBE

3. To approve the remuneration policy of Dentists' Provident Society Limited for the year ended 31 December 2019.

4. To approve the remuneration report of Dentists' Provident Society Limited for the year ended 31 December 2019 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 2019.

6. To reappoint BDO LLP as auditor and to authorise the board of directors to fix the auditor's remuneration.

By order of the board

Kirby Mardle

Kirby Mardle
Director and group secretary
09 April 2020

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.

If a member refers the matter for arbitration, they have the right to select the members of the panel 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 Ombudsman.

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 adviser

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 in addition to being a provider within two NHS orthodontic practices in Newcastle and Gateshead. 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 Educational Associate 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 is a member of the British Dental Association's General Dental Practice Committee (GDPC) having been elected on the Executive Committee in 2018. He has been a GDPC member from 1996 to 2015 and currently sits on the Education/Ethics sub committee. He is also vice chair of the British Dental Guild. He has been a vocational trainer for over 30 years and has been a Postgraduate Dental Tutor within Health Education North East 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 has also worked as 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.

Susie Sanderson OBE – dentist

A general dentist and practice owner for many years, Susie is now a dentolegal advisor for Dental Protection, immediate past president of the British Dental Association (BDA) and Speaker of the General Assembly of the World Dental Federation (FDI).

She was the elected Chair of the British Dental Association's executive board from 2006 to 2012 and a member of the principal executive committee until 2015. Currently a member of its health and science committee, Susie continues to represent the BDA on issues relating to the Minamata Treaty, the implementation of the EU Mercury regulation and on dentistry's significance in reducing antimicrobial resistance.

Susie has been involved in the BDA at local and national level for a number of years enjoying a wide scope of involvement including education, finance, healthcare policy, GDPC, DCPs, students and young dentists. She chaired the UK conference of Local Dental Committees in 2005.

Internationally, Susie was until recently a board member and treasurer of the council of European dentists and continues as a UK delegate. She is a member of the CED's Working Group on Dental Materials and Medical Devices and its Working Group on Oral Health with a special interest in Antimicrobial Stewardship.

Susie represents FDI and its science committee on issues relating to AMR in dentistry and was recently one of the speakers in the AMR Forum at the Madrid Annual Congress of FDI.

As a dentolegal advisor for Dental Protection, Susie is a member of the London case management team supporting and advising members who are subject to regulatory investigations by the GDC and other bodies.

In the 2012 New Year's honours list, Susie received the OBE for services to dentistry.

Dentists'
Provident

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