

# **THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL**

**Annual Financial Statements  
for the year ended 28 February 2023**

## **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: TC van Wyk

Professional designation: CA (SA)

Title: External Auditor

Date published: 24 July 2023

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

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# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## GENERAL INFORMATION

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	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.
<b>COUNCIL MEMBERS</b>	Prof. CP Owen (Appointed 25 March 2020) Mr. I Noorshib (Appointed 25 March 2020) Mr. L Nematswerani (Appointed 25 March 2020) Dr. TL Moeng-Mahlangu (Appointed 20 October 2021) Mr. LP Steenkamp (Appointed 25 March 2020) Maj. G Gunnell (Appointed 25 March 2020) Mr. N Ntshikilana (Appointed 25 March 2020) Prof. PD Moipolai (Appointed 25 March 2020) Ms. K Govender (Appointed 25 March 2020) Ms. N Madiba (Appointed 25 March 2020)
<b>REGISTERED OFFICE</b>	954 Arcadia street Cnr Hill street Arcadia Pretoria 0083
<b>POSTAL ADDRESS</b>	PO Box 14617 Hatfield 0028
<b>BANKERS</b>	ABSA
<b>LEVEL OF ASSURANCE</b>	These financial statements have been audited as required by the Dental Technicians Act, No. 19 of 1979.  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.
<b>PUBLIC INTEREST SCORE OF THE COUNCIL</b>	15
<b>CHARTERED ACCOUNTANTS CA(SA)</b>	Snijder & Associates Inc Il Villaggio North 2 Quintin Brand Street Persequor Techno Park Pretoria 0081

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## GENERAL INFORMATION

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**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 2023

## COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

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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 annual 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 7 to 8.

The annual financial statements set out on pages 9 to 23, and the supplementary information set out on pages 24 to 25 which have been prepared on the going concern basis, were approved by the council members and were signed on 24 July 2023 on their behalf by:



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Prof. CP Owen

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## COUNCIL MEMBERS' REPORT

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The council members present their report for the year ended 28 February 2023.

### 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 deficit for the year ended 28 February 2023 of R78,156 (2022: surplus of R959,545).

The Council's revenue increased from R7,082,418 in the prior year to R7,127,712 for the year ended 28 February 2023.

The Council's cash flows from operating activities changed from an inflow of R144,700 in the prior year to an inflow of R253,316 for the year ended 28 February 2023.

### 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 will 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.

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## COUNCIL MEMBERS' REPORT

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### 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. I Noorshib (Appointed 25 March 2020)  
Mr. L Nematswerani (Appointed 25 March 2020)  
Dr. TL Moeng-Mahlangu (Appointed 20 October 2021)  
Mr. LP Steenkamp (Appointed 25 March 2020)  
Maj. G Gunnell (Appointed 25 March 2020)  
Mr. N Ntshikilana (Appointed 25 March 2020)  
Prof. PD Moipolai (Appointed 25 March 2020)  
Ms. K Govender (Appointed 25 March 2020)  
Ms. N Madiba (Appointed 25 March 2020)

### 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 2023 the council's investment in property, plant and equipment amounted to R3 162 957, compared to R3 155 884 of the previous year. During the 2023 financial year, additions of R47 122 was made, compared to R79 583 of the previous year.

The additions for the current and prior financial year were as follows:

<b>Additions:</b>	<b>2023</b>	<b>2022</b>
Fixtures and fittings	5,521	-
Office equipment	4,086	52,282
Computer equipment	37,515	27,301
	<b>47,122</b>	<b>79,583</b>

No valuation was done during the 2023 financial year, as the property value is in line with current market prices. The property will be revalued during the 2024 financial year, in line with previous valuation intervals - every 3 years. (2018 - 2021)

### 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

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### To the Board of The South African Dental Technicians Council

#### Opinion

We have audited the annual financial statements of The South African Dental Technicians Council (the organisation) set out on pages 10 to 26, which comprise the statement of financial position as at 28 February 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The South African Dental Technicians Council as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Dental Technicians Act, 1979 (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 Annual Financial Statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The board are responsible for the other information. The other information comprises the information included in the document titled "The South African Dental Technicians Council annual financial statements for the year ended 28 February 2023", which includes the Board' Report as required by the Dental Technicians Act, 1979 (Act No. 19 of 1979) and the supplementary information as set out on pages 18 to 20. The other information does not include the annual financial statements and our auditor's report thereon.

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



# Independent Auditor's Report

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## Responsibilities of the Board for the Annual Financial Statements

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

In preparing the annual financial statements, the board are responsible for assessing the organisation'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 board either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

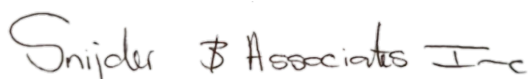
## Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board's 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 organisation'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 annual 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 organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board 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**

**24 July 2023**  
**Pretoria**

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## STATEMENT OF FINANCIAL POSITION

Figures in R

Notes

2023

2022

### ASSETS

#### Non-current assets

Property, plant and equipment	4	3,162,957	3,155,884
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#### Current assets

Trade and other receivables	5	336,112	673,263
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Cash and cash equivalents	6	2,474,635	2,268,437
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<b>Total current assets</b>		<b>2,810,747</b>	<b>2,941,700</b>
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<b>Total assets</b>		<b>5,973,704</b>	<b>6,097,584</b>
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### EQUITY AND LIABILITIES

#### Equity

Accumulated surplus		2,807,231	2,885,387
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Other non-distributable reserves		2,411,047	2,411,047
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<b>Total equity</b>		<b>5,218,278</b>	<b>5,296,434</b>
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#### Liabilities

##### Non-current liabilities

Mortgage bonds	10	32	32
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##### Current liabilities

Provisions	8	137,245	255,000
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Trade and other payables	9	618,149	546,118
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<b>Total current liabilities</b>		<b>755,394</b>	<b>801,118</b>
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<b>Total liabilities</b>		<b>755,426</b>	<b>801,150</b>
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<b>Total equity and liabilities</b>		<b>5,973,704</b>	<b>6,097,584</b>
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# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## STATEMENT OF COMPREHENSIVE INCOME

Figures in R	Notes	2023	2022
Revenue	11	7,127,712	7,082,418
Other income	12	-	53,241
Administrative expenses	14	(345,141)	(390,437)
Other expenses	15	(7,038,221)	(6,290,697)
<b>(Deficit) / surplus from operating activities</b>	16	<b>(255,650)</b>	<b>454,525</b>
Investment income	17	177,494	73,491
<b>(Deficit) / surplus from continuing operations</b>		<b>(78,156)</b>	<b>528,016</b>
Other gains/losses		-	431,529
<b>(Deficit) / surplus for the year</b>		<b>(78,156)</b>	<b>959,545</b>

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## STATEMENT OF CHANGES IN EQUITY

Figures in R	Other non-distributable reserve	Accumulated surplus	Total
<b>Balance at 1 March 2021</b>	2,411,047	1,925,842	4,336,889
<b>Changes in equity</b>			
Surplus for the year	-	959,545	959,545
Total comprehensive income for the year	-	959,545	959,545
<b>Balance at 28 February 2022</b>	<b>2,411,047</b>	<b>2,885,387</b>	<b>5,296,434</b>
<b>Balance at 1 March 2022</b>	2,411,047	2,885,387	5,296,434
<b>Changes in equity</b>			
Deficit for the year	-	(78,156)	(78,156)
Total comprehensive income for the year	-	(78,156)	(78,156)
<b>Balance at 28 February 2023</b>	<b>2,411,047</b>	<b>2,807,231</b>	<b>5,218,278</b>

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## STATEMENT OF CASH FLOWS

Figures in R	Notes	2023	2022
<b>Net cash flows from operations</b>	18	<b>75,822</b>	<b>71,209</b>
Interest received		177,494	73,491
<b>Net cash flows from operating activities</b>		<b>253,316</b>	<b>144,700</b>
<b>Cash flows used in investing activities</b>			
Proceeds from sales of property, plant and equipment		5	5
Purchase of property, plant and equipment		(47,123)	(79,583)
<b>Cash flows used in investing activities</b>		<b>(47,118)</b>	<b>(79,578)</b>
<b>Net increase in cash and cash equivalents</b>		<b>206,198</b>	<b>65,122</b>
Cash and cash equivalents at beginning of the year		2,268,437	2,203,315
<b>Cash and cash equivalents at end of the year</b>	6	<b>2,474,635</b>	<b>2,268,437</b>

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## ACCOUNTING POLICIES

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### 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 Arcadia street Cnr Hill street, Arcadia, Pretoria, 0083.

### 2. Basis of preparation and summary of significant accounting policies

The annual 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 annual 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. They 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 annual 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 assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

<b>Asset class</b>	<b>Useful life / depreciation rate</b>
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 5 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 2023

## ACCOUNTING POLICIES

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### *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.

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.

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## ACCOUNTING POLICIES

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

### 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 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.



# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## ACCOUNTING POLICIES

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

#### **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.

## **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

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### 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
<b>Reconciliation for the year ended 28 February 2023</b>						
<b>Balance at 1 March 2022</b>						
At cost	3,079,865	65,382	92,171	132,348	155,230	<b>3,524,996</b>
Accumulated depreciation	-	(64,224)	(49,151)	(100,517)	(155,220)	<b>(369,112)</b>
<b>Carrying amount</b>	<b>3,079,865</b>	<b>1,158</b>	<b>43,020</b>	<b>31,831</b>	<b>10</b>	<b>3,155,884</b>
<b>Movements for the year ended 28 February 2023</b>						
Additions from acquisitions	-	5,521	4,086	37,515	-	<b>47,122</b>
Depreciation	-	(6,660)	(14,542)	(18,842)	-	<b>(40,044)</b>
Disposals	-	-	1	(6)	-	<b>(5)</b>
<b>Property, plant and equipment at the end of the year</b>	<b>3,079,865</b>	<b>19</b>	<b>32,565</b>	<b>50,498</b>	<b>10</b>	<b>3,162,957</b>
<b>Closing balance at 28 February 2023</b>						
At cost	3,079,865	70,903	96,257	169,858	155,230	<b>3,572,113</b>
Accumulated depreciation	-	(70,884)	(63,692)	(119,360)	(155,220)	<b>(409,156)</b>
<b>Carrying amount</b>	<b>3,079,865</b>	<b>19</b>	<b>32,565</b>	<b>50,498</b>	<b>10</b>	<b>3,162,957</b>

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### *Property, plant and equipment continued...*

#### 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	<b>3,473,512</b>
Accumulated depreciation	-	(61,093)	(39,882)	(114,396)	(155,220)	<b>(370,591)</b>
<b>Carrying amount</b>	<b>3,079,865</b>	<b>4,289</b>	<b>7</b>	<b>18,750</b>	<b>10</b>	<b>3,102,921</b>

##### Movements for the year ended 28 February 2022

Additions from acquisitions	-	-	52,282	27,301	-	<b>79,583</b>
Depreciation	-	(3,131)	(9,268)	(14,216)	-	<b>(26,615)</b>
Disposals	-	-	(1)	(4)	-	<b>(5)</b>
<b>Property, plant and equipment at the end of the year</b>	<b>3,079,865</b>	<b>1,158</b>	<b>43,020</b>	<b>31,831</b>	<b>10</b>	<b>3,155,884</b>

##### Closing balance at 28 February 2022

At cost	3,079,865	65,382	92,171	132,348	155,230	<b>3,524,996</b>
Accumulated depreciation	-	(64,224)	(49,151)	(100,517)	(155,220)	<b>(369,112)</b>
<b>Carrying amount</b>	<b>3,079,865</b>	<b>1,158</b>	<b>43,020</b>	<b>31,831</b>	<b>10</b>	<b>3,155,884</b>

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### *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
	<b>3,079,865</b>	<b>3,079,865</b>

#### 4.3 Detail of market value and cost of properties

	Market value 2023	Cost 2023	Market value 2022	Cost 2022
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 revalued in the 2021 financial year from R2,900,000 to R3,079,856.

No valuation was done during the 2023 financial year, as the property value is in line with current market prices. The property will be revalued during the 2024 financial year, in line with previous valuation intervals - every 3 years. (2018 - 2021)

#### 5. Trade and other receivables

##### 5.1 Trade and other receivables comprise:

Trade receivables	139,666	1,884,258
Provision for bad debts	(0)	(1,441,480)
Value added tax	196,446	230,485
	<b>336,112</b>	<b>673,263</b>

##### 5.2 Provision for bad debts

No provision was made for bad debts on 28 February 2023, as all outstanding debts were written off on that date in accordance with Section 23 of the Dental Technicians Act. The previous year's provision was sufficient to cover the write-off.

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

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### 6. Cash and cash equivalents

Cash and cash equivalents included in current assets:

#### Cash

Cash on hand	783	902
Balances with banks	288,956	260,130
	<b>289,739</b>	<b>261,032</b>

#### Cash equivalents

Short term deposits	2,184,896	2,007,405
	<b>2,474,635</b>	<b>2,268,437</b>

### 7. Reserves

#### Revaluation of property

Revaluation reserve - Fixed property	2,411,047	2,411,047
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### 8. Provisions

#### 8.1 Provisions comprise:

Provisions for employee benefits	71,250	-
Other provisions	65,995	255,000
<b>Current portion</b>	<b>137,245</b>	<b>255,000</b>

#### 8.2 Provisions for employee benefits

	Provision for ex-gratia bonuses	Provision for employee benefits	Total
<b>Balance at 1 March 2022</b>	-	-	-
New provisions	60,000	11,250	71,250
Total changes	60,000	11,250	71,250
<b>Balance at 28 February 2023</b>	<b>60,000</b>	<b>11,250</b>	<b>71,250</b>

### 9. Trade and other payables

Trade and other payables comprise:

Annual fees received in advance	171,540	360,176
Admission of Debt settlements received	163,850	-
Accrued liabilities - SARS Payroll taxes	182,759	85,942
Grants received in advance - International benchmarking	100,000	100,000
<b>Total trade and other payables</b>	<b>618,149</b>	<b>546,118</b>

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

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### 10. Mortgage bonds

#### 10.1 Mortgage bonds comprise:

ABSA Bond	32	32
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#### 10.2 Additional disclosures

The mortgage bond is settled and has no monthly repayments

### 11. Revenue

#### Revenue comprises:

Fees received	7,127,712	7,082,418
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### 12. Other income

#### Other income comprises:

Insurance claim	-	53,241
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### 13. Employee benefits expense

#### Employee benefits expense comprises:

Basic	3,591,355	3,342,548
Medical aid - company contributions	220,643	210,874
	<b>3,811,998</b>	<b>3,553,422</b>

### 14. Administrative expenses

#### Administrative expenses comprise:

Accounting fees	234,000	269,285
Auditors remuneration - Fees	39,700	50,900
Bank charges	25,461	24,372
Telecommunication	45,980	45,880
<b>Total administrative expenses</b>	<b>345,141</b>	<b>390,437</b>

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

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### 15. Other expenses

#### Other expenses comprise:

Bad debts	200,785	407,503
Cleaning	738	-
Computer and software expenses	260,849	265,809
Conferences	94,459	-
Council claims	308,607	178,999
Depreciation	40,044	26,615
Employee benefit expenses	3,811,998	3,553,422
Entertainment	2,357	-
Exhibitions and marketing	107,602	10,819
Gifts	5,575	3,500
Honoraria	1,333,432	741,340
Inspectorate	122,341	125,923
Insurance	44,946	43,968
Legal expense	269,827	499,434
Municipal charges	41,514	78,383
Office consumables	19,435	15,329
Operating lease expense	36,100	31,372
Postage	45,127	38,451
Printing and stationery	125,788	153,283
Repairs and maintenance	35,837	92,695
Security	1,714	8,852
Training	16,473	15,000
Workman's Compensation	112,673	-
<b>Total other expenses</b>	<b>7,038,221</b>	<b>6,290,697</b>

### 16. (Deficit) / surplus from operating activities

(Deficit) / surplus from operating activities includes the following separately disclosable items

#### Other operating expenses

Property plant and equipment - depreciation	40,044	26,615
Leases - operating lease minimum lease rentals	36,100	31,372
<b>Audit fees</b>		
Auditors remuneration - Fees	39,700	50,900

### 17. Investment income

#### Investment income comprises:

Interest received	177,494	73,491
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# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### 18. Cash flows from operations

<b>(Deficit) / surplus for the year</b>	<b>(78,156)</b>	<b>959,545</b>
<b>Adjustments for:</b>		
Finance income	(177,494)	(73,491)
Depreciation and amortisation expense	40,044	26,615
Impairment losses and reversal of impairment losses recognised in surplus or deficit	200,785	407,503
<b>Change in working capital:</b>		
Trade and other receivables	136,367	(1,056,899)
Adjustments for decrease in other operating receivables		398,418
Trade and other operating payables	72,031	(243,592)
Movements in provisions	(117,755)	(346,890)
<b>Net cash flows from operations</b>	<b>75,822</b>	<b>71,209</b>



# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

Annual Financial Statements for the year ended 28 February 2023

## DETAILED INCOME STATEMENT

Figures in R	Notes	2023	2022
<b>Revenue</b>	11		
Fees		7,127,712	7,082,418
<b>Other income</b>	12		
Insurance claim received		-	53,241
<b>Administrative expenses</b>	14		
Accounting fees		(234,000)	(269,285)
Auditors remuneration - Fees		(39,700)	(50,900)
Bank charges		(25,461)	(24,372)
Telecommunication		(45,980)	(45,880)
		<b>(345,141)</b>	<b>(390,437)</b>
<b>Other expenses</b>	15		
Bad debts		(200,785)	(407,503)
Cleaning		(738)	-
Computer and software expenses		(260,849)	(265,809)
Conferences		(94,459)	-
Council claims		(308,607)	(178,999)
Depreciation - property, plant and equipment		(40,044)	(26,615)
Employee costs - salaries		(3,811,998)	(3,553,422)
Entertainment		(2,357)	-
Exhibitions and marketing		(107,602)	(10,819)
Gifts		(5,575)	(3,500)
Honoraria		(1,333,432)	(741,340)
Inspectorate		(122,341)	(125,923)
Insurance		(44,946)	(43,968)
Legal expense		(269,827)	(499,434)
Municipal expenses		(41,514)	(78,383)
Office consumables		(19,435)	(15,329)
Operating lease expense		(36,100)	(31,372)
Postage		(45,127)	(38,451)
Printing and stationery		(125,788)	(153,283)
Repairs and maintenance		(35,837)	(92,695)
Security		(1,714)	(8,852)
Training		(16,473)	(15,000)
Workman's Compensation		(112,673)	-
		<b>(7,038,221)</b>	<b>(6,290,697)</b>
<b>(Deficit) / surplus from operating activities</b>	16	<b>(255,650)</b>	<b>454,525</b>
<b>Investment income</b>	17		
Interest received		177,494	73,491
<b>(Deficit) / surplus from continuing operations</b>		<b>(78,156)</b>	<b>528,016</b>

# THE SOUTH AFRICAN DENTAL TECHNICIANS COUNCIL

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## DETAILED INCOME STATEMENT

Figures in R	Notes	2023	2022
<b>Other items</b>			
Reversal of provision for Act renewal		-	400,000
Gain on stolen items		-	31,529
		-	<b>431,529</b>
<b>(Deficit) / surplus for the year</b>		<b>(78,156)</b>	<b>959,545</b>