



**General
Dental
Council**

protecting patients,
regulating the dental team

General Dental Council

Annual report and accounts 2012

www.gdc-uk.org

General Dental Council

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Annual Report presented to Parliament and the Scottish Parliament pursuant to section 2B of the Dentists Act 1984 as amended by the Health Care and Associated Professions (Miscellaneous Amendments and Practitioner Psychologists) Order 2009.

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The General Dental Council (GDC) regulates dental professionals in the United Kingdom. All dentists, dental nurses, clinical dental technicians, dental technicians, dental hygienists, dental therapists and orthodontic therapists must be registered with us to work in the UK.

Our purpose is to protect the public by regulating the dental team. We do this by:

- registering qualified dental professionals
- setting and enforcing standards of dental practice and conduct
- protecting the public from illegal practice
- assuring the quality of dental pre-registration education and training
- ensuring professionals keep their knowledge and skills up-to-date
- investigating and acting upon complaints received about fitness to practise
- helping patients and the profession to resolve complaints about private dentistry, through the Dental Complaints Service.

Effective regulation of dental professionals enhances patient safety, improves the quality of dental care and helps ensure public confidence in dental regulation.

We aim to regulate in a way that is proportionate, accountable, transparent, consistent, targeted, and responsive to changing demands, risks and priorities.

Joint message from the Chair and Chief Executive



**Kevin O'Brien,
Chair**



**Elynn Gilvarry,
Chief Executive
and Registrar**

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Improving healthcare regulation has been a key theme of 2012 and in the light of this, the General Dental Council has worked hard to ensure that our processes are fit for purpose and that all our regulatory activity reflects the views and needs of patients and the public more widely.

Our efforts have been recognised by the Professional Standards Authority for Health and Social Care (previously the Council for Healthcare Regulatory Excellence) in its annual performance report published in July 2012. One area of significant change is how we handle complaints against dental professionals. An early triage process helps identify high risk cases for fast-tracking. We seek expert clinical advice at an earlier stage in the fitness to practise process and our processes have been streamlined as a result of a new case management system. Improvements in our performance are being made, notwithstanding a very significant increase in the number of cases received.

These improvement measures have been funded through efficiencies achieved across the organisation. In 2012, this amounted to £2.6 million. Naturally, all efficiency measures are assessed for their potential impact on public protection. We will not compromise on patient safety.

Alongside this, we have made considerable progress in developing new standards for dental professionals, which will be introduced in 2013. The new standards have been developed following a very elaborate consultation process to ensure they fully reflect patients' expectations of dental professionals. Our evidence-based approach to policy making has been implemented in a review of our mandatory continuing development scheme for dental professionals and a review of direct access by the public to all members of the dental team. Work will continue on these issues in 2013, when the GDC will make its position clear on whether some existing barriers to direct access by the public should be removed.

Insights from patients and the public, and from dental professionals have also been gathered through our annual programme of surveys, specially commissioned workshops, and focus groups. All these have provided valuable intelligence to inform not only our policy development but our day to day operations. The views of educators, students and patients were sought as we prepared a new quality assurance process for dental education in the UK. This was put in place in autumn 2012 to ensure that dental education is robust and effective in preparing newly qualified dental professionals adequately for practice.

With improvements being delivered across the board, we have set out our longer term plans in our "Corporate Strategy 2013-15: Public Confidence in Dental Regulation". It anticipates changes that will result in greater scrutiny of how we fulfil our statutory purpose, and opportunities to cooperate with other regulators to deliver more proportionate, targeted regulation. In particular, we have actively contributed to the Law Commissions' proposals for new legislation aimed at simplifying and enhancing healthcare regulation. We will continue to contribute in this way in preparation for draft legislation due to be published in early 2014. The strategy also anticipated the Francis Report¹ and we are drawing up an action plan to implement its key recommendations with an enhanced focus on protecting patients. Meanwhile, we have also laid the groundwork for a new governance structure aimed at streamlining our decision-making. This will involve a new Council, with 12 members (6 lay, 6 dental professionals) instead of 24, taking office in October 2013.

Looking ahead, we intend to take every opportunity to enhance our performance in the interests of patient protection. The energy, skills and resourcefulness of Council members and staff, and the co-operation of stakeholders will allow us to meet forthcoming challenges with confidence.

Delivery against the Business Plan 2012

Fitness to practise

Objective

Delivery against objective

1. Implement fitness to practise processes that meet a range of external performance criteria

A number of measures were introduced in 2012 in order to improve our performance:

- Triage system to sift cases
- Clinical input at the investigation stage
- Notifying employers of a complaint and a protocol for ensuring receipt of necessary information from third parties
- Obtaining health reports for registrants who have received a criminal conviction or caution for offences involving alcohol or drugs
- Focus on pre-hearing case management
- Updating of standard operating procedures and guidance and
- Performance management of investigation work.

2. Implement a systematic process to evaluate fitness to practise procedures and outcomes

The Council receive quarterly reports on the GDC's performance. Fitness to practise performance is measured against three key performance indicators:

- Triage of complaints – 10 days from receipt of complaint
- 6 months for completion of investigation stage from receipt of complaint
- 9 months from Investigating Committee to hearing by a Practice Committee.

3. Implement an effective case-management system

A new fitness to practise case management system was launched in April 2012. The benefits of the system include:

- Uniform case information which is captured and stored in a consistent manner
- Increased visibility and transparency of case information for managers
- Removal of the need for paper files
- Electronic transfer of information between teams and
- Better snapshot management information

4. Clarify and communicate what constitutes the practice of dentistry

We recognise the importance of not only actively prosecuting cases of illegal practice, but of publicising those successful cases to ensure that both the profession and the public are aware of the importance of checking an individual's registration. In 2012, we received significant coverage in national, local and trade press and spoke at a number of events about the illegal practice of dentistry.

Registration

Objective

1. Ensure that the register is current, accessible and appropriate for our different audiences

Delivery against objective

Extensive work was undertaken to develop online registration which is now being implemented. Online registration will be more accessible for registrants and provide updated information. The new system has also been designed to provide the information that the public expect to see about individual registrants.

2. Assure patient and public protection by putting in place appropriate checks and balances before placing an individual on the register

A number of initiatives were implemented in 2012:

- Three stage checking in the assessment process to minimise errors
- Pre-registration checks for EEA qualified dentists
- Enhanced identity checking process, which will be implemented in 2013 with the introduction of online registration and
- Auditing of references and reference verification.

3. Ensure registrants keep their professional practice current by providing evidence of ongoing safe and competent practice

We developed a comprehensive communication plan for the first end of cycle CPD return in 2013 by Dental Care Professionals (DCPs). The aim is to ensure that all registrants in question (and their employers) are aware that failure to make an adequate CPD submission by the due date could result in their removal from the register.

4. Provide robust evidence for removals from and renewals to the register, on the basis of patient safety

We collect data on the reasons for removal from and renewals to the register and this information is provided to the Council in its quarterly Performance Report. We conduct regular audits to ensure a consistent and procedurally sound approach to removals and renewals.

Delivery against the Business Plan 2012

continued

Standards

Objective

1. Ensure that our standards are appropriate and continue to protect patients and the public

Delivery against objective

New standards were drafted, following an extensive programme of research and evidence gathering and were the subject of a public consultation at the end of 2012. The standards are due to go to the Council for approval in June 2013 for implementation in September 2013.

2. Define the scope of practice for all members of the dental team in order to ensure patient protection

Following detailed work in 2011, the review of the Scope of Practice of members of the dental team was paused pending a decision on direct access by patients to dental care professionals. Proposals on direct access were approved by the Council in March 2013, allowing the resumption of work on the Scope of Practice.

3. Establish a core fitness to practise policy

As part of a major review of fitness to practise, a range of policies have been developed or re-drafted to effect improvements.

4. Implement a communications strategy regarding our regulatory standards to patients and the public, the dental team, the dental sector and the policy arena

During the year, 5000 copies of the standards were distributed and we produced large print versions of Standards for Dental Professionals. We continued awareness raising with the public, including wide distribution of our 'Smile' leaflet which explains the role of the GDC to the public. A media campaign in October 2012, was aimed at widening understanding of the role of the Dental Complaints Service in resolving complaints about private dental treatment. We held a number of registrant events across the UK to consult on new draft standards for all dental professionals and in response to feedback from registrants, we are developing a means by which the new standards may be referred to online using up to date web-based techniques. The new standards are due to be implemented in September 2013.

Education/Quality Assurance/Revalidation

Objective	Delivery against objective
1. Ensure that our quality assurance of dental education and training fulfils our statutory purpose and	
2. Develop a framework of education outcomes aimed at assuring fitness to practise for initial, specialist and continuing registration	<p>We have introduced a number of initiatives in this area of work. In addition, to maintaining a programme of ongoing inspections across educational providers, we have:</p> <ul style="list-style-type: none"> • Built on the development of the learning outcomes with the introduction of 'Standards for Education' and developed a new process for the quality assurance of education programmes; • Developed the above documents and carried out extensive research with targeted stakeholders from January to September 2012; • Recruited and trained new inspectors to form panels with lay chairs to ensure the new Standards for Education are applied effectively and • Developed and introduced supporting guidance and documentation for these processes.
3. Implement a revalidation scheme for dentists and complete the development of a revalidation scheme for the rest of the dental team	<p>The GDC made proposals for a scheme of revalidation for dentists and consulted the public on proposals in 2010. Following this and further policy development and information gathering throughout 2011-12 the GDC agreed in August 2012 to develop an approach to continuing fitness to practise based on an enhanced scheme of continuing professional development, for all dental professionals.</p>
4. Develop specialist lists across the dental team which positively reinforce patient and registrant choice and patient protection	<p>In May 2012, the Council agreed that there should be a review of specialist lists which would be started in 2013 and called a moratorium on the creation of any new specialist lists until the review had been completed.</p>

Delivery against the Business Plan 2012

continued

Policy and Communications

Objective	Delivery against objective
1. Scope and deliver a review of the Annual Retention Fee Policy	A comprehensive review of the principles for the Annual Retention Fee (ARF) began in 2012. Any changes to the ARF fee structure, as a result of this review of the policy, will be made in 2014.
2. Implement a communications and engagement strategy for registrants and the public across the four countries of the UK	<p>A new communications strategy was agreed by the Council in September 2012. The strategy is aligned with the corporate strategy objectives and the objectives are to:</p> <ul style="list-style-type: none"> • Engage with registrants to increase understanding of the benefits of regulation, the work of the Council and what is required of them; • Extend engagement with the public through improved access to information about the GDC; • Increase knowledge of patient and public expectations of good dental care; • Increase awareness of the GDC's role in regulation amongst all stakeholder audiences; • Engage with employers, governments, educators, professional bodies and other regulators; • Continue to build relationships and increase understanding through meetings with stakeholders in England, Scotland, Wales and Northern Ireland; • Continue to participate in national, UK and international regulatory forums; and • Ensure employees are informed and updated on all key organisational activities.

Governance

Objective

1. Review governance structures

Delivery against objective

A task and finish group was set up to consider the governance reforms arising from the Department of Health's consultation on the GDC's governance structure and the Professional Standards Authority's consultation on making Council appointments; we provided responses to both consultations. We developed a new process for the appointment of the Chair and the Council in 2013 in line with the PSA guidance on appointments.

2. Respond to the Law Commissions' consultation

A task and finish group was set up and it responded to the Law Commissions' consultations. We continue to work with the Law Commissions and relevant stakeholders to develop new legislation for regulation of the dental profession.

Finance and Corporate Services

Objective

1. Implement the CRM (Customer Relationship Management) system

Delivery against objective

A new fitness to practise case management system was implemented during 2012, in the first stage of a major IT upgrading programme which will result in the migration of all our key functions to a CRM system in 2013/2014.

2. Plan the redevelopment of the Wimpole Street site

The redevelopment of 37 Wimpole Street was agreed and planned. It began in the summer of 2013 and is due to complete in November 2014. Further detail on the project can be found in the Financial Review.

Dental Complaints Service

Objective

1. Review the Dental Complaints Service

Delivery against objective

The role of the Dental Complaints Service will be reviewed through an internal audit in 2013.

www.gdc-uk.org/Newsandpublications/Publications/Publications/DCSAnnualReview2012FINAL.pdf

Delivery against the Business Plan 2012

continued

Corporate strategy 2013-15: Public Confidence in Dental Regulation

The Council agreed a new corporate strategy in September 2012. The strategy sets out what must be achieved in the next three years to ensure that the GDC operates effectively in the public interest. It has six high level objectives:

- Analyse and respond effectively to patient needs and public expectations to maintain public confidence in dental regulation.
- Deliver proportionate and targeted regulation of dental professionals to improve public protection and enable the public to have confidence in dental regulation
- Ensure that new entrants to the profession are safe to practise through an increasingly integrated approach to the regulation of dental education and training
- Build partnerships with other bodies and influence the regulation of dentistry to protect patients
- Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection
- Manage the GDC effectively and support its staff to achieve our objectives.

Registration

Every practising dentist and dental care professional (DCP) must be registered with the GDC. Everyone who joins the register has to demonstrate that they possess specified qualifications or pass an assessment, and demonstrate that they meet health and character requirements in order to be fit to practise as a member of the dental team.

Applications to join the register can be made in a number of ways. The applicant must show that they have one of the following:

- a recognised UK qualification
- a recognised European qualification
- a recognised non-European qualification
- an assessment of suitability to register by a GDC panel assessment of skills and knowledge (in the case of non-European qualified persons with exempt person status); or
- success in passing the Overseas Registration Exam (for non-European overseas qualified dentists who do not benefit from enforceable community rights).

Specialist lists

The GDC also maintains lists of registrants who are suitably qualified or experienced to call themselves specialists in specific areas of dentistry.

Continuing professional development

In order to provide the public with confidence that all dental professionals are keeping their skills and knowledge up-to-date in current methods and standards, registrants are required to undertake continuing professional development activities.

Regulation statistical report

continued

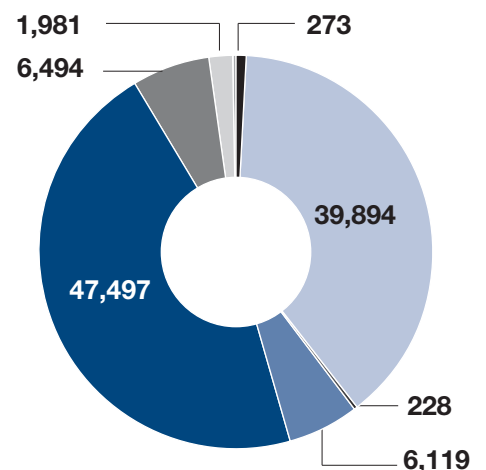
The total numbers of people on the Dentists Register and The Dental Care Professionals Register at the end of 2012, split by gender

Register group	Total number of people	Male	Female
Dentist	39,894 (39.27%)	22,271 (78.75%)	17,623 (24.04%)
Dental care professional	61,700 (60.73%)	6,009 (21.25%)	55,691 (75.96%)
Total	101,594 (100.00%)	28,280 (100.00%)	73,314 (100.00%)

This table is a count of the number of people who are on the register. Dual registrants who have more than one title are only counted once in this table

The total number of titles on the Dentists Register and The Dental Care Professionals Register, split by title

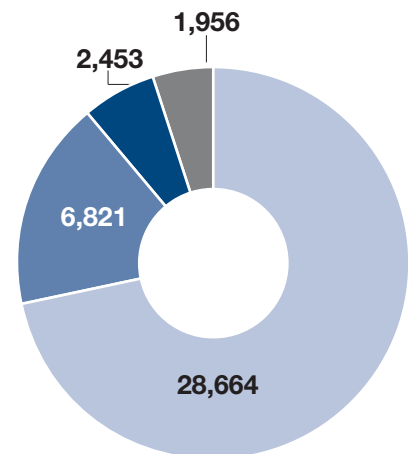
Title	Total number	Added in 2012
Dentist	39,894 (38.93%)	2,232 (23.77%)
Clinical dental technician	228 (0.22%)	7 (0.07%)
Dental hygienist	6,119 (5.97%)	403 (4.29%)
Dental nurse	47,497 (46.34%)	6,074 (64.69%)
Dental technician	6,494 (6.34%)	334 (3.56%)
Dental therapist	1,981 (1.93%)	274 (2.92%)
Orthodontic therapist	273 (0.27%)	66 (0.70%)
Total	102,486 (100.00%)	9,390 (100.00%)



This table is a count of the number of members of each type of dental professional on the register. A dual registrant who has more than one title is counted once for each title that they hold. Therefore the overall count for this table will be greater than the above count of the overall number of people who are counted in the first table.

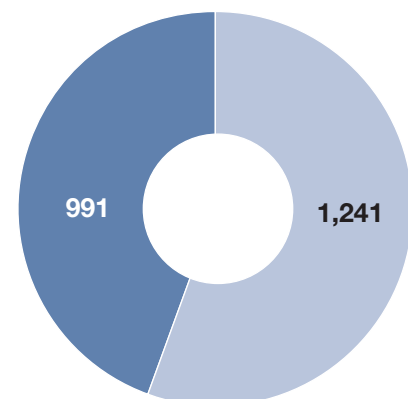
Dentists on the register at the end of 2012, breakdown by where qualified

Where qualified	Count
UK qualified	28,664 (71.85%)
EEA qualified	6,821 (17.10%)
UK overseas registration exam	2,453 (6.15%)
Overseas qualified	1,956 (4.90%)



Dentists added to the register in 2012, breakdown by gender

Gender	Count
Female	1241 (55.60%)
Male	991 (44.40%)

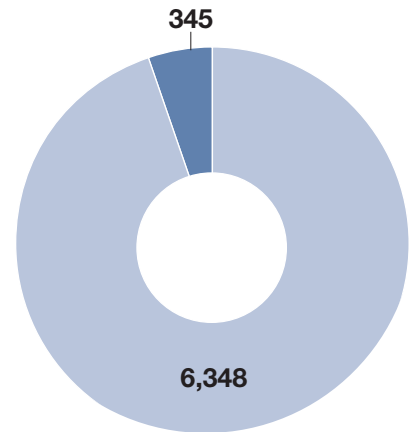


Regulation statistical report

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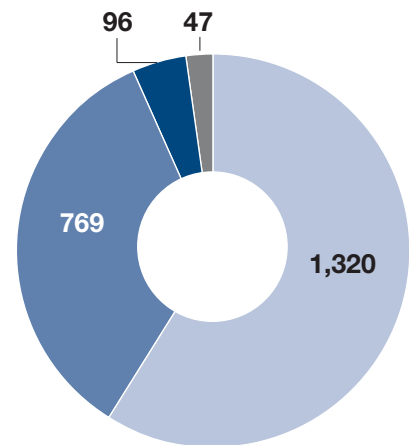
DCPs individuals added to the register added in 2012, breakdown by gender

Gender	Count
Female	6,348 (94.85%)
Male	345 (5.15%)



Dentists added to the register in 2012, breakdown of where qualified

Where qualified	Count
UK qualified	1,320 (59.14%)
EEA qualified	769 (34.45%)
UK Overseas registration exam	96 (4.30%)
Overseas qualified	47 (2.11%)



Breakdown of Specialist Lists as of December 2012

Specialty	Count
Dental and maxillofacial radiology	28 (0.66%)
Dental public health	112 (2.64%)
Endodontics	243 (5.73%)
Oral and maxillofacial pathology	34 (0.80%)
Oral medicine	75 (1.77%)
Oral microbiology	7 (0.17%)
Oral surgery	756 (17.83%)
Orthodontics	1360 (32.08%)
Paediatric dentistry	245 (5.78%)
Periodontics	318 (7.50%)
Prosthodontics	432 (10.19%)
Restorative dentistry	306 (7.22%)
Special care dentistry	324 (7.63%)

Fitness to Practise

Dentists and dental care professionals must meet certain requirements at initial registration and then on an on-going basis throughout their career in order to practise. If their fitness to practise is called into question, by means of a complaint, conviction or a caution, they may be subject to the GDC's fitness to practise (FTP) processes.

Matters which suggest possible impairment of fitness to practise are referred to an Investigating Committee (IC) panel. The IC panel consists of registrants and lay people, appointed by the GDC, through a process separated from the executive management of the GDC. An Investigating Committee may decide that no further action is required or that an advice or warning letter would be sufficient. In potentially more serious cases, the IC panel may refer the matter to one of three Practice committees: the Professional Conduct Committee (PCC); the Professional Performance Committee (PPC); or the Health Committee (HC) for a formal hearing. Registrants referred to a Practice Committee will appear before an independent panel of lay and registrant members in a formal hearing. The GDC and the registrant both have the right to legal representation. At all stages of our procedures, the Interim Orders Committee can suspend a registrant's registration or use conditions to restrict their practice.

The total number of cases received in 2012 was 2278, compared to 1578 in 2011 – a 44% increase.

The number of cases considered at each stage of the fitness to practise procedures was:

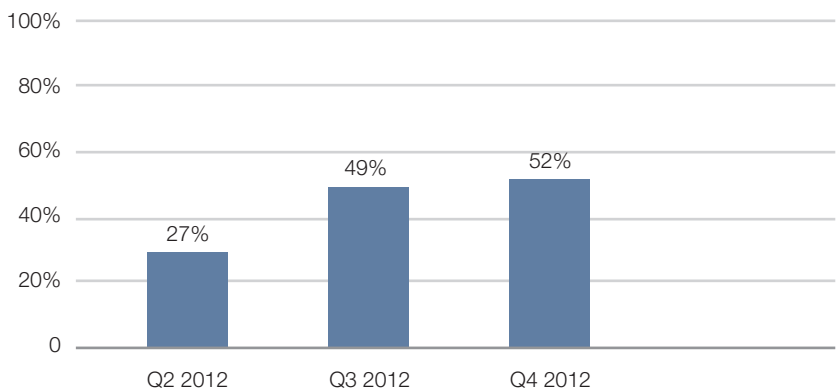
Triage	2,341 (NB. There can be multiple triage decisions for one case - this figure is representative of the total number of triage decisions made, rather than the total number of cases that have been triaged.)
Assessment	1,042 (Number of cases analysed by caseworkers - includes first and any subsequent assessments of the new cases received).
Investigating Committee	481 (Number of cases referred to the Investigating Committee)
Practice Committee	124 (Number of cases referred to a Practice Committee: Including Conduct, Performance and Health. Individual registrants may be involved in more than one case.)

In addition to referral to a Practice Committee, cases may also be referred to the Interim Orders Committee. 73 cases were referred to the Interim Orders Committee in 2012.

Regulation statistical report

continued

Percentage of FTP cases received that have been triaged within target of 14 days

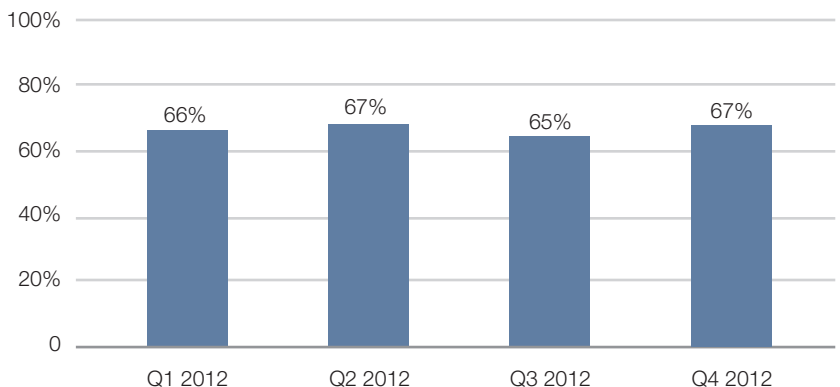


The above graph only displays data from Q2 onwards since triage decisions were first recorded electronically following implementation of the new case management system in April 2012.

The triage process was introduced in late 2011. In 2012, 889 cases were identified which could be closed without further investigation, enabling resources to be concentrated on cases which had a realistic prospect of amounting to an allegation of impaired practice.

Since the introduction of triage, performance against the target set has continued to improve despite a large increase in the number of complaints received in 2012.

Percentage of cases received 6 months prior to Q4 that have been completed



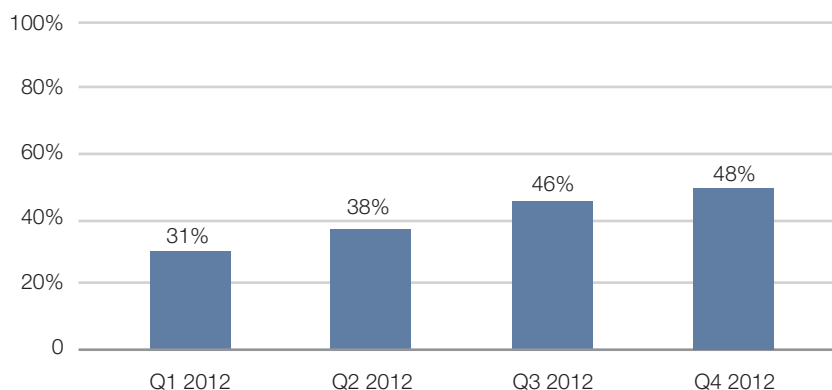
During 2012, efforts were devoted to closing older cases that remained at the investigation stage. Between the start and the end of the year, the number of live cases which were 13 months or older at the

investigation stage was reduced by 60% from 35 cases to 14 cases.

Performance has been maintained in the number of cases completing investigation stage within the target of 6 months despite the increase in the number of complaints received.

In 2013, we will continue with a programme to improve processes to help us manage the increase in complaints. Additional resources are being allocated and we expect to meet 90% within target in 2013.

Percentage of cases within target of Investigating Committee to Hearing within 9 months



It is anticipated that the improvement in achieving the target of '90% of cases to progress from the Investigating Committee to a Hearing within 9 months' will continue, particularly since the introduction of a pre-hearing case management process in 2012. The number of cases in the queue awaiting a first hearing reduced by 12% during 2012 (from 142 to 125 cases) and by 24% from the queue at its peak at the start of 2011 (from 164 to 125 cases). In addition, between the start and end of 2012, the number of live cases which had been awaiting a hearing for over 12 months reduced by 24% (from 21 to 16 cases).

Regulation statistical report

continued

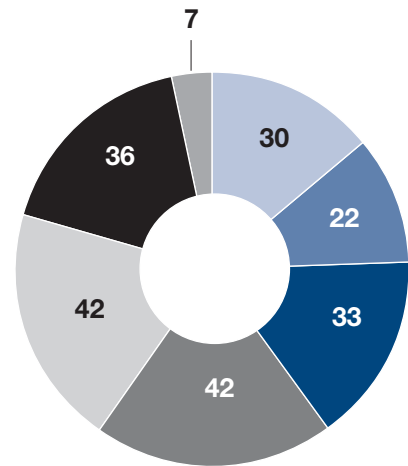
Hearings

Interim Orders Committee (IOC)

Total number of hearings **179**

(95 initial / 84 reviews)

Interim suspension imposed	30
Interim conditions imposed	22
Interim suspension renewed	33
Interim conditions renewed	42
No order made	42
Suspension / conditions lifted	36
Adjourned	7



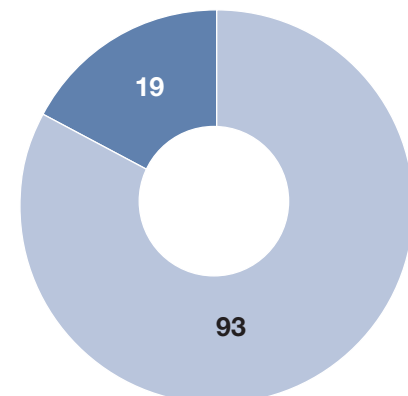
Professional Performance Committee (PPC)

Number of cases heard in 2013 **3 (all dentists)**

Professional Conduct Committee (PCC)

Total number of hearings **112**

No. of cases involving dentists	93
No. of cases involving DCPs 15 dental nurses and 4 dental technicians	19



Issues considered by the PCC

Issue Number of Occurrences*

Poor treatment	63
Fraud/dishonesty (includes 8 convictions for theft or fraud)	21
Poor practice management	19
No professional indemnity insurance	15
Personal behaviour	8
Failure to obtain consent/explain treatment	8
Working outside scope of practice	8
Conviction or caution - other	6
Prescribing issues	6
No medical and/or dental history taken	6
Failure to co-operate with the GDC	6
Failure to take appropriate radiographs	5
Conviction or caution - alcohol or drugs	5
Basis of treatment (NHS/private) not clear	3
Indecent assault or inappropriate sexual behaviour	2
Cross-infection control	2

*Cases can often involve more than one issue – these figures provide a snapshot, reflecting the main concerns and not every single charge

Issues considered by the PCC

Erased with immediate suspension	33
Erased	1
Suspended	9
Suspended with immediate effect	11
Suspended indefinitely	2
Conditions	18
FTP impaired – reprimanded	10
Case concluded after postponed judgement /suspension/conditions	12
Case did not proceed - no jurisdiction	1
Fitness to practise not impaired or no misconduct	18
Total no. of cases heard	115
Adjourned part heard at end of year	4

Regulation statistical report

continued

Hearing days in 2012

Number of scheduled hearing days	1019
Increase in number of scheduled hearing days from 2011	33%
Average length of an initial hearing	4.2 days

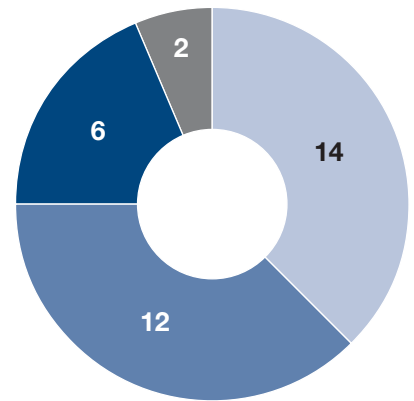
Restoration Applications	2
Restored (with conditions)	1
Not Restored	1

Health Committee

No. of hearings involving dentists	25
No. of hearings involving DCPs	6
4 dental nurses	
2 dental technicians	
3 registrants had two hearings	

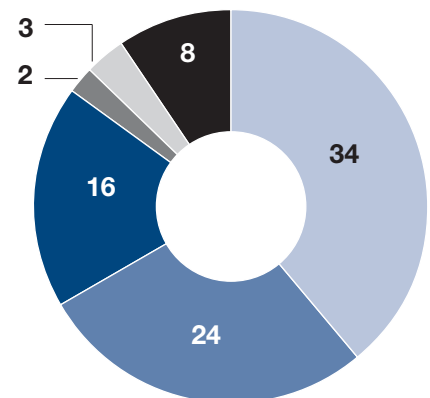
Health Committee outcomes

Suspension	14
Conditions	12
Not (no longer) seriously impaired	6
Adjourned	2



Time taken to complete the initial hearing of the case after referral from IC (reviews not included):

	Number of cases
0-9 months	34
10-12 months	24
13-18 months	16
19-24 months	2
25-30 months	3
31+	8



Council Members

5

The Council was appointed in October 2009 and consists of 24 Members. There are 12 registrant Members and 12 lay Members. The Chair of the Council is Kevin O'Brien. The Members of the Council are as follows:

Registrant members	Lay members	Chief Dental Officers¹
Paul Averley	Grace Alderson	Barry Cockcroft (England)
Elizabeth Davenport	Rosemary Carter	Donncha O'Carolan (Northern Ireland)
Mary Dodd	Peter Catchpole	Margie Taylor (Scotland)
Helen Falcon	Robin Field-Smith	David Thomas (Wales)
Hazel Fraser	Alan MacDonald	
Janet Goodwin	David Murphy	
Wakkas Khan	Grahame Owen	
Anthony Kilcoyne	Derek Prentice	
Kevin O'Brien	Neil Stevenson	
Mabel Slater	Linda Stone	
David Smith	Anne Marie Telford	
Denis Toppin	Carol Varlaam	

¹ Chief Dental Officers are invited to attend the Council's meetings but are associate members and therefore do not have a vote and are not counted in the quorum.

Council Members

continued

Council meeting attendance 2012

Name	23/02	17/05	02/08	26&27/09	07/11**	06/12	Total attendance at meetings member is eligible to attend
Grace Alderson	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Paul Averley	Yes	Yes	No	Yes	No	Yes	4/6
Rosemary Carter	Yes	Yes	Yes	Yes	No	Yes	5/6
Peter Catchpole	Yes	Yes	No	Yes	Yes	Yes	5/6
Elizabeth Davenport	Yes	Yes	Yes	Yes	No	Yes	5/6
Mary Dodd	Yes	No	Yes	Yes	No	Yes	4/6
Helen Falcon	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Robin Field-Smith	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Hazel Fraser	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Janet Goodwin	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Wakkas Khan	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Anthony Kilcoyne	No	Yes	No	Yes	Yes	Yes	4/6
Alan MacDonald	Yes	Yes	Yes	Yes	Yes	Yes	6/6
David Murphy	Yes	Yes	No	No	No	Yes	3/6
Kevin O'Brien (Chair)	Yes	Yes	Yes	Yes	Yes	Yes	6/6
Grahame Owen	No	No	Yes	Yes	Yes	Yes	4/6
Derek Prentice	Yes	Yes	Yes	Yes	No	Yes	5/6
Mabel Slater	Yes	Yes	No	No	Yes	Yes	4/6
David Smith	Yes	Yes	Yes	Yes	N/A	No	4/5
Neil Stevenson	Yes	Yes	Yes	Yes	No	Yes	5/6
Linda Stone	No	Yes	Yes	Yes	Yes	Yes	5/6
Anne Marie Telford	Yes	No	Yes	Yes	Yes	Yes	5/6
Denis Toppin	Yes	Yes	Yes	Yes	No	Yes	5/6
Carol Varlaam	No	Yes	No	Yes	No	Yes	3/6
Barry Cockcroft (CDO)	Yes	Yes	No	Yes	No	Yes	4/6
Donncha O'Carolan (CDO)	No	No	No	Yes	No	No	1/6
Margie Taylor (CDO)	Yes	Yes	Yes	Yes	No	Yes	5/6
David Thomas (CDO)	Yes	Yes	No	Yes	No	Yes*	4/6

* Lisa Howell deputising

** 7/11 Council meeting had been called at short notice

The Council of the GDC is supported by four standing non-statutory committees, as follows:

- Audit Committee
- Financial and Business Planning Advisory Committee
- Policy Advisory Committee
- Remuneration Committee

Additionally, working groups carried out detailed work on the development of specific initiatives:

- ARF Policy Review Task and Finish Group
- Direct Access Task and Finish Group
- Governance Reforms Task and Finish Group
- Law Commission Task and Finish Group
- Transition to Independent Practice Task and Finish Group
- Scope of Practice Working Group
- Standards Review Working Group
- Revalidation Working Group
- Dental Care Professionals 'in-training' Task and Finish Group
- Specialist Education Dental Board

The Dental Complaints Service (DCS) is assisted by an advisory board which comprises five Council members and four external members.

Council Members

continued

Membership of committees and task and finish groups

Grace Alderson	Policy Advisory Committee Remuneration Committee Standards Review Working Group Governance Reforms T&F Group (Appointed after 8 August) DCPs In-Training T&F Group
Paul Averley	Financial and Business Planning Advisory Committee Direct Access T&F Group
Rosemary Carter	Audit Committee Remuneration Committee (Chair) Law Commission T&F Group Direct Access T&F Group Governance reforms T&F Group (appointed after 6 December)
Peter Catchpole	Audit Committee Specialist Dental Education Board
Elizabeth Davenport	Policy Advisory Committee Transition to Independent Practice T&F Group Specialist Dental Education Board
Mary Dodd	Financial and Business Planning Advisory Committee DCPs In-Training T&F Group
Helen Falcon	Audit Committee DCPs In-Training T&F Group (Chair) Transition to Independent Practice T&F Group
Robin Field-Smith	Financial and Business Planning Advisory Committee Law Commission T&F Group Annual Retention Fee Policy T&F group (Chair) Scope of Practice Working Group
Hazel Fraser	Audit Committee Direct Access T&F Group ARF T&F Group
Janet Goodwin	Financial and Business Planning Advisory Committee Governance Reforms T&F Group Standards Review Working Group (Chair) DCPs In-Training T&F Group
Wakkas Khan	Remuneration Committee Law Commission T&F Group ARF T&F Group

Membership of committees and task and finish groups (continued)

Anthony Kilcoyne	Policy Advisory Committee DCS Advisory Board
Alan MacDonald	Audit Committee(Chair) Law Commission T&F Group Governance Reforms T&F Group Revalidation Working Group
David Murphy	Financial and Business Planning Advisory Committee
Kevin O'Brien (Chair)	Remuneration Committee (not after 6 December) Law Commission T&F Group (Chair) Governance Reforms T&F Group (Chair)
Grahame Owen	Financial and Business Planning Advisory Committee DCS Advisory Board
Derek Prentice	Policy Advisory Committee ARF T&F Group DCS Advisory Board DCPs In-Training T&F Group Chair of the Trustees of the GDC Pension Scheme
Mabel Slater	Policy Advisory Committee DCS Advisory Board DCPs In-Training T&F Group
David Smith	Policy Advisory Committee (Chair) Revalidation T&F Group Standards Review Working Group DCPs In-Training T&F Group
Neil Stevenson	Policy Advisory Committee Law Commission T&F Group Governance Reforms T&F Group
Linda Stone	Policy Advisory Committee Governance Reforms T&F Group Law Commission T&F Group Transition to Independent Practice T&F Group
Anne Marie Telford	Policy Advisory Committee Standards Review Working group Direct Access T&F Group (Chair) DCS Advisory Board

Council Members

continued

Membership of committees and task and finish groups (continued)

Denis Toppin	Financial and Business Planning Advisory Committee (Chair) Revalidation Working Group (Chair) Standards Review Working Group
Carol Varlaam	Policy Advisory Committee Revalidation Working Group Transition to Independent Practice T&F Group (Chair)

Independent members of Committees

Lesley Pearson	Remuneration Committee
Jennifer Seeley	Audit Committee

The Statutory Committees of the Council

Under the Dentists Act 1984 (as amended), the General Dental Council (GDC) has overall responsibility for dealing with allegations concerning impairment of fitness to practise against members of the dental profession.

The GDC has six statutory committees as set out in Section 2 of the Dentists Act 1984 to assist it in fulfilling its statutory duty as a healthcare regulator. The committees comprise independent panellists who are lay people, dentists and dental care professionals. Council members do not sit on the statutory committees but the statutory committees are accountable to the Council for their performance.

These committees are:

- Interim Orders Committee
- Investigating Committee
- Professional Conduct Committee
- Health Committee
- Professional Performance Committee
- Registration Appeals Committee

These committees are appointed by the Appointments Committee which comprises eight non-Council lay members and dental professionals who assist the Council in the exercise of any function relating to the appointment of statutory committee members, including the recruitment, selection, appraisal and disciplining of such members.

Members attendance, fees and expenses

Council Member	Members' Fees £	Members' Expenses £	Tax and NI £	Total £
Grace Alderson	9,798	5,629	4,338	19,765
Paul Averley	7,520	6,860	2,713	17,093
Rosemary Carter	13,949	6,883	2,489	23,321
Peter Catchpole	4,457	666	193	5,316
Elizabeth Davenport	8,717	773	221	9,711
Mary Dodd	4,388	3,105	1,606	9,099
Helen Falcon	6,547	1,414	1,240	9,201
Robin Field-Smith	9,151	1,370	960	11,481
Hazel Fraser	11,570	5,072	1,947	18,589
Janet Goodwin	9,217	6,743	2,382	18,342
Wakkas Khan	8,586	8,488	1,141	18,215
Anthony Kilcoyne	3,368	2,976	2,199	8,543
Alan MacDonald	15,120	14,051	5,757	34,928
David Murphy	3,580	6,018	5,396	14,994
Kevin O'Brien	54,000	20,215	7,534	89,566
Grahame Owen	6,798	2,084	1,742	10,624
Derek Prentice	13,201	1,740	1,232	16,173
Mabel Slater	3,518	1,552	656	5,726
David Smith	10,464	6,660	5,138	22,262
Neil Stevenson	8,932	7,173	5,627	21,732
Linda Stone	8,756	5,305	4,258	18,319
Anne Marie Telford	10,650	7,601	5,772	23,973
Denis Toppin	10,169	10,466	3,909	24,544
Carol Varlaam	6,410	557	120	7,087

The fee payable to Council members in the performance of their duties for the GDC is £353 per day and is set by the Remuneration Committee. As Chair of the Council, the fee for Kevin O'Brien is currently paid at an annual rate of £54,000. This is also set by the Remuneration Committee and is remitted to his principal employer, the University of Manchester.

The figures in the above table have been audited.

Management

Executive Management Team

In 2012 the Executive Management Team comprised of:

Evelynne Gilvarry, Chief Executive and Registrar and Accounting Officer

Mike Browne, Director of Policy and Communications (until 30 April 2012)

Frances Low, Director of Governance

Graham Masters, Director of Finance and Corporate Services

Neil Marshall, Director of Regulation

Tim Whitaker, Director of Policy and Communications (appointed 1 May 2012)

The Chief Executive and Registrar and Accounting Officer is appointed directly by and is accountable to the Council and has decision-making authority to the extent described in the Governance Statement, as delegated by the Council. The only remuneration details disclosed are therefore those for the Chief Executive and Registrar and Accounting Officer, and these are done so in full (see note 5 to the Accounts).

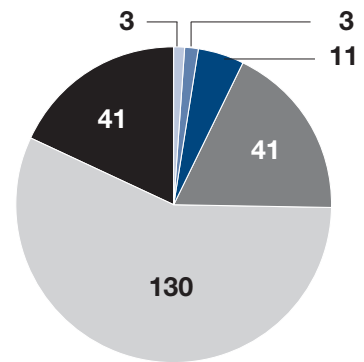
GDC staff

At December 2012, the GDC had 229 members of staff employed on its payroll (2011: 205). This increase results from the expansion of our Regulation directorate, most notably in the development of our operational excellence function which focuses on continuous improvement across the regulation directorate. There has also been further investment in our IT team to support the implementation of our Customer Relationship Management (CRM) case management system. A year on year comparison of average full-time equivalent staff numbers (which takes account of staff who work part-time hours) and related staff costs can be found in the Financial Review on page 39.

Staff turnover (calculated as leavers for all reasons, divided by average number of staff in post) has continued to reduce, standing at 11% in 2012. This represents a reduction from 2011 (14.9%) and 2010 (32.9%).

Length of service profile

Number of years	Number of staff	Percentage of workforce
Over 20 years	3	1.31
15-20 years	3	1.31
10-15 years	11	4.80
5-10 years	41	17.90
1-5 years	130	56.77
Less than 1 year	41	17.90



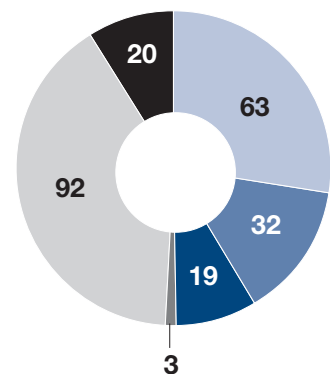
Gender and age

Our employees are 59% female (2011:60%). Those aged 51+ represent 13% of the workforce.

Ethnicity

Available data suggests that the ethnicity of GDC staff broadly reflects that our workforce is drawn predominately from Greater London.

Did not say	63
Asian / Asian British	32
Black / African / Caribbean / Black British	19
Mixed /multiple ethnic groups	3
White	92
Other ethnic group	20



Management

continued

Sickness absence

There were 1191 days lost to sickness in 2012 representing 5.2 days per employee. This is consistent with 2011 where days lost to sickness stood at 5.3 days per employee. This compares to the national average of 6.8 days per employee (Chartered Institute of Personnel and Development).

Staff engagement

The GDC has an elected staff forum which meets bi-monthly. It is chaired by a member of the Executive Management Team. The forum represents all the teams in the GDC and discusses a range of staff matters.

If changes are proposed that might impact on all staff, consultation meetings are held, regardless of whether formal consultation is a requirement. Sometimes this takes place at quarterly staff briefings. The quarterly briefings are also an opportunity for staff to discuss issues and topics more informally with the Chief Executive and Executive Management Team.

A bi-annual staff survey is also undertaken which results in a comprehensive action plan based on the findings. Progress on the action plan is reported at the quarterly staff briefings.

Staff also have an opportunity to express views and to ask the Executive Management Team questions on the intranet on an ongoing basis. A monthly internal newsletter keeps staff up to date and more frequent communications are made when required.

As part of the appraisal process, staff are given the opportunity to provide anonymous feedback on their line manager.

The GDC plans to enhance our engagement with staff by ensuring that they have appropriate mechanisms to participate in and contribute to the management of the organisation.

Equality and diversity

A comprehensive action plan was produced in 2011 and implemented in 2012. All initiatives aim to ensure that we are compliant with Equality Act 2010. Initiatives include:

- reviewing data collection and its use to inform policy
- updating our registration forms
- implementing Equality Impact Assessment training for staff
- providing equality training for all staff and taking a coordinated approach to equality training across staff, Council Members and associates
- making available e-learning modules and
- providing quarterly progress reports to the Council.

Future plans include a focus on making the best use of diversity profiling data that we collect.

Procurement

Our approach to procurement is underpinned by robust processes and procedures with a view towards promoting best practice and achieving value for money. All procurement activity is monitored for compliance with our procurement policy to ensure that whilst we achieve value for money, there is openness and transparency, equality of opportunity and environmental sustainability. We will continue to seek opportunities for efficiencies whilst ensuring that the GDC meets its statutory duties.

Health and safety

The General Dental Council continues to be committed to promoting a healthy and harm free environment. Health and Safety is regularly reviewed by the Executive Management Team and the GDC Health and Safety Committee. In 2012, there were 3 accidents of a minor nature recorded in our main London offices and 1 accident of a minor nature recorded in our Croydon office.

As part of our commitment to provide a safe environment for our staff and visitors, a general risk assessment was undertaken in 2012. As an important addition to the GDC'S health and safety provision, an automatic external defibrillator has been installed in our Reception at 37 Wimpole Street and our first-aiders have received training in its use.

Environmental

All confidential waste and mixed waste continues to be recycled. The GDC Environmental Policy was reviewed in 2012. Staff are encouraged to use scanning and electronic filing.

The GDC is preparing for the redevelopment of 37 Wimpole Street in 2013 which will be carried out on principles of sustainable design, energy efficiency and CO2 reduction.

Financial review

For the year ended 31 December 2012

Analysis of Income and Expenditure by Regulatory Function

The Accounts on pages 46 to 53 show our income and expenditure in standard accounts format. In order to provide stakeholders with additional information the following table shows our performance by Regulatory function:

	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Income				
Registration	30,531		29,841	
Overseas Registration Exam	1,660		807	
Other operating income	8		47	
		32,199		30,695
Expenditure				
Regulatory activities:				
Fitness to Practise and Hearings	14,323		14,432	
Registration	1,889		2,490	
Overseas Registration Exam	1,991		796	
Policy and Stakeholder Management	1,881		1,604	
Governance	1,573		1,505	
Operational Excellence	1,076		593	
Quality Assurance	828		760	
Dental Complaints Service	537		546	
		24,098		22,133
Support activities:				
Finance, HR and CEO	2,588		2,732	
Accommodation and Office Services	1,617		1,643	
Information Technology	1,589		1,638	
Depreciation and Amortisation	732		620	
		6,526		6,633
Total Expenditure		30,624		28,766
Investment Income		363		235
Adjustment to tax and social security costs		413		
Surplus/(Deficit) before Taxation		2,351		2,164
Taxation		(166)		63
Retained Surplus/(Deficit) after Taxation		2,185		2,227

For the year ended 31 December 2012

The General Dental Council is funded predominantly through fees paid by dentists and dental care professionals who are required under the Dentists Act to be registered in order to practise dentistry in the United Kingdom. Fees are also paid to us by dental professionals to maintain their entry on our specialist lists.

The budget for 2012 approved by the Council projected a deficit which was to be funded from the 2011 increase in the general reserves. However, we spent less than we expected on fitness to practise hearings which contributed to a surplus of £2.4m before taxation and adjustments.

Income analysis

Total operating income during the financial year increased to £32.2m (2011 - £30.7m). The increase was due mainly to the following reasons:

An additional 2,232 Dentists and 6,693 Dental Care Professionals joined the register in 2012, generating an additional income of £1.0m.

There were 208 new Specialist List entries which generated additional income of £0.4m.

The contract for provision of the Overseas Registration Examination (Part 2) expired in 2011. However, we did not reach a satisfactory conclusion to negotiations with the potential supplier until 2012. Due to this, the number of sittings of the Part 2 exam increased from 2 in 2011 to 6 in 2012, resulting in an increase in income of £0.9m.

Expenditure analysis

Total expenditure increased to £30.6m in 2012 (2011 - £28.8m), as detailed in notes 5 to 10 of the accounts, for the following reasons:-

Council and committee meetings costs fell to £5.1m (2011 - £5.5m) due to savings accruing from an increase in the number of hearings conducted by panels of 3 members rather than 5 members (77% of actual hearing days in 2012, compared with 23% in 2011).

Staff costs rose to £11.6m (2011 - £10.1m), due to an increase in the average number of staff from 197 to 220 full-time equivalent (FTE) staff. There were a number of unfilled vacant positions in late 2011 that were not filled until early 2012. For this reason, as well as the need to meet the challenge of a continued increase in Fitness to Practise complaints in 2012, staff costs have increased.

Office costs fell to £1.3m (2011 - £1.4m) partly due to savings from moving the DCS operation from serviced offices to leased accommodation, and partly due to savings achieved from the renegotiation of the contract for facilities management.

Throughout 2012, the GDC continued with initiatives to generate efficiency savings. Efficiencies achieved in 2012 represent a saving of £2.6m, 9% of the 2012 cost base, resulting in cumulative savings over two years of some £3.4m. Throughout the process of identifying efficiency savings, careful consideration has been given to ensure that implementation of any saving initiatives does not put public protection at risk. Indeed, the GDC continues to use these savings to fund the programme of improvement of the fitness to practise function.

Financial review

continued

For the year ended 31 December 2012

We have recently concluded negotiations with HMRC regarding the taxation status of our committee members, panellists and inspectors. They have agreed that most should be treated as self-employed for the purposes of tax and National Insurance Contributions (NICs), and the GDC is no longer required to deduct income tax nor account for national insurance contributions (NICs) on their fees or expenses. As such, a £413,000 adjustment to accrued taxation costs has been made in 2012. Further, a claim for reimbursement for prior year NIC payments and payments via our PAYE Settlement Agreement (PSA) has been made to HMRC.

Outlook

Looking forward to 2013, we are predicting a deficit budget amounting to £1.6m, given the need to fund the continually increasing number of fitness to practise cases. The budget is based on plans to hear up to five concurrent fitness to practise cases per day, for a significant proportion of the year. This will be funded from available resources accumulated.

Initiatives to generate efficiency savings will continue in 2013, with a target to generate additional savings of £3.0m, making a total of £6.4m over three years. We will continue to ensure that the process of identifying efficiency savings does not put public protection at risk.

In September 2012, having been awarded planning permission to redevelop the GDC's premises at 37 Wimpole Street, the Council approved the business case for the redevelopment at an estimated cost of £6.0m to be funded from cash balances. The business case to redevelop the current site considered the key fact that GDC has a lease on the site until 2057 at a peppercorn rent, making the redevelopment the most cost effective way to provide much needed additional office space for staff. Construction will start in the summer of 2013, with estimated capital expenditure of £2.0m in 2013.

Pension Fund

In accordance with the financial reporting standard for pension costs, IAS 19, Hamish Wilson, the pension scheme actuary, valued the pension scheme as at 31 December 2012. According to their analysis, the scheme experienced a net actuarial gain in fund value for 2012 of £727,000, against a net actuarial loss of £598,000 reported in last year's accounts. Meanwhile, payments into the plan and the return on the scheme assets were exceeded by the payments from the plan by £156,000. This resulted in an overall gain on the pension scheme of £571,000, increasing the pension surplus to £3,111,000 (2012) from £2,540,000 (2011). This does not relate to the triennial valuation that was carried out as at 1 April 2012, which recommended that the contribution to the defined benefit section of the GDC 1970 Pension & Life Assurance Plan be maintained at current levels, for the next three years.

Liquidity risks

The cash balances of the GDC decreased to £25.9m, (2011 - £36.4m). Of that, £22.4m related to registrant fees paid in advance at 31 December 2012. These balances are cyclical and peak in December/January and July/August. Cash funding levels are depleted between these periods because GDC receipts are at their highest in December, when dentists pay their annual retention fee, and in July, when dental care professionals pay their annual retention fee. GDC expenditure is evenly spread throughout the year.

For the year ended 31 December 2012

In 2012, the GDC appointed Smith & Williamson to invest £12.0m from available cash balances in a mix of equities and fixed interest securities. Investment of the £12.0m has been on-going throughout 2012. Listed securities and unit trusts previously held by the GDC have also now been transferred to Smith & Williamson's management.

The GDC is satisfied that it is not exposed to any significant liquidity risk. Those balances not needed for short term operational reasons are placed for a three month term as a money market deposit which is currently reviewed and renewed at the end of each term.

Reserves

The Reserves Policy was reviewed and agreed by the Council in 2012. It has regard to the:

- objectives of the GDC in pursuit of our statutory and regulatory responsibilities
- risks to the income and expenditure of the GDC, and
- planned major capital spending programmes.

In setting a target level for the Reserves, the Council considered that reserves within a range of four to six months of annual operating expenditure were appropriate. This range is subject to annual consideration by the Council's Financial and Business Planning Advisory Committee when it proposes the budget for the following year to the Council.

External auditors

The accounts have been audited by our auditors, haysmacintyre of Fairfax House, 15 Fulwood Place, London WC1V 6AY and in accordance with the Dentists Act 1984 by the Comptroller and Auditor General, Amyas C E Morse, National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP. The independent audit report can be found on page 47 of this report, and the certificate and report of the Comptroller and Auditor General on page 49.

Disclosure of audit information to the auditors

So far as we are aware, there is no relevant audit information of which the General Dental Council auditors are unaware. We have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the General Dental Council auditors are aware of that information.

Kevin O'Brien
Chair
20 June 2013

Evlynn Gilvarry
Chief Executive and Registrar
20 June 2013

Statement of the General Dental Council and the Chief Executive's responsibilities



For the year ended 31 December 2012

Under the Dentists Act 1984, the General Dental Council is required to prepare annual accounts in the form determined by the Privy Council. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the General Dental Council and of its income and expenditure, changes in reserves and cash flows for the financial year.

In preparing the accounts, the GDC and the Chief Executive as Accounting Officer are required to:

- Observe the Accounts Determination issued by the Privy Council, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards, as set out in the Accounts Determination, have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going-concern basis, unless it is not appropriate to do so.

The Privy Council has appointed the Chief Executive as Accounting Officer of the General Dental Council. The Accounting Officer is responsible to the Council for the propriety and regularity of its finances, for keeping proper records and for safeguarding the General Dental Council's assets.

For the year ended 31 December 2012

Scope of responsibility

As Chief Executive and Registrar and Accounting Officer, I am accountable for maintaining effective governance and ensuring that a sound system of internal control is in place to support the General Dental Council's policies, aims and objectives whilst safeguarding the organisation's assets. The Chief Accounting Officer appointment is made by the Privy Council and is by virtue of the Chief Executive appointment.

In making my assessment, I have drawn on reports and discussions with internal auditors and on ongoing monitoring of our risk registers.

The system of internal control that is applied to the GDC is designed to manage risks, acknowledging that it is not possible to eliminate all risk. In November 2012, the Council identified its risk tolerance in relation to the GDC's statutory functions; this is now reflected in its assessment of strategic risk and recorded in the strategic risk register.

Governance arrangements

It is the Council's job to ensure the GDC carries out its core functions efficiently and in ways that ensure the safety of patients. The Council is responsible for setting the strategy and direction of the GDC and ensuring that all major decisions are in line with the strategy, taking major policy decisions, and ensuring and monitoring financial integrity.

A risk management policy was approved by the Council in September 2012. It set out roles and responsibilities of the Council, the Audit Committee, the Executive and others.

The Council has responsibility for:

- setting the risk appetite of the organisation
- ensuring that there is a risk management system, with effective procedures and internal controls
- approving the risk management policy
- advising on and identifying key risks
- scrutinising the management of strategic risks and
- holding the Executive to account for managing risk

Council oversight of strategic risks

The Council discusses the Strategic Risk Register at every Council meeting. It is also provided with a quarterly Performance Report at Council meetings which includes information against key performance indicators for fitness to practise and registration. The information contained in these documents has provided the Council with increasingly useful management information to inform their decision making, monitor progress against the corporate strategy and hold the Executive to account for its performance.

The Council carries out an annual review of its own effectiveness. The results are considered by the Council and actions for improvement are identified and a timetable for review is planned.

Governance statement

continued

Council member attendance at Council meetings is recorded in the minutes of Council meetings; the minutes are available on the GDC website. A table of Council meeting attendance is on page 26.

As the GDC is not classified as an Arm's Length Body, we are not required to comply with 'Corporate governance in central government departments: Code of practice 2011'. We do, nevertheless, take into account the good principles expressed in the document in developing and reporting on our governance arrangements.

Audit Committee

The Audit Committee is responsible for assuring the Council in relation to the integrity of financial statements, the GDC's governance, internal control and risk management systems and the effectiveness of the internal and external audit systems, including whether the actions identified in audit reports are carried out.

The Audit Committee is responsible for:

- overseeing risk management on behalf of the Council
- providing assurance to the Council on the adequacy and effectiveness of risk management processes
- obtaining assurance on risk management arrangements from internal auditors and
- reviewing the status and trends of all risk in the strategic risk register.

Executive Management Team

The Council is supported by the GDC staff, headed up by the Chief Executive and Registrar and Accounting Officer and the other members of the Executive Management Team. The members of the Executive Management Team fulfil the function of Executive directors of the Council. They share collective responsibility for actions and decisions taken, regardless of their individual line responsibilities. The staff team is made up of four directorates: corporate services, governance, policy and communications, and regulation.

The Executive Management Team is responsible for:

- identifying strategic risks and ensuring that ownership for each risk is allocated at the right level with clear accountability
- identifying and evaluating risks as they occur within functions and directorates
- reviewing and reporting on risks to Council and other aspects of the governance model
- reporting to Council on the effective management of risks as they apply to policy development, operational performance and the deployment of resources
- designing and implementing the policy on risk management and ensuring good risk management practices and
- ensuring that the strategic, operational and project risk registers are up to date, relevant and comprehensive.

The Executive Management Team meets fortnightly and discusses corporate risks at every meeting.

The strategic risk register informs decision-making by the Council and the Executive. It is reviewed by the Executive on an ongoing basis and is a standing item at every Council meeting. It was taken into account in the development of the new corporate strategy, for the period 2013-15, which was agreed by the Council in September 2012. The Council received training in risk management in November 2012, which led to a review of the strategic risk register to reflect the Council's risk tolerance levels in relation to our statutory functions and new corporate strategy.

The strategic risk register is underpinned by operational risk registers relating to all the GDC's operations. These are maintained by a team of Risk Managers across the organisation and monitored by the Executive Management Team. The Head of Strategic Business Planning coordinates the network of Risk Managers, facilitates quarterly team meetings, ensures that links are made between the strategic and operational risk registers and that escalation takes place when required. A portal on the intranet provides visibility of all the risk registers to the Executive and Risk Managers.

The GDC management of risk has improved in 2012, evidenced by an independent report from our internal auditors, Grant Thornton. There are further plans for improving our approach to risk management in 2013. A Programme/Project Management Office is being implemented which will oversee the management of risk at project level.

Disclosure of principal risks and uncertainties

1. A new constitution order was agreed in 2012 to reduce the size of the Council from 24 to 12 Members and to make the provision that we have an appointed Chair. The GDC will appoint a new Council in October 2013. The uncertainty of the transition period and establishment of new governance structures are being carefully managed.
2. In December 2011, the Council approved a proposal to introduce Case Examiners with specific powers in the GDC's fitness to practise processes. Our aim in proposing the introduction of the role of case examiner is to ensure that cases of impaired fitness to practise are dealt with speedily, resources are properly applied to cases of impaired fitness to practise and that our systems and processes are sufficiently flexible to enable a tailored approach according to the seriousness of cases. This change will require an amendment to legislation and can only be achieved by means of a Section 60 Order. We are reliant on the Department of Health, which is fully aware of the need for the change, to issue a S60 order.
3. In 2011, the Department of Health asked the CHRE (now known as the Professional Standards Authority or PSA) to advise it whether concerns, which had been raised by the former Chair of the GDC, indicated that the GDC may have been failing to fulfil its statutory functions. The PSA were also asked to advise if there were concerns about the actions of individuals on the Council which ought to be drawn to the attention of the Appointments Commission (duties now assumed by the Privy Council). The PSA published its report in February 2013. It concluded and its overall conclusion was that, despite certain areas of concern identified as part of the investigation, the GDC was not at the relevant time and is not currently, failing to fulfil its statutory functions, and that none of the actions of its individual Council members ought to be drawn to the attention of the Privy Council.

Governance statement

continued

4. A major redevelopment of our 37 Wimpole Street site began in summer 2013. A programme board will oversee the work and a staff group consult with staff. A detailed plan and risk register for carrying out the work have been produced. A project management company has been appointed to manage the redevelopment.
5. In 2012, we began the implementation of a fit for purpose CRM system throughout the GDC, beginning with the introduction of a new Fitness to Practise case management system. As a result, we have access to much fuller performance data, which measurably aids improvement. In 2013/14, in a carefully phased way, all other statutory functions and areas of our work will be migrated to the new CRM system.
6. We had identified a risk that we would not be able to start a round of inspections of BDS education programmes in November 2012, as scheduled. However, the necessary approval by the Council of the newly developed Standards for Education and Quality Assurance Process was obtained in time.

Data breaches

In 2012, we noted 26 reported incidents involving data breaches, an increase on 2011 when we noted 14 incidents. The GDC considers all breaches to be significant and any rise in numbers is a matter for concern. The GDC is committed to learning the lessons arising from these breaches, most of which were relatively low risk breaches, which have been reported to the relevant parties and addressed within a short period of time. We believe the increase may be, in part, attributable to an increased awareness of data breaches among staff and a concomitant willingness to report these. The majority of breaches were resolved in 2012 and the remainder are being actively managed. The details of the breaches were considered in the light of the guidance provided by the Information Commissioner's Office, including the quantity and sensitivity of the data and the seriousness of the breach. It was decided that it was not necessary to report any of the breaches to the ICO.

The Information Manager has reviewed the processes the GDC has in place for dealing with Freedom of Information Act requests and subject access requests under the Data Protection Act, as well as data breaches. As a result of this review:

- (i) a new database was introduced to record and manage Freedom of Information Act requests and subject access requests. This will be incorporated into the GDC's case management system in early 2013 and
- (ii) The Executive Management Team agreed that a revised breach management process and new guidance would be introduced in early 2013. This will be accompanied by awareness training for all staff, a process which began in 2012 and will continue into 2013.

Information in relation to the number of FOI and subject access requests is now drawn from the FOI database and reported to Council quarterly as part of the Performance Report, which is published on the GDC website. In 2012, we recorded 219 FOI queries, an increase from 93 in 2011, and 86 subject access requests, the same number as recorded for 2011.

The Audit Committee receives reports on data breaches and ensures that action is taken to prevent further data breaches.

Training

As part of an on-going programme of training on Freedom of Information Act (FOIA) and Data Protection Act (DPA) matters, the Information Manager has provided awareness sessions and training across the organisation in 2012, to the Dental Complaints Service, the Fitness to Practise staff (with an emphasis on disclosure) and the Registration and Customer Advice and Information teams.

Correspondence with the ICO

Two decisions made by the GDC regarding disclosure of information under the Freedom of Information Act have been the subject of complaints to the ICO this year. In the first case we refused a request for a report produced at a fitness to practise hearing. The requester subsequently submitted a complaint to the ICO about our initial and internal review decisions not to disclose the report under our fitness to practise disclosure policy, relying on FOI and DPA principles. This was the first formal complaint considered about the GDC by the ICO who held that section 40(2) of the FOIA was correctly applied by the GDC. The full decision notice may be found on the ICO website www.ico.org.uk

The second case has also been concluded with a decision notice received in early 2013, confirming that the GDC had correctly applied an exemption under section 40(2) of the FOIA. The matter progressed to the decision notice stage because the complainant indicated that s/he was not prepared to accept the Information Commissioner's preliminary conclusion that the exemption was correctly applied and wished to progress the complaint in this way. This decision notice is also published on the ICO website.

Internal audit function

We have an annual programme of internal audits which is undertaken by Grant Thornton. They rate each area of work on a specified scale of the findings in 2012, indicating a pattern of continuous improvement. Grant Thornton produces an annual report, incorporating the individual reports. This serves as a sign-off of the annual programme and to ensure that actions indicated in responses by management are followed up.

Review of management information

An internal audit on management information which was undertaken by Grant Thornton and reported in February 2013, gave the GDC a 'substantial assurance' report rating. Its overall conclusion was that 'reports produced for the Council and Senior Management are of good quality in terms of the format, presentation and general understanding of GDC performance'.

Overall, governance arrangements in the GDC are satisfactory and improving.

Evlynne Gilvarry
Chief Executive and Registrar
20 June 2013

Accounts
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Independent Auditor's Report to the Members of the General Dental Council

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We have audited the financial statements of the General Dental Council for the year ended 31 December 2012 which comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes number 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Members of Council, as a body, in accordance with the Dentists Act 1984 and the directions issued thereunder by the Privy Council. Our audit work has been undertaken so that we might state to the Members of Council 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 Council and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council, Chief Executive and auditor

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

Scope of the audit of the financial statements

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

We read all the information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditor's Report to the Members of the General Dental Council

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continued

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Council's affairs as at 31 December 2012 and of its surplus /deficit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Dentists Act 1984 and the directions issued thereunder by the Privy Council.

haysmacintyre

Statutory Auditor

London

20 June 2013

Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

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Certificate and Report of the Comptroller and Auditor General to the House of Parliament

I certify that I have audited the financial statements of the General Dental Council for the year ended 31 December 2012 under the Dentists Act 1984. The financial statements comprise the Income and Expenditure Account, the Statements of Financial Position, Cash Flows, Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information on the Council Members remuneration in the Annual Report that is described in that report as having been audited.

Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of Responsibilities of the General Dental Council and the Chief Executive, the Council and the Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Dentists Act 1984. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the General Dental Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Dental Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware on any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the General Dental Council's affairs as at 31 December 2012 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Dentists Act 1984 and the directions issued thereunder.

Opinion on other matters

In my opinion:

- the information given in the Council Members, Management and Financial Review Sections within the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP

25 June 2013

Income and expenditure account

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For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Income			
Fees	2	30,531	29,841
Overseas Registration Exam	3	1,660	807
Miscellaneous	3	8	47
Total operating income		32,199	30,695
Expenditure			
Staff costs	5	11,617	10,126
Legal and professional fees	6	10,132	9,471
Council and Committee meetings	7	5,141	5,496
Administration	8	2,251	2,338
Accommodation	9	706	680
Communications and Publications	10	777	655
Total operating expenditure		30,624	28,766
Surplus/(deficit) after operational expenditure		1,575	1,929
Adjustment to tax and social security costs		413	-
Investment income	4	363	235
Surplus for year after investment income		2,351	2,164
Taxation	11	(166)	63
Retained surplus after taxation		2,185	2,227
Other comprehensive income/(expenditure)			
Unrealised (losses)/gains on investments	14	430	(48)
Actuarial (losses)/gain on pension scheme assets	19	727	(598)
Total other comprehensive (expenditure)/income		1,157	(646)
Total comprehensive income for the year		3,342	1,581

All income and expenditure relates to continuing activities

Statement of financial position

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At 31 December 2012

	Note	2012 £'000	2011 £'000
Non-current assets:			
Property, plant and equipment	12	2,582	2,977
Intangible assets	13	1,217	681
Financial assets - available for sale assets	14	12,996	579
Provision for pension asset	19	3,111	2,540
Total non-current assets		19,906	6,777
Current assets:			
Trade and other receivables	15	710	428
Cash and cash equivalents	16	25,851	36,411
Total current assets		26,561	36,839
Total assets		46,467	43,616
Current liabilities			
Trade and other payables	17	3,754	4,620
Other liabilities	17	11	15
Deferred income	17	22,436	22,094
Provisions	18	83	4
Total current liabilities		26,284	26,733
Non-current assets plus/less net current assets		20,183	16,883
Non-current liabilities:			
Provisions	18	135	206
Other payables	17	162	133
Total non-current liabilities		297	339
Assets less liabilities		19,886	16,544
Reserves			
General reserve	1.14	15,941	13,600
Pension reserve	1.14	3,111	2,540
Unrealised gains on investment reserve	1.14	834	404
Total reserves		19,886	16,544

The financial statements were approved by the Council Members and were signed on their behalf on 20 June 2013 by: Kevin O'Brien, Chair, Evelyne Gilvarry, Chief Executive and Registrar.

Kevin O'Brien

Evelyne Gilvarry

Statement of cash flows

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For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Cash flows from operating activities			
Surplus from operating activities	I&E	1,988	1,929
Depreciation and amortisation	8	732	620
Loss on disposal of property, plant and equipment		4	3
Increase in trade and other receivables	15	(282)	(31)
(Decrease)/increase in trade payables and other liabilities	17	(499)	949
Pension reserve funding movements	19	156	133
Deferred tax	11	(40)	108
Use of provisions	18	8	(4)
Net cash inflow from operating activities		2,067	3,707
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(99)	(591)
Purchase of intangible assets	13	(778)	(338)
Proceeds from sale of financial assets	14	99	9
Purchase of financial assets	14	(12,086)	(1)
Investment income	4	363	235
Net cash outflow from investing activities		(12,501)	(686)
Tax paid	11	(126)	(45)
Net (decrease)/increase in cash and cash equivalents in the period		(10,560)	2,976
Cash and cash equivalents at the beginning of the period	16	36,411	33,435
Cash and cash equivalents at the end of the period	16	25,851	36,411
Net (decrease)/increase in cash and cash equivalents		(10,560)	2,976

Statement of changes in reserves

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For the year ended 31 December 2012

		General Reserve	Pension Reserve	Unrealised Gains on Investment Reserve	Total Reserves
		£'000	£'000	£'000	£'000
Balance at 31 December 2010		11,240	3,271	452	14,963
Changes in reserves for 2011					
Surplus for the year	I&E	1,581	–	–	1,581
Change in pension reserve	19	731	(731)	–	–
Unrealised gains/(losses) on investments		48	–	(48)	–
		2,360	(731)	(48)	1,581
Balance at 31 December 2011		13,600	2,540	404	16,544
Changes in reserves for 2012					
Deficit for the year	I&E	3,342	–	–	3,342
Change in pension reserve	19	(571)	571	–	–
Unrealised gains/(losses) on investments	14	(430)	–	430	–
		2,340	571	430	3,341
Balance at 31 December 2012		15,941	3,111	834	19,886

Notes to the accounts

1 Accounting policies

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the inclusion of investments at market value, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and taking into consideration the accounting principles and disclosures of the Government Financial Reporting Manual (FRM). The principal accounting policies adopted in the preparation of the financial statements, which have been applied consistently, are detailed below.

The General Dental Council was established by act of Parliament in 1956 and is domiciled in the United Kingdom. The principal place of business is 37 Wimpole St, London, W1G 8DQ. The financial statements are presented in the General Dental Council's functional currency of pounds sterling.

1.1 Format of the accounts

The General Dental Council is required to prepare its annual accounts in a form as determined by the Privy Council. The Privy Council are required to lay the certified accounts before each House of Parliament and the Scottish Parliament. The statutory purpose of the General Dental Council is given in the introduction of the Account Report.

1.2 Standards, amendments and interpretations to published standards not yet effective

The Council has assessed the following standards, amendments and interpretations that have been issued but are not yet effective and determined not to adopt them before the effective date when adoption would be required on the grounds that the changes would have no, or an immaterial effect on these accounts and would not provide additional information that would aid the reader:

- IFRS 9 Financial Instruments – effective date: financial periods beginning on or after 1 January 2015 not yet EU approved. IFRS 9 simplifies the classification and measurement of financial assets.

The Council anticipates that the adoption of these standards and interpretations will not have a material effect on the Statement of Financial Position or the results for 2011 and 2012.

1.3 Critical accounting estimates and judgments

To be able to prepare financial statements in accordance with IFRS, the General Dental Council must make certain estimates and judgments that have an impact on the policies and the amounts reported in the annual accounts. The estimates and judgments are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgments are made. Actual experience may vary from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

i) Pension benefits

The General Dental Council accounts for pensions in accordance with IAS 19 Employee Benefits. In determining the pension cost and the defined benefit obligation of the General Dental Council's defined benefit pension scheme, a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. The assumptions are agreed with the qualified actuary and used to calculate the pension provision. Further details are contained in note 21 to the accounts.

ii) Depreciation and amortisation

The General Dental Council accounts for depreciation and amortisation in accordance with IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The depreciation and amortisation expense is the recognition of the decline in the value of the asset and the allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made on the estimated useful life of the assets, which are regularly reviewed to reflect the changing environment.

iii) Provisions

The General Dental Council accounts for provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The provisions are based on estimates of value provided by appropriate qualified valuers. Further details are contained in the accounting policy on provisions below and note 20 to the accounts.

1.4 Going concern

The General Dental Council has reviewed the operations and cash flow forecasts for the next 12 months. The General Dental Council considers that it is appropriate to prepare the Statement of Financial Position on a going concern basis.

1.5 Property, plant, equipment and intangible assets

Tangible Fixed Assets are reported as Property, Plant and Equipment under IAS 16. Where appropriate, Information Technology software and development assets have been reclassified as Intangible Assets under IAS 38.

Assets under construction are held at the accounting date at cost until they become capable of being operational, when they are transferred to the non-current asset class to which they relate.

Property, plant, equipment and intangible assets are stated at cost, net of depreciation and any provision for impairment. Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £1,000.

Notes to the accounts

continued

1.6 Depreciation and amortisation

Depreciation and amortisation are provided so as to write off the cost of the non-current assets evenly over their estimated useful lives. The depreciation and amortisation expense is included within the administration expense line in the income and expenditure account under comprehensive income and expenditure. The useful lives are as follows:

- (a) The Council's building works at long leasehold properties at 37/38 Wimpole Street and 13/15 Wimpole Mews are depreciated over their estimated useful lives or the remainder of the lease.
- (b) Capital refurbishment and all leasehold improvement works at 37/38 Wimpole Street, London W1G 8DQ, 13/15 Wimpole Mews and second floor, 44 Baker Street, London W1U 7AL are depreciated over the remainder of the lease – 20 years or 10 years or, if shorter, over their estimated useful lives.
- (c) Other useful lives are shown below.
 - furniture and fittings up to 10 years
 - plant and equipment up to 25 years
 - IT equipment up to 4 years
 - IT software, licences and software assurance up to 5 years

Depreciation rates are reviewed on a regular basis comparing actual lives of assets with the accounting policy rates.

1.7 Impairment

At each balance sheet date, the General Dental Council reviews the carrying amounts of its assets to determine whether there is any indication the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is charged to the income statement immediately.

When there is a subsequent increase in the recoverable amount of an asset due to a change in the estimates used to determine the recoverable amount, it is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income and expenditure statement immediately.

1.8 Expenditure

Expenditure is accounted for on an accruals basis when either the goods have been received or the service performed. Irrecoverable VAT is included with the item of expense to which it relates.

1.9 Income

All income is accounted for when there is adequate certainty over entitlement, amount and receipt.

All fees from dentists registrants are deferred to the commencement of the registration period the fee relates to. The registration period for dentists is 1 January to 31 December.

All fees for the registration period from dental care professionals are recognised in full in the financial year when the income is received. The registration period for Dental Care Professionals is 1 August to 31 July.

Fees receivable in respect of Overseas Registration Exams are recognised when the examinations are sat.

Miscellaneous fees, other sales and other income are recognised when the related goods or services are provided.

Investment income is recognised when dividends or interest falls due and is stated gross of recoverable tax.

1.10 Finance leases

The terms of all Council's leases are reviewed and where the rewards and risks of ownership rest with the Council, leases are treated as finance leases. The capital values of finance leases, together with the current value of future capital repayments are held as assets and liabilities in the Statement of Financial Position. Leases other than finance leases are classified as operating leases. Operating leases are charged to the Income and Expenditure Statement on a straight-line basis over the term of the lease, taking account of any lease incentives in accordance with the terms of IAS 17.

The Council also reviews all service contracts to determine whether the contracts include an embedded finance lease under the terms of IAS 17 as interpreted by IFRIC 4.

1.11 Taxation

The Council is taxed as a mutual organisation and is therefore only taxed on outside sources of income. Historically this has been investment income.

Deferred tax is recognised on all taxable temporary differences. However, deferred tax is not provided on initial recognition of an asset or liability unless the related transaction affects tax or accounting profit. In addition, a deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that the taxable profit will be available against which the deductible temporary difference can be used. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Measurement is also based on the tax consequences of recovering or settling the carrying amount of assets and liabilities. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income and expenditure account.

Notes to the accounts

continued

1.12 Pension schemes

The Council operates and contributes to a defined benefit pension scheme for its employees. The assets of the scheme are held separately from those of the Council and are invested as described in note 19.

The defined benefit pension scheme's current service costs and the net of the scheme interest cost and the expected return on the scheme assets for the year are charged to the income and expenditure account within pension costs. Actuarial gains and losses are recognised immediately within other comprehensive income.

The defined benefit scheme assets are measured at fair value at the statement of financial position date. Scheme liabilities are measured on an actuarial basis at the statement of financial position date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is disclosed separately in the statement of financial position.

The Council set up a defined contribution scheme but the assets are kept entirely independent from those of the Council scheme. The plan is not contracted out of the State Second Pension. Contribution is voluntary and Council will make matching contributions of up to 5% of the pensionable salary for any employee who decides to join.

Contributions to the defined contribution scheme are charged to the income and expenditure account as they fall due.

1.13 Financial assets

Financial assets

The Council classifies all its financial assets into financial assets at fair value through profit or loss. Below are the types of assets within the category, depending on the purpose for which the asset was acquired.

Investment available for sale: these comprise investments of listed securities, fixed interest securities, equities and a unit trust which is a managed fund comprising a mixed portfolio of listed securities and cash deposits. These are treated as non current investments available for sale and are included at market value at year end date. The fair value of the investments is based on the closing quoted bid price at the accounting dates.

Gains and losses arising from changes in market value are included within other comprehensive income, and are taken to the investment revaluation reserve. On disposal, the cumulative gain or loss previously recognised in reserves is reclassified to income and expenditure account.

Trade and other receivables: these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus associated transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at invoiced value or amortised cost using the effective interest rate method, less provision for impairment. The value of these assets are disclosed within note 17.

Cash and cash equivalents: these include cash in hand, deposits held at call with banks.

Financial liabilities

The Council classifies all its financial liabilities into financial liabilities at fair value through profit or loss. Below are the types of liabilities within the category, depending on the purpose for which the liability was incurred.

Trade and other payables: these are initially recognised at fair-value and then carried at invoiced value or amortised cost. These arise principally from the receipt of goods and services. The value of these liabilities are disclosed within note 17.

Provisions: a provision is recognised in the Statement of Financial Position when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the outflow of economic benefits can be obtained.

- (i) **Early Retirement Costs:** The Council is meeting the additional costs of benefits beyond the normal defined benefit scheme for an employee who retired early due to medical grounds. The total value of the provision is based on an actuarial valuation calculated by the General Dental Council pension scheme's actuary at the time the early retirement commenced. An amount is paid annually, subject to conditions, to the employee for the period between early departure and the normal retirement date. On the normal retirement date, the remaining balance will be paid into the General Dental Council defined benefit scheme to supplement the employee's pension. The Council provided for this in full.
- (ii) **Dilapidations:** The provision relates to complying with lease clauses for buildings which are occupied by the Council. The Council's dilapidation provisions are calculated based on the estimated cost of meeting future expenditure, in order to settle obligations in respect of lease clauses. The Council has provided for this in full. The provision is regularly revalued by a qualified external valuer.

1.14 Reserves

Reserves comprise the following:

General reserve

Represents the retained results after the transfer of actuarial gains and losses on pension scheme assets and/or liabilities and unrealised gains/losses on investment.

Pension reserve

Represents the actuarial gains and losses on pension scheme assets arising from the revaluation of the General Dental Council provision for defined benefit pension scheme asset/liability.

Unrealised gains on investment reserve

Represents unrealised gains and losses arising from the revaluation of investments over their historical cost.

Notes to the accounts

continued

1.15 Financial instruments

The details of the various categories of financial assets are outlined in note 16 and note 17. The details of the various categories of financial liabilities are outlined in note 17.

Credit risk

Exposure to credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This is not considered to be significant. The General Dental Council does not use financial instruments that increase its own credit risk profile and has no external debt exposure. It uses a variety of risk mitigations including credit rating assessments to assess credit risk of counter parties including suppliers and financial institutions.

Liquidity risk

The Council currently has no borrowings and relies primarily on fees for its cash requirements. The cash balances are cyclical and peak in December/January and July/August. Cash funding levels are depleted between these periods because Council receipts are at their highest in December, when dentists pay their annual retention fee, and in July, when dental care professionals pay their annual retention fees. Council expenditure is evenly spread throughout the year. Therefore, the Council considers there is no significant exposure to liquidity risk.

Currency risk

All material assets and liabilities are denominated in sterling, so it is not exposed to currency risk.

The General Dental Council has a reserves policy. Due to registration renewal cycles and the payment methods of registrant fees, the General Dental Council holds a significant amount of cash in short-term deposit accounts to cover the expenditure expected to be incurred over the payment period.

Interest rate risk

Registrants pay fees in advance. Surplus funds are held as follows:

Fixed term deposit – the majority of the surplus funds are held in the short-term money market. Competitive rates are sought on money-market investments.

Investments – The remainder of the funds are invested in a portfolio of equities and unit trusts where there is always a risk of diminution in value.

The Council continues to monitor the financial markets using an investment strategy that avoids undue risk and detriment to the General Dental Council's regulatory responsibilities.

The Council approved a revised statement of investment principles in December 2011, whereby the General Dental Council will aim to achieve an investment risk portfolio that seeks to achieve investment returns broadly in line with inflation.

The interest rate risk is not considered to be significant in terms of the General Dental Council relying on interest income to a sizeable extent to fund its operations.

For the year ended 31 December 2012

2 Income

	2012	2012	2011
	Nos	£'000	£'000
Fees			
Dentists			
Total new registration	1,948	568	700
Temporary registration	150	86	111
Retention	38,060	21,923	21,455
Restoration after erasure	274	33	47
Total	40,432	22,610	22,313
Dental care professionals			
Total new registration	5,478	391	275
Retention	59,382	7,126	6,876
Restoration after erasure	1,247	30	34
Total	66,107	7,547	7,185
Specialist			
Specialist registration	245	85	60
Specialist annual retention	4,019	289	283
Specialist restoration fee	12	–	–
Total	4,276	374	343
Total fees		30,531	29,841

The above numbers reflect registrants paying fees during the year as opposed to the number of registrants on the register at 31 December 2012.

3 Miscellaneous income

Exam fees	1,660	807
Other operating income	8	47
	1,668	854

4 Investment income

Interest bank deposits	216	221
Dividends – listed securities	147	14
	363	235

Notes to the accounts

continued

For the year ended 31 December 2012

5 Staff numbers and related costs

	2012			2011
	Permanently employed staff £'000	Others £'000	Total £'000	Total £'000
Staff costs comprise:				
Wages and salaries	8,251	–	8,251	6,811
Social security costs	870	–	870	725
Pension costs	1,339	–	1,339	1,043
Other staff costs	903	–	903	895
Sub total	11,363	–	11,363	9,474
Temporary staff	-	254	254	652
Total	11,363	254	11,617	10,126

(a) Employees – Headcount

	2012			2011
	Permanently employed staff	Others	Total	Total
The average number of full time equivalent employees during the year, analysed by function were:				
Fitness to practise and hearings	65	4	69	53
Registration	58	3	61	53
Policy and stakeholder management	15		15	17
Governance	13		13	12
Quality Assurance	10		10	8
Dental Complaints Service	9		9	9
Corporate services	40	3	43	45
Total	210	10	220	197

(b) Employees – Remuneration

The number of staff whose taxable emoluments fell into higher salary bands were:

	2012	2011
£60,000 but under £70,000	8	6
£70,000 but under £80,000	1	2
£80,000 but under £90,000	2	2
£90,000 but under £100,000	2	3
£100,000 but under £110,000	1	1
£110,000 but under £120,000	1	–
£130,000 but under £140,000	1	1

14 staff members from the above list were part of the 'defined benefit' pension scheme, and 6 staff members were also on the 'defined contribution' pension scheme. Pension accrued by the highest paid employee under the defined benefit scheme was £25,617, and under the defined contribution scheme was £6,469.

	Emoluments		Accrued Pension	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Chief Executive and Registrar - Remuneration				
Evlynne Gilvarry	134	132	32	25

For the year ended 31 December 2012

6 Other administration costs

	2012	2011
	£'000	£'000
Legal and professional services		
Auditor's remuneration and expenses:		
External audit – 2012 Haysmacintyre – 2011 Crowe Clark Whitehill	19	31
External audit – National Audit Office	3	2
Internal audit – 2012 Grant Thornton – 2011 PKF	73	68
Conduct hearings	5,163	5,969
Other fees and charges	2,999	1,818
Other disbursements	1,875	1,583
Total	10,132	9,471

	2011	2010
	£'000	£'000
During the year, the General Dental Council received the following non-audit services from its external auditors Haysmacintyre (2011: Crowe Clark Whitehill):		
For corporation taxation advice	3	6
	3	6

7 Council and Committee meetings

(a) Council fees and expenses

Fees paid to Council Members	261	225
Expenses paid to Council Members	199	162
Council meeting expenses	101	74
	561	461

(b) Committee and panel fees and expenses

Fees paid to committee and panel members	1,927	2,200
Expenses paid to committee and panel members	743	1,044
Professional fees and expenses for committees and panels	754	759
Committee and panel meeting expenses	1,156	1,032
	4,580	5,035

Total Council and committee meetings	5,141	5,496
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Notes to the accounts

continued

For the year ended 31 December 2012

8 Administrative expenses

	2012	2011
	£'000	£'000
Depreciation	490	451
Amortisation	242	169
Loss on disposal of property, plant and equipment	4	3
Provisions:		
Movement in dilapidation provision	12	–
Rentals under operating leases:		
Hire of office machinery	54	72
Building leases	351	388
Interest charges	1	2
Information technology support and maintenance	514	562
Personnel costs	49	39
Other operating costs	534	652
	2,251	2,338

9 Accommodation

Other accommodation costs	706	680
	706	680

10 Communications and Publications

Total Communications and Publications	777	655
	777	655

For the year ended 31 December 2012

11 Taxation

(a) Analysis of tax charge	2012	2011
	£'000	£'000
Current tax		
UK corporation tax on profits of the year	126	45
Notional tax credit on dividend income	–	–
Total current tax charge	126	45
Deferred taxation		
Origination and reversal of timing differences	40	(108)
Total deferred tax	40	(108)
Tax on profit on ordinary activities	166	(63)

(b) Factors affecting the tax charge for the period

The Council is taxed as a mutual organisation and is therefore only taxed on outside sources of income. Historically, this has been investment income.

Factors affecting the tax charge for the period

Profit for year	2,351	2,164
Expected charge at 25% (2011: 26%)	588	573
Effects of:		
Difference between actual tax rate and the main corporate tax rate	(12)	(13)
Non taxable income	(510)	(531)
Movement in the deferred tax balance	40	16
Tax on equalisation and value increase of fixed interest investments	60	–
Current year tax charge	166	45

Notes to the accounts

continued

For the year ended 31 December 2012

12 Property, plant and equipment

	2012					
	Leasehold Property	Plant & Equipment	Furniture & Fittings	IT	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2012	4,765	682	339	599	–	6,385
Additions	16	–	1	48	34	99
Disposals	–	–	(6)	(29)	–	(35)
At 31 December 2012	4,781	682	334	618	34	6,449
Depreciation						
At 1 January 2012	2,658	322	171	257	–	3,408
Charged in year	229	62	60	139	–	490
Disposals	–	–	(4)	(27)	–	(31)
At 31 December 2012	2,887	384	227	369	–	3,867
Net book value:						
At 31 December 2012	1,894	298	107	249	34	2,582
At 31 December 2011	2,107	360	168	342	–	2,977

For the year ended 31 December 2012

13 Intangible assets

	2012			
	Software £'000	Licences £'000	Assets under Construction £'000	Totals £'000
Cost				
At 1 January 2012	285	467	325	1,077
Additions	34	40	704	778
Transfers	454	–	(454)	–
Disposals		(6)		(6)
At 31 December 2012	773	501	575	1,849
Amortisation				
At 1 January 2012	116	280	–	396
Charged in year	160	82	–	242
Disposals		(6)		(6)
At 31 December 2012	276	356	–	632
Net book value:				
At 31 December 2012	497	145	575	1,217
At 31 December 2011	169	187	325	681

Notes to the accounts

continued

For the year ended 31 December 2012

14 Financial assets – available for sale assets

	2012				
	Listed Securities £'000	Unit Trusts £'000	Equities	Fixed Interest Securities £'000	Total £'000
Balance as at 31 December 2011	466	113	–	–	579
Additions	–	–	2,084	10,002	12,086
Transfers	(466)	(113)	579	–	–
Disposals	–	–	(99)	–	(99)
Total			2,564	10,002	12,566
Unrealised gains on investments	–	–	191	239	430
Balance as at 31 December 2012	–	–	2,755	10,241	12,996

Following Smith & Williamson's appointment as investment managers to the GDC, £12m was invested in accordance with the agreed strategy. In addition, management of the existing holdings in listed securities and unit trusts were also transferred to Smith & Williamson. The above financial assets are quoted in an active market and are included at market value. All above financial assets are treated as level 1 for the purposes of disclosure under IFRS7, because all amounts have been determined by reference to quoted prices in an active market.

15 Trade receivables and other current assets

	31 Dec 2012 £'000	31 Dec 2011 £'000
Amounts falling due within one year		
Trade receivables	15	7
Other receivables	109	69
Prepayments and accrued income	586	352
Total	710	428

The ages of all debtors are current and there are no amounts past due, but not impaired. There is no bad debt provision. There are no impaired financial assets.

For the year ended 31 December 2012

16 Cash and cash equivalents

	2012	2011
	£'000	£'000
Balance at 1 January	36,411	33,435
Net change in cash and cash equivalent balances	(10,560)	2,976
Balance at 31 December	25,851	36,411

	2012	2011
	£'000	£'000
The following balances were held at:		
Commercial banks and cash in hand	7,576	11,261
Short term bank deposits	18,275	25,150
Total	25,851	36,411

Notes to the accounts

continued

For the year ended 31 December 2012

17 Trade payables and other current liabilities

	31 Dec 2012	31 Dec 2011
	£'000	£'000
Amounts falling due within one year:		
Corporation tax	113	45
Other taxation and social security	394	722
Trade payables	1,089	1,793
Other payables	25	3
Accruals	2,133	2,051
Deferred income	22,436	22,094
Deferred operating incentive	11	15
Current part of finance leases	–	6
	26,201	26,729
Amounts falling due after more than one year:		
Deferred operating incentive	45	56
Deferred tax	117	77
	162	133
Total	26,363	26,862

No interest was paid during the year under the Late Payment of Commercial Debts (Interest) Act 1998.

For the year ended 31 December 2012

18 Provisions for liabilities and charges

	2012		
	Early retirement provision £'000	Building dilapidations £'000	Total £'000
Balance as at 1 January 2012	87	123	210
Provided in year	–	12	12
Utilised in year	(4)	–	(4)
Balance as at 31 December 2012	83	135	218
Current liability	83	–	83
Non-current liability	–	135	135
Balance as at 31 December 2012	83	135	218

	2011		
	Early retirement provision £'000	Building dilapidations £'000	Total £'000
Balance as at 1 January 2011	91	123	214
Provided in year	(4)	–	(4)
Balance as at 31 December 2011	87	123	210
Current liability	4	–	4
Non-current liability	83	123	206
Balance as at 31 December 2011	87	123	210

(i) Early Retirement Costs: The GDC is meeting the additional costs of benefits beyond the normal defined benefit scheme for an employee who retired early due to medical grounds. An amount is paid annually, subject to conditions, to the employee for the period between early departure and the normal retirement date. On the normal retirement date, the remaining balance will be paid into the GDC defined benefit scheme to supplement the employee's pension. The GDC provided for this in full. The provision was calculated by the GDC pension scheme's actuary at the time of the departure.

(ii) Dilapidations: The provision relates to complying with lease clauses for buildings which are occupied by the GDC. The GDC's dilapidation provisions are calculated based on the estimated cost of meeting future expenditure, in order to settle obligations in respect of lease clauses. A revaluation was completed by external valuers in December 2010. The GDC has provided for this in full. It is expected the provision will be paid out at the end of the lease in 2018.

Notes to the accounts

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For the year ended 31 December 2012

19 Pension Fund

The GDC operates a defined benefit plan which wholly is funded by contributions from the GDC and Members. A full actuarial valuation was carried out as at 1 April 2012 and updated to 31 December 2012 by a qualified independent actuary.

As at 31 December 2012 the Plan has a surplus of £3.111m based on the IAS 19 assumptions adopted. Under the requirements of IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, the GDC could be restricted to limit the surplus in the financial statements if the GDC would not be able to obtain the full economic benefit from that surplus. Under the terms and conditions of the Plan the GDC would be able to obtain full economic benefit from the surplus either through a full contributions holiday or a reduction in its future contributions. Therefore the reported surplus is not restricted.

In respect of members on the benefit structure who joined the GDC before 12 May 1999 and two members who joined after, contributions are payable each month at the annual rate of 27% of Pensionable salary. Of those who joined after 12 May 1999, contributions are payable each month at the annual rate of 24.8%. Members on the benefit structure who joined GDC on or after 12 May 1999 pay 5% of their Pensionable Salary towards the scheme.

The principal assumptions used by the actuary for the update at 31 December 2012 were as follows:

	2012	2011
Rate of inflation	3%	3%
Rate of salary increase	3%	4%
Rate of increase in pensions in payment where LPI max 5.0%	3%	3%
Rate of increase in pensions in payment LPI min 3.0%	4%	4%
Rate of increase in pensions in payment where LPI max 2.5%	2%	2%
Discount rate	4%	5%

The mortality assumptions for the current period-end follows the standard table PNA00 with long cohort rates of improvement.

For the year ended 31 December 2012

Pension fund

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Allocation percentage	Allocation percentage
	2012	2011
With Profits Fund	29%	33%
AXA Framlington Fund	44%	67%
Walter Scott Fund	27%	
Other (cash)		0%
Total	100%	100%

None of the pension scheme assets are invested in the General Dental Council.

The overall expected rate of return on the scheme assets is assumed to achieve the gross redemption yield on long dated gilts with an additional 1% pa return being achieved on the AXA Framlington and Walter Scott funds.

The assumed expected rates of return for each asset category are as follows:

	Expected rate of return	Expected rate of return
	2012	2011
With Profits Fund	3%	3%
AXA Framlington Fund	4%	4%
Walter Scott Fund	4%	
Other (cash)	3%	3%
Overall expected rate of return	3%	3%

Notes to the accounts

continued

For the year ended 31 December 2012

Pension fund

	2012	2011
	£'000	£'000
Analysis of the amounts debited/(credited) to the income and expenditure account:		
Current service cost	(1,247)	(957)
Expected return on pension scheme assets	415	371
Interest on pension scheme liabilities	(450)	(410)
Actuarial (loss)/gain	727	(598)
Total charge	(555)	(1,594)
The amounts recognised in the statement of financial position		
Present value of funded obligations	(11,119)	(9,011)
Fair value of assets	14,230	11,551
Surplus	3,111	2,540
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at 1 January 2012	9,011	7,146
Employer service cost	1,247	957
Interest cost	450	410
Plan participants' contributions	242	186
Experience loss/(gain)	4	559
Loss/(gain) on change of assumptions	289	(189)
Benefits paid from plan assets/administrative expenses paid	(124)	(58)
Defined benefit obligation at 31 December 2012	11,119	9,011
Change in the fair value of the scheme assets are as follows		
Fair value at 1 January 2012	11,551	10,417
Expected return on assets	415	371
Actuarial gain/(loss)	1,020	(228)
Employer contributions	1,126	863
Plan participants' contributions	242	186
Benefits paid/administrative expenses paid	(124)	(58)
Fair value as at 31 December 2012	14,230	11,551

For the year ended 31 December 2012

Pension fund

	2012	2011
	£'000	£'000
Change in recoverable surplus and components of scheme performance		
Opening balance	2,540	3,271
Current service cost	(1,247)	(957)
Interest Cost	(450)	(410)
Expected return on pension scheme assets	415	371
Employer contributions	1,126	863
	(156)	(133)
Net actuarial gain/(loss)	727	(598)
Closing balance	3,111	2,540

	2012	2011	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Amounts per current and previous periods					
Difference between the expected and actual return on scheme assets	1,020	(228)	1,058	492	(940)
Experience gains and losses on scheme liabilities	(4)	(559)	27	(802)	(19)
Changes in assumptions underlying the present value of the scheme liabilities	(289)	189	138	(695)	1,112
Defined benefit obligation	(11,119)	(9,011)	(7,146)	(6,900)	(4,664)
Scheme assets	14,230	11,551	10,417	8,905	5,874
Surplus	3,111	2,540	3,271	2,005	1,210

It is assumed that the pension plan liabilities are excluded from assets where liabilities are matched by annuities.

All pensioners receive a guaranteed increase of 3% p.a. under the terms of the Plan for service to 6 April 1997. Service after 6 April 1997 is treated in accordance with the 1995 Pensions Act. Any further compensation for the rise in the cost of living is considered on an annual basis.

In 2012 the annual premium contribution was £1,182,848 (2011: £910,451) Included in the annual premium was a contribution of £54,209 (2011: £46,184) for the defined contribution pension plan. The scheme was in surplus at year end.

Notes to the accounts

continued

For the year ended 31 December 2012

20 Commitments under leases

(a) Operating leases

Note – total future minimum lease payments under operating leases are given in the table below for each of the following periods: Total lease values must be recorded against each expiry category. i.e. where a lease has annual payment of £1,000 over a 10 year term, it is necessary to record £1,000 under expiry <1year, £4,000 under expiry 2-5 years and £5,000 under expiry > 5 years

	31 Dec 2012	31 Dec 2011
	£000	£000
Obligation under operating leases comprise:		
Land and buildings		
Not later than 1 year	668	307
Later than 1 year and not later than 5 years	1,956	1,206
Later than 5 years	213	485
	2,837	1,998
Other:		
Not later than 1 year	24	24
Later than 1 year and not later than 5 years	27	51
	51	75

(b) Finance leases

Note – total future minimum lease payments under finance leases are given in the table below for each of the following periods: Total lease values must be recorded against each expiry category. i.e. where a lease has annual payment of £1,000 over a 10 year term, it is necessary to record £1,000 under expiry <1year, £4,000 under expiry 2-5 years and £5,000 under expiry > 5 years

	31 Dec 2012	31 Dec 2011
	£000	£000
Obligation under finance leases comprise:		
IT equipment		
Not later than 1 year	–	5
Later than 1 year and not later than 5 years	–	–
Less: Interest element	–	(1)
	–	4

For the year ended 31 December 2012

21 Capital Commitments

The GDC has no contracted capital commitments which were not included in these financial statements at 31 December 2012.

22 Related-party transactions

There were no related party transactions during the year ended 31 December 2012, other than the fees and expenses paid to Council Members as disclosed in note 7 to the accounts. Details of amounts paid to individual Council members are set out in the Annual report on page 31.

23 Contingent liabilities

The GDC has no contingent liabilities at 31 December 2012.

For the year ended 31 December 2012

Bankers

Lloyds Banking Group, Corporate Markets, 3rd Floor, 25 Gresham Street, London EC2V 7HN

Legal advisers

Capsticks Solicitors LLP, 77/83 Upper Richmond Road, London SW15 2TT

Kingsley Napley LLP, Knights Quarter, 14 St John's Lane, London EC1 4AJ

Blake Lapthorn, Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire PO6 4ST

External auditors

haysmacintyre, Fairfax House, 15 Fulwood Place, London WC1V 6AY, appointed 27 September 2012

Amyas C E Morse, The Comptroller and Auditor General, National Audit Office

157-197 Buckingham Palace Road, Victoria, London SW1W 9SP

Internal auditors

Grant Thornton (UK) LLP, 30 Finsbury Square, London EC2P 2YU (appointed January 2012)

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