

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL
Annual Financial Statements
for the year ended 28 February 2022

Audited Financial Statements

in compliance with the Dental Technicians Act, No. 19 of 1979

Prepared by: P Dry

Professional designation: AGA (SA)

Title: External Accountant

Reviewed by: C Engelbrecht

Professional designation: CA (SA)

Title: External Auditor

Date published: 20 August 2022

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

INDEX

	PAGE
General Information	2 - 3
Council members' Responsibilities and Approval	4
Council members' Report	5 - 6
Independent Auditor's Report	7 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 17
Notes to the Annual Financial Statements	18 - 25
The supplementary information presented does not form part of the Financial Statements and is unaudited:	
Detailed Income Statement	26 - 27

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The Council is established in terms of the Dental Technicians Act, 1979(Act No. 19 of 1979), as amended, to regulate the professions of dental technicians and dental technologists, and to protect the interests of the public.
COUNCIL MEMBERS	Prof. CP Owen (Appointed 25 March 2020) Mr. G Gunnell (Appointed 25 March 2020) Mr. I Noorshib (Appointed 25 March 2020) Prof. P Moipolai (Appointed 25 March 2020) Mr. K Govender (Appointed 25 March 2020) Ms. N Madiba (Appointed 25 March 2020) Mr. L Nematswerani (Appointed 25 March 2020) Mr. PL Steenkamp (Appointed 25 March 2020) Mr. N Nthikilana (Appointed 25 March 2020) Dr. A Vahed (Appointed 25 March 2020) Dr. L Moeng Mahlangu (Appointed 20 October 2021) Dr. M Mcuba (Resigned 20 October 2021)
REGISTERED OFFICE	954 Cnr Hill & Arcadia Streets Arcadia Pretoria 0028
POSTAL ADDRESS	PO Box 14617 Hatfield Pretoria 0028
BANKERS	ABSA
LEVEL OF ASSURANCE	<p>These financial statements have been audited as required by the Dental Technicians Act, No. 19 of 1979.</p> <p>In compliance with the disclosure requirements of the Dental Technicians Act, No. 19 of 1979 and the International Financial Reporting Standard for Small and Medium-sized Entities, these financial statements have been prepared by Intégro Accounting on behalf of The South African Dental Technicians Council.</p>
PUBLIC INTEREST SCORE OF THE COUNCIL	15

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

GENERAL INFORMATION

CHARTERED ACCOUNTANTS CA(SA)

Snijder & Associates Inc
Il Villaggio North
2 Quintin Brand Street
Persequor Techno Park
Pretoria
0081

PREPARER

Intégro Accounting
Associate General Accountants (SA)
27 Shield Drive
Wapadrand
Pretoria
0081

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

The council members are required by the Dental Technicians Act, No. 19 of 1979 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Council, and explain the transactions and financial position of the business of the Council at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

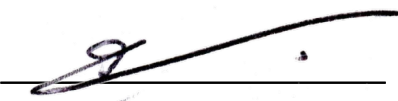
The council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the council members to meet these responsibilities, the council members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the council members have no reason to believe that the Council will not be a going concern in the foreseeable future. The financial statements support the viability of the Council.

The annual financial statements have been audited by the independent auditing firm, Snijder & Associates Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the council member, the council members and committees of the council members. The council members believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 10 to 11.

The annual financial statements set out on pages 12 to 28, and the supplementary information set out on pages 29 to 30 which have been prepared on the going concern basis, were approved by the council members and were signed on 20 August 2022 on their behalf by:



Prof. CP Owen

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

COUNCIL MEMBERS' REPORT

The council members present their report for the year ended 28 February 2022.

1. Review of financial results and activities

Main business and operations

The Council is established in terms of the Dental Technicians Act, 1979(Act No. 19 of 1979), as amended, to regulate the professions of dental technicians and dental technologists, and to protect the interests of the public. There were no major changes herein during the year.

The Council generated a surplus for the year ended 28 February 2022 of R959,545 (2021: R489,624).

The Council's revenue increased from R6,649,151 in the prior year to R7,082,418 for the year ended 28 February 2022.

The Council's cash flows from operating activities reduced from an inflow of R607,702 in the prior year to an inflow of R144,702 for the year ended 28 February 2022.

2. Going concern

The financial statements have been prepared on a going concern basis for the next twelve months. The council members believe that the council has limited financial resources to continue in operation for the foreseeable future and are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the council.

The SADTC receives no funding from the Department of Health, the fiscus and government grants.

The council is totally reliant on the funding it receives from member subscriptions to fund its monthly running costs and liabilities and any material reduction thereof could adversely affect the council's ability to operate as a going concern.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The council members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Council.

4. Council members' interest in contracts

To our knowledge none of the council members had any interest in contracts entered into during the year under review.

5. Council members

The council members of the Council during the year and up to the date of this report are as follows:

Prof. CP Owen (Appointed 25 March 2020)
Mr. G Gunnell (Appointed 25 March 2020)
Mr. I Noorshib (Appointed 25 March 2020)
Prof. P Moipolai (Appointed 25 March 2020)
Mr. K Govender (Appointed 25 March 2020)
Ms. N Madiba (Appointed 25 March 2020)
Mr. L Nematswerani (Appointed 25 March 2020)
Mr. PL Steenkamp (Appointed 25 March 2020)
Mr. N Nthikilana (Appointed 25 March 2020)
Dr. A Vahed (Appointed 25 March 2020)
Dr. L Moeng Mahlangu (Appointed 20 October 2021)
Dr. M Mcuba (Resigned 20 October 2021)

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

COUNCIL MEMBERS' REPORT

6. Property, plant and equipment

There was no change in the nature of property, plant and equipment of the council or in the policy regarding their use.

As at 28 February 2022 the council's investment in property, plant and equipment amounted to R3 155 884 (2021: R3 102 921), of which R 79 583 (2021: R 15 146) was added in the current year through additions. The additions for the current and prior financial year were as follows:

Additions:	2022	2021
Office equipment	52,282	-
Computer equipment	27,301	15,146
	79,583	15,146

During the 2021 financial year, the property was again revalued at R2 900 000 from the previous. (2018: R 2 800 000). No adjustment has been made or deemed necessary as the current valuation is in line with market prices.

7. Independent Auditors

Snijder & Associates Inc were the independent auditors for the year under review.

8. External Accountants

Intégro Accounting were the External Accountants for the year under review.

Independent Auditor's Report

To the council members of The South African Dental Technicians Council

Opinion

We have audited the financial statements of The South African Dental Technicians Council (the the Council) set out on pages 7 to 21, which comprise the statement of financial position as at 28 February 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The South African Dental Technicians Council as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Dental Technicians Act No. 19 of 1979.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Council in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The council members are responsible for the other information. The other information comprises the information included in the document titled "The South African Dental Technicians Council financial statements for the year ended 28 February 2022", which includes the Council Members' Report as required by the Dental Technicians Act No. 19 of 1979 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors

H SNIJDER CA (SA) | GJ COETZEE CA (SA) | TC VAN WYK CA (SA)

CF ENGELBRECHT CA (SA)

Reg No. 1999/014998/21

Effective. Trusted.

Independent Auditor's Report

Responsibilities of the council members for the Financial Statements

The council members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Dental Technicians Act No. 19 of 1979, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

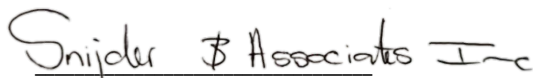
Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Snijder & Associates Inc.
TC van Wyk CA (SA)
Chartered Accountants (SA)
Registered Auditors

20 August 2022
Pretoria

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

STATEMENT OF FINANCIAL POSITION

Figures in R

Notes 2022 2021

ASSETS

Non-current assets

Property, plant and equipment	4	3,155,884	3,102,921
-------------------------------	---	-----------	-----------

Current assets

Trade and other receivables	5	673,263	422,285
-----------------------------	---	---------	---------

Cash and cash equivalents	6	2,268,437	2,203,315
---------------------------	---	-----------	-----------

Total current assets		2,941,700	2,625,600
-----------------------------	--	------------------	------------------

Total assets		6,097,584	5,728,521
---------------------	--	------------------	------------------

EQUITY AND LIABILITIES

Equity

Accumulated surplus		2,885,387	1,925,842
---------------------	--	-----------	-----------

Other non-distributable reserves	7	2,411,047	2,411,047
----------------------------------	---	-----------	-----------

Total equity		5,296,434	4,336,889
---------------------	--	------------------	------------------

Liabilities

Non-current liabilities

Mortgage bonds	10	32	32
----------------	----	----	----

Current liabilities

Provisions	8	255,000	601,890
------------	---	---------	---------

Trade and other payables	9	546,118	789,710
--------------------------	---	---------	---------

Total current liabilities		801,118	1,391,600
----------------------------------	--	----------------	------------------

Total liabilities		801,150	1,391,632
--------------------------	--	----------------	------------------

Total equity and liabilities		6,097,584	5,728,521
-------------------------------------	--	------------------	------------------

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

STATEMENT OF COMPREHENSIVE INCOME

Figures in R

	Notes	2022	2021
Revenue	11	7,082,418	6,649,151
Other income	12	53,241	11,637
Administrative expenses	14	(390,437)	(365,301)
Other expenses	15	(6,290,697)	(5,863,014)
Surplus from operating activities	16	454,525	432,473
Investment income	17	73,491	57,151
Surplus from operations		528,016	489,624
Other gains and losses		431,529	-
Surplus for the year		959,545	489,624

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

STATEMENT OF CHANGES IN EQUITY

Figures in R	Other non-distributable reserve	Accumulated surplus	Total
Balance at 1 March 2020	2,411,047	1,436,218	3,847,265
Changes in equity			
Surplus for the year	-	489,624	489,624
Total comprehensive income for the year	-	489,624	489,624
Balance at 28 February 2021	2,411,047	1,925,842	4,336,889
Balance at 1 March 2021	2,411,047	1,925,842	4,336,889
Changes in equity			
Surplus for the year	-	959,545	959,545
Total comprehensive income for the year	-	959,545	959,545
Balance at 28 February 2022	2,411,047	2,885,387	5,296,434

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

STATEMENT OF CASH FLOWS

Figures in R

	Notes	2022	2021
Net cash flows from operations	18	71,209	550,551
Interest received		73,491	57,151
Net cash flows from operating activities		144,700	607,702
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		5	-
Purchase of property, plant and equipment		(79,583)	(15,146)
Cash flows used in investing activities		(79,578)	(15,146)
Net increase in cash and cash equivalents		65,122	592,556
Cash and cash equivalents at beginning of the year		2,203,315	1,610,759
Cash and cash equivalents at end of the year	6	2,268,437	2,203,315

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

ACCOUNTING POLICIES

1. General information

The South African Dental Technicians Council ('the Council') is established in terms of the Dental Technicians Act, 1979(Act No. 19 of 1979), as amended, to regulate the professions of dental technicians and dental technologists, and to protect the interests of the public.

The Council is incorporated as a Council and domiciled in South Africa. The address of its registered office is 954 Cnr Hill & Arcadia Streets, Arcadia, Pretoria, 0028.

2. Basis of preparation and summary of significant accounting policies

The financial statements of The South African Dental Technicians Council have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Dental Technicians Act, No. 19 of 1979. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. These are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the council members.

The Council adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Council. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Buildings	Not depreciated
Fixtures and fittings	16.67% or 6 years
Office equipment	20.00% or 5 years
Computer equipment	33.33% or 3 years
Computer software	50.00% or 2 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

2.2 Financial instruments

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Other financial assets

Other financial assets are recognised initially at the transaction price, including transaction costs except where the asset will subsequently be measured at fair value.

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognised in profit or loss. Other investments are subsequently measured at cost less impairment.

Debt instruments are subsequently stated at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Commitments to receive a loan that meet the conditions in paragraph 11.8(c) are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities are recognised initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value.

Where the fair value of other financial liabilities can be measured reliably without undue cost or effort, these liabilities are subsequently measured at fair value with the changes in fair value being recognised in surplus or deficit.

Debt instruments are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Other financial liabilities are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.3 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

2.4 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest income is recognised using the effective interest method.

2.6 Employee benefits

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

For defined benefit plans, the cost of providing benefits is determined using the projected unit cost method, with actuarial valuations being carried out at the end of each period. Remeasurement comprising actuarial gains and losses, the effect of changes to the asset ceiling, and the return on plan assets is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to surplus or deficit. Past service cost is recognised in surplus or deficit in the period of a plan amendment. Net interest calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service costs
- Net interest expense or income
- Remeasurement.

The first two components of defined benefit costs are presented in surplus or deficit in the line item other operating expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits

A liability for termination benefit is recognised at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognised.

2.7 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the Council has complied with all attached conditions. Grants received where the Council has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

ACCOUNTING POLICIES

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

4. Property, plant and equipment

4.1 Balances at year end and movements for the year

	Buildings	Fixtures and fittings	Office equipment	Computer equipment	Computer software	Total
Reconciliation for the year ended 28 February 2022						
Balance at 1 March 2021						
At cost	3,079,865	65,382	39,889	133,146	155,230	3,473,512
Accumulated depreciation	-	(61,093)	(39,882)	(114,396)	(155,220)	(370,591)
Carrying amount	3,079,865	4,289	7	18,750	10	3,102,921
Movements for the year ended 28 February 2022						
Additions from acquisitions	-	-	52,282	27,301	-	79,583
Depreciation	-	(3,131)	(9,268)	(14,216)	-	(26,615)
Disposals	-	-	-	(5)	-	(5)
Property, plant and equipment at the end of the year	3,079,865	1,158	43,021	31,830	10	3,155,884
Closing balance at 28 February 2022						
At cost	3,079,865	65,382	92,171	132,348	155,230	3,524,996
Accumulated depreciation	-	(64,224)	(49,151)	(100,517)	(155,220)	(369,112)
Carrying amount	3,079,865	1,158	43,020	31,831	10	3,155,884

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

Property, plant and equipment continued...

Reconciliation for the year ended 28 February 2021

Balance at 1 March 2020

At cost	3,079,865	9,652	7	41,449	10	3,130,983
Accumulated depreciation	-	-	-	-	-	-
Carrying amount	3,079,865	9,652	7	41,449	10	3,130,983

Movements for the year ended 28 February 2021

Additions from acquisitions	-	-	-	15,146	-	15,146
Depreciation	-	(5,363)	-	(37,845)	-	(43,208)
Property, plant and equipment at the end of the year	3,079,865	4,289	7	18,750	10	3,102,921

Closing balance at 28 February 2021

At cost	3,079,865	65,382	39,889	133,146	155,230	3,473,512
Accumulated depreciation	-	(61,093)	(39,882)	(114,396)	(155,220)	(370,591)
Carrying amount	3,079,865	4,289	7	18,750	10	3,102,921

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

Property, plant and equipment continued...

4.2 Property details

4.2.1 Stand 481/R, Cnr Hill & Arcadia Streets

Purchase price	460,000	460,000
Additions since purchase or valuation	2,619,865	2,619,865
	3,079,865	3,079,865

4.3 Detail of market value and cost of properties

	Market value 2022	Cost 2022	Market value 2021	Cost 2021
Stand 481/R, Cnr Hill & Arcadia Streets	3,079,865	460,000	3,079,865	460,000

Land and Buildings consist of the office building situated on Stand 481/R, Cnr Hill & Arcadia Streets.

The property was again revalued in the 2016 financial year from R2,200,000 (2011 valuation) to R3,079,856.

During the prior financial year the property was revalued at R2,900,000 (2021) from the previous valuation of R2,800,000 (2018) however no adjustment has been made as the current valuation is in line with market prices.

5. Trade and other receivables

5.1 Trade and other receivables comprise:

Trade receivables	1,884,258	1,234,862
Provision for bad debts	(1,441,480)	(845,958)
Value added tax	230,485	33,381
	673,263	422,285

5.2 Provision for bad debts

The amount which is provided for bad debts was calculated from the actual invoices which have been issued prior to the financial year-end, but were still unpaid at the date of this report. Despite various attempts to recover these outstanding amounts, uncertainty exists over the recoverability of these debtors.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

6. Cash and cash equivalents

6.1 Cash and cash equivalents included in current assets:

Cash

Cash on hand	902	5,570
Balances with banks	260,130	413,830
	261,032	419,400

Cash equivalents

Short term deposits	2,007,405	1,783,915
	2,268,437	2,203,315

6.2 Net cash and cash equivalents

Current assets	2,268,437	2,203,315
----------------	-----------	-----------

7. Reserves

Revaluation of property

Revaluation reserve - Fixed property	2,411,047	2,411,047
--------------------------------------	-----------	-----------

8. Provisions

8.1 Provisions comprise:

Other provisions	255,000	601,890
Current portion	255,000	601,890
	255,000	601,890

8.2 Other provisions

	Provision for future expenses	Provision for act renewal	Total
Balance at 1 March 2021	201,890	400,000	601,890
New provisions	255,000	-	255,000
Provision used	(37,200)	-	(37,200)
Unused provision reversed	(164,690)	-	(164,690)
Provision no longer required	-	(400,000)	(400,000)
Total changes	53,110	(400,000)	(346,890)
Balance at 28 February 2022	255,000	-	255,000

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

Provisions continued...

8.3 Details of other provisions

Provision for act renewal

During the 2017 financial year, the Council reviewed and proposed amendments to the Dental Technicians Act of 1979. An aggregate provision of R 400 000 had been raised during prior years financial accounts for the anticipated legal cost thereof, associated legal costs pertaining to the review, any amendments thereto and the final implementation of this proposed Act.

Through the current year under review following numerous interactions with the National Department of Health and the Minister of Health, the SADTC was informed that the responsibility for the administration of Health legislation vests with the National Department of Health which includes inter alia the review and any amendments to the Dental Technicians Act 19 of 1979.

With this clearer understanding that any amendment and implementation liability for the Act Renewal no longer vests with the SADTC, the council this past financial year reversed the provision of R 400 000 for the Act Renewal.

The council has not raised a contingent liability note as there is no potential future payment by it to any outside party nor is any possibility for the impairment of any asset resulting from the amendment of this Act; there is also no longer uncertainty about the responsibility of funding the amount for the future payment of the Act Renewal as the payment thereof, outcome and the review and any amendments to the Dental Technicians Act 19 of 1979 has been assumed by the National Department of Health.

9. Trade and other payables

Trade and other payables comprise:

Income received in advance	360,176	640,867
Accrued liabilities - SARS Payroll taxes	85,943	48,843
Grants received in advance - International benchmarking	100,000	100,000
	546,118	789,710

10. Mortgage bonds

10.1 Mortgage bonds comprise:

ABSA Bond	32	32
-----------	----	----

10.2 Additional disclosures

The mortgage bond is settled and has no monthly repayments.

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

11. Revenue

Revenue comprises:

Fees received	7,082,418	6,638,321
Revenue consists of the receipts of annual membership fees and new registration fees levied to members. It also includes penalty fees recovered from members.		
Bad debts recovered	-	10,830
	7,082,418	6,649,151

12. Other income

Other income comprises:

Insurance claim	53,241	11,637
-----------------	--------	--------

13. Employee benefits expense

Employee benefits expense comprises:

Basic	3,342,548	3,189,990
Medical aid - company contributions	210,874	201,079
	3,553,422	3,391,069

14. Administrative expenses

Administrative expenses comprise:

Accounting fees	269,285	252,573
Auditors remuneration - Fees	50,900	34,100
Bank charges	24,372	27,751
Computer expenses	-	1,346
Telecommunication	45,880	49,531
	390,437	365,301

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

15. Other expenses

Other expenses comprise:

Bad debts	407,503	845,958
Council claims	178,999	93,183
Depreciation	26,615	43,208
Employee benefit expenses	3,553,422	3,391,069
Exhibitions and marketing	10,819	-
Gifts	3,500	6,616
Honoraria	741,340	254,178
Inspectorate	125,923	121,086
Insurance	43,968	33,530
Legal expense	499,434	378,932
Municipal charges	78,383	68,167
Office consumables	15,329	19,532
Operating lease expense	31,372	30,858
Postage	38,451	38,609
Printing and stationery	153,283	155,484
Repairs and maintenance	92,695	83,019
Security	8,852	21,999
Software expenses	265,809	245,008
Training	15,000	32,578
	6,290,697	5,863,014

16. Surplus from operating activities

Surplus from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	26,615	43,208
Leases - operating lease minimum lease rentals	31,372	30,858
Audit fees Auditors remuneration - Fees	50,900	34,100

17. Investment income

Investment income comprises:

Interest received	73,491	57,151
-------------------	--------	--------

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

18. Cash flows from operations

Surplus for the year	959,545	489,624
Adjustments for:		
Finance income	(73,491)	(57,151)
Depreciation and amortisation expense	26,615	43,208
Change in working capital:		
Trade and other receivables	(250,978)	(233,528)
Trade and other operating payables	(243,592)	6,508
Movements in provisions	(346,890)	301,890
Net cash flows from operations	71,209	550,551

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

DETAILED INCOME STATEMENT

Figures in R

	Notes	2022	2021
Revenue	11		
Fees		7,082,418	6,638,321
Bad debts recovered		-	10,830
		7,082,418	6,649,151
Other income	12		
Insurance claim received		53,241	11,637
Administrative expenses	14		
Accounting fees		(269,285)	(252,573)
Auditors remuneration - Fees		(50,900)	(34,100)
Bank charges		(24,372)	(27,751)
Computer expenses		-	(1,346)
Telecommunication		(45,880)	(49,531)
		(390,437)	(365,301)
Other expenses	15		
Bad debts		(407,503)	(845,958)
Council claims		(178,999)	(93,183)
Depreciation - property, plant and equipment		(26,615)	(43,208)
Employee costs - salaries	13	(3,553,422)	(3,391,069)
Exhibitions and marketing		(10,819)	-
Gifts		(3,500)	(6,616)
Honoraria		(741,340)	(254,178)
Inspectorate		(125,923)	(121,086)
Insurance		(43,968)	(33,530)
Legal expense		(499,434)	(378,932)
Municipal expenses		(78,383)	(68,167)
Office consumables		(15,329)	(19,532)
Operating lease expense		(31,372)	(30,858)
Postage		(38,451)	(38,609)
Printing and stationery		(153,283)	(155,484)
Repairs and maintenance		(92,695)	(83,019)
Security		(8,852)	(21,999)
Software expenses		(265,809)	(245,008)
Training		(15,000)	(32,578)
		(6,290,697)	(5,863,014)
Surplus from operating activities	16	454,525	432,473
Investment income	17		
Interest received		73,491	57,151
Surplus from operations		528,016	489,624

THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2022

DETAILED INCOME STATEMENT

Figures in R

Notes

2022

2021

Other items

Reversal of provision for Act renewal

400,000

-

Gains on stolen items

31,529

-

431,529

-

Surplus for the year

959,545

489,624