

**South African Dental Technicians Council**  
Financial statements  
for the year ended February 28, 2017

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## General Information

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| <b>Country of incorporation and domicile</b>       | South Africa   |
| <b>Nature of business and principal activities</b> | Promotion of dentistry in the Republic and to control matters relating to the education and training of dental technicians or dental technologists.  |
| <b>Council members</b>                             | Mrs CM Makwakwa<br>Mr LA Steyn<br>Ms BMP Rammila<br>Mr P Briscoe<br>Dr N Baloyi  |
| <b>Registered office</b>                           | 954 C/O Hill & Arcadia Street<br>Arcadia<br>Pretoria<br>0001   |
| <b>Postal address</b>                              | P.O. Box 995<br>Pretoria<br>0001   |
| <b>Auditors</b>                                    | Snijder & Associates Inc.<br>Chartered Accountants (S.A.)<br>Registered Auditors   |
| <b>Level of assurance</b>                          | These financial statements have been audited in compliance with the applicable requirements of the Rules and Regulations of the South African Dental Technicians Council as well as the Dental Technicians Act, No 19 of 1979. |
| <b>Preparer</b>                                    | The financial statements were independently compiled by:<br>TC van Wyk CA (S.A.)   |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

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The reports and statements set out below comprise the financial statements presented to the council members:

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# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Council Members' Responsibilities and Approval

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The members are required by the Rules and Regulations of the South African Dental Technicians Council as well as the Dental Technicians Act, No 19 of 1979, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied 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 organisation and place considerable importance on maintaining a strong control environment. To enable the council to meet these responsibilities, the council sets 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditor's are responsible for independently auditing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditor's and their report is presented on page 4.

The financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the council on April 29, 2017 and were signed on its behalf by:

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**President**

# Independent Auditors' Report

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## **To the council members of South African Dental Technicians Council**

We have audited the financial statements of South African Dental Technicians Council, as set out on pages 7 to 15, which comprise the statement of financial position as at February 28, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## **Members' Responsibility for the Financial Statements**

The council members are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and requirements of the Rules and Regulations of the South African Dental Technicians Council as well as 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 misstatements, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organisation's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Dental Technicians Council as at February 28, 2017, 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 Rules and Regulations of the South African Dental Technicians Council as well as the Dental Technicians Act, No 19 of 1979.

## **Other reports required by the Companies Act**

As part of our audit of the financial statements for the year ended February 28, 2017, we have read the council members' report for the purpose of identifying whether there are material inconsistencies between that report and the audited financial statements. The council members' report is the responsibility of the council. Based on reading that report we have not identified material inconsistencies between it and the audited financial statements. However, we have not audited the council members' report and accordingly do not express an opinion thereon.

**April 29, 2017**  
**Pretoria**

**Snijder & Associates Inc.**  
**GJ Coetzee CA (S.A.)**  
**Registered Auditors**

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Council Members' Report

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The members have pleasure in submitting their report on the financial statements of South African Dental Technicians Council and its associates for the year ended February 28, 2017.

### 1. Nature of business

South African Dental Technicians Council was incorporated in South Africa. The council's main operations is promotion of dentistry in the Republic and to control matters relating to the education and training of dental technicians or dental technologists and operates principally in South Africa.

There have been no material changes to the nature of the organisation's business from the prior year.

### 2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Rules and Regulations of the South African Dental Technicians Council as well as the Dental Technicians Act, No 19 of 1979. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these financial statements.

### 3. Council members

The council members in office at the date of this report are as follows:

| <b>Council members</b>                          | <b>Changes</b>   |
|---|--|
| Mrs CM Makwakwa<br>Mr LA Steyn<br>Mr DW van Eyk | Resigned on 1 October<br>2016                              |
| Dr FJ Smit<br>Dr MM Mothopi-Peri                | Retired on 31 July 2016<br>Resigned on 28 February<br>2017 |
| Adv T.P Mapipa Ndlovu                           | Appointed 30 May 2016<br>Resigned on 31 January<br>2017    |
| Mr P Briscoe<br>Mrs H Podile                    | Resigned on 15 January<br>2016                             |
| Ms BMP Rammila<br>Dr N Baloyi                   |  |

### 4. Events after the reporting period

The council members are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 5. Going concern

The council members believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The council members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient facilities to meet its foreseeable cash requirements. The council members are aware that the cost on the renewal of a new act on the legislation program may adversely impact the organisation. The council has approached the Minister of Health to request funding for this project from the Government. The council members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

### 6. Auditors

Snijder & Associates Inc. continued in office as auditors for the organisation for 2017 financial year.

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Council Members' Report

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### **7. Date of authorisation for issue of financial statements**

The financial statements have been authorised for issue by the council members on Saturday, April 29, 2017. No authority was given to anyone to amend the financial statements after the date of issue.

### **8. Valuation of property**

The council made the decision in 2015 not to record the decrease in the fair value of the property after the valuation, due to improvements made on the property.

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Statement of Financial Position as at February 28, 2017

| Figures in Rand                     | Note(s) | 2017             | 2016             |
|-------------------------------------|---------|------------------|------------------|
| <b>Assets</b>                       |         |                  |                  |
| <b>Non-Current Assets</b>           |         |                  |                  |
| Property, plant and equipment       | 2       | 3,267,984        | 3,315,075        |
| <b>Current Assets</b>               |         |                  |                  |
| Trade and other receivables         | 3       | 176,991          | 159,228          |
| Cash and cash equivalents           | 4       | 1,878,087        | 2,619,672        |
|                                     |         | <b>2,055,078</b> | <b>2,778,900</b> |
| <b>Total Assets</b>                 |         | <b>5,323,062</b> | <b>6,093,975</b> |
| <b>Equity and Liabilities</b>       |         |                  |                  |
| <b>Equity</b>                       |         |                  |                  |
| Reserves                            |         | 2,411,047        | 2,411,047        |
| Retained surplus                    |         | 1,831,916        | 3,374,463        |
|                                     |         | <b>4,242,963</b> | <b>5,785,510</b> |
| <b>Liabilities</b>                  |         |                  |                  |
| <b>Non-Current Liabilities</b>      |         |                  |                  |
| Other financial liabilities         | 6       | 108              | 878              |
| <b>Current Liabilities</b>          |         |                  |                  |
| Trade and other payables            | 5       | 469,641          | 307,587          |
| Provisions                          | 7       | 610,350          | -                |
|                                     |         | <b>1,079,991</b> | <b>307,587</b>   |
| <b>Total Liabilities</b>            |         | <b>1,080,099</b> | <b>308,465</b>   |
| <b>Total Equity and Liabilities</b> |         | <b>5,323,062</b> | <b>6,093,975</b> |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Statement of Comprehensive Income

| Figures in Rand                            | Note(s) | 2017               | 2016               |
|--|---------|--------------------|--------------------|
| <b>Revenue</b>                             |         |                    |                    |
| Rendering of services                      |         | 4,249,190          | 3,358,534          |
| <b>Other income</b>                        |         |                    |                    |
| Bad debts recovered                        |         | 8,604              | 2,847              |
| Interest received                          | 11      | 143,867            | 202,584            |
| Other income                               |         | 232                | 760                |
| Penalty fees recovered                     |         | 6,579              | -                  |
|  |         | <b>159,282</b>     | <b>206,191</b>     |
| <b>Operating expenses</b>                  |         |                    |                    |
| Accounting fees                            |         | (160,365)          | (152,060)          |
| Advertising                                |         | (14,179)           | (8,864)            |
| Auditor's remuneration                     | 13      | (28,175)           | (23,555)           |
| Bad debts                                  |         | (352,599)          | (482,902)          |
| Bank charges                               |         | (23,934)           | (21,452)           |
| Council claims: Accommodation              |         | (59,605)           | (34,710)           |
| Council claims: Meals & Catering           |         | (69,351)           | (27,709)           |
| Council claims: Meetings & Committees      |         | (152,816)          | (153,570)          |
| Council claims: Travel                     |         | (209,217)          | (219,652)          |
| Depreciation, amortisation and impairments |         | (244,058)          | (137,377)          |
| Employee costs                             |         | (2,409,645)        | (2,139,925)        |
| Entertainment & Roadshow                   |         | (98,231)           | (7,634)            |
| Fines and penalties                        |         | (45,005)           | -                  |
| Gifts                                      |         | -                  | (7,976)            |
| IT expenses                                |         | (13,233)           | (421)              |
| Insurance                                  |         | (26,005)           | (35,838)           |
| International benchmarking                 |         | (19,585)           | (24,933)           |
| Lease rentals on operating lease           |         | (29,232)           | (37,456)           |
| Legal expenses                             |         | (68,232)           | (599,401)          |
| Municipal expenses                         |         | (52,164)           | (57,204)           |
| Postage                                    |         | (46,666)           | (23,651)           |
| Printing and stationery                    |         | (78,880)           | (85,727)           |
| Professional fees: Renewal of Legal Act    |         | (1,071,403)        | (5,638)            |
| Repairs and maintenance                    |         | (23,908)           | (48,446)           |
| Security                                   |         | (8,050)            | (6,819)            |
| Staff welfare                              |         | (2,544)            | (12,538)           |
| Subscriptions                              |         | (585)              | (26,639)           |
| Telephone and fax                          |         | (88,641)           | (91,628)           |
| Training                                   |         | (16,462)           | (18,800)           |
| Travel - local                             |         | (8,931)            | (2,834)            |
|  |         | <b>(5,421,701)</b> | <b>(4,495,359)</b> |
| <b>Operating deficit</b>                   | 10      | <b>(1,013,229)</b> | <b>(930,634)</b>   |
| Finance costs                              | 12      | (93)               | (92)               |
| <b>Deficit</b>                             |         | <b>(1,013,322)</b> | <b>(930,726)</b>   |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Statement of Changes in Equity

| <b>Figures in Rand</b>                            | <b>Revaluation<br/>reserve</b> | <b>Accumulated<br/>surplus</b> | <b>Total equity</b> |
|---|--------------------------------|--------------------------------|---------------------|
| <b>Balance at March 1, 2015</b>                   | <b>2,411,047</b>               | <b>4,821,670</b>               | <b>7,232,717</b>    |
| <b>Deficit</b>                                    | -                              | <b>(930,726)</b>               | <b>(930,726)</b>    |
| Prior period VAT correction                       | -                              | (516,481)                      | (516,481)           |
| <b>Total changes</b>                              | -                              | <b>(516,481)</b>               | <b>(516,481)</b>    |
| <b>Balance at March 1, 2016</b>                   | <b>2,411,047</b>               | <b>3,374,463</b>               | <b>5,785,510</b>    |
| <b>Deficit</b>                                    | -                              | <b>(1,013,322)</b>             | <b>(1,013,322)</b>  |
| Prior period VAT correction                       | -                              | 2,370                          | 2,370               |
| Payment of Trust money to Attorneys trust account | -                              | (531,595)                      | (531,595)           |
| <b>Total changes</b>                              | -                              | <b>(529,225)</b>               | <b>(529,225)</b>    |
| <b>Balance at February 28, 2017</b>               | <b>2,411,047</b>               | <b>1,831,916</b>               | <b>4,242,963</b>    |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Statement of Cash Flows

| Figures in Rand                             | Note(s) | 2017             | 2016             |
|---|---------|------------------|------------------|
| <b>Cash flows from operating activities</b> |         |                  |                  |
| Cash receipts from customers                |         | 4,144,776        | 3,160,268        |
| Cash paid to suppliers and employees        |         | (4,303,173)      | (4,042,305)      |
| Cash used in operations                     | 14      | (158,397)        | (882,037)        |
| Interest income                             |         | 143,867          | 202,584          |
| Finance costs                               |         | (93)             | (92)             |
| Correction of prior year VAT                |         | 2,370            | 516,481          |
| <b>Net cash from operating activities</b>   |         | <b>(12,253)</b>  | <b>(163,064)</b> |
| <b>Cash flows from investing activities</b> |         |                  |                  |
| Purchase of property, plant and equipment   | 2       | (196,967)        | (85,250)         |
| Payment of trust money to attorneys         |         | (531,595)        | -                |
| <b>Net cash from investing activities</b>   |         | <b>(728,562)</b> | <b>(85,250)</b>  |
| <b>Cash flows from financing activities</b> |         |                  |                  |
| Net movement on other financial liabilities |         | (770)            | (747)            |
| <b>Net cash from financing activities</b>   |         | <b>(770)</b>     | <b>(747)</b>     |
| <b>Total cash movement for the year</b>     |         | <b>(741,585)</b> | <b>(249,061)</b> |
| Cash at the beginning of the year           |         | 2,619,672        | 2,868,733        |
| <b>Total cash at end of the year</b>        | 4       | <b>1,878,087</b> | <b>2,619,672</b> |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Accounting Policies

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### 1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Rules and Regulations of the South African Dental Technicians Council as well as the Dental Technicians Act, No 19 of 1979. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Buildings included in property, plant and equipment are carried at fair value. These buildings are revalued every three years, as required by the regulations of the council.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

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| Item                   | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Furniture and fixtures | Straight line       | 6 years             |
| Office equipment       | Straight line       | 5 years             |
| IT equipment           | Straight line       | 3 years             |
| Computer software      | Straight line       | 2 years             |

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.2 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Accounting Policies

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### 1.2 Financial instruments (continued)

#### Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

### 1.3 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.4 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.5 Revenue

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

### 1.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Notes to the Financial Statements

| Figures in Rand                         | 2017             |                          |                  | 2016             |                          |                  |
|---|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| <b>2. Property, plant and equipment</b> |                  |                          |                  |                  |                          |                  |
|   | 2017             |                          |                  | 2016             |                          |                  |
|   | Cost             | Accumulated depreciation | Carrying value   | Cost             | Accumulated depreciation | Carrying value   |
| Buildings                               | 3,079,865        | -                        | 3,079,865        | 3,079,865        | -                        | 3,079,865        |
| Furniture and fixtures                  | 62,665           | (29,183)                 | 33,482           | 62,665           | (25,307)                 | 37,358           |
| Office equipment                        | 46,589           | (44,077)                 | 2,512            | 44,733           | (42,611)                 | 2,122            |
| IT equipment                            | 133,298          | (127,358)                | 5,940            | 108,242          | (104,769)                | 3,473            |
| Computer software                       | 709,830          | (563,645)                | 146,185          | 525,743          | (333,486)                | 192,257          |
| <b>Total</b>                            | <b>4,032,247</b> | <b>(764,263)</b>         | <b>3,267,984</b> | <b>3,821,248</b> | <b>(506,173)</b>         | <b>3,315,075</b> |

### Reconciliation of property, plant and equipment - 2017

|                        | Opening balance  | Additions      | Depreciation     | Total            |
|------------------------|------------------|----------------|------------------|------------------|
| Buildings              | 3,079,865        | -              | -                | 3,079,865        |
| Furniture and fixtures | 37,358           | -              | (3,876)          | 33,482           |
| Office equipment       | 2,122            | 1,855          | (1,465)          | 2,512            |
| IT equipment           | 3,473            | 11,024         | (8,557)          | 5,940            |
| Computer software      | 192,257          | 184,088        | (230,160)        | 146,185          |
|                        | <b>3,315,075</b> | <b>196,967</b> | <b>(244,058)</b> | <b>3,267,984</b> |

### Reconciliation of property, plant and equipment - 2016

|                        | Opening balance  | Additions     | Depreciation     | Total            |
|------------------------|------------------|---------------|------------------|------------------|
| Buildings              | 3,079,865        | -             | -                | 3,079,865        |
| Furniture and fixtures | 47,460           | -             | (10,102)         | 37,358           |
| Office equipment       | 4,661            | -             | (2,539)          | 2,122            |
| IT equipment           | 6,495            | -             | (3,022)          | 3,473            |
| Computer software      | 228,721          | 85,250        | (121,714)        | 192,257          |
|                        | <b>3,367,202</b> | <b>85,250</b> | <b>(137,377)</b> | <b>3,315,075</b> |

### Details of properties

Land and buildings consist of the office building situated on stand 481/R, corner of Hill and Arcadia street. The property was revalued in the 2016 financial year from the prior valuation in 2011 of R3 079 856 to R2 200 000, by an independent valuer, DDP valuers.

### 3. Trade and other receivables

|                              |                |                |
|------------------------------|----------------|----------------|
| Trade receivables            | 104,414        | -              |
| Provision for bad debts      | (75,004)       | -              |
| VAT                          | 138,370        | 159,228        |
| VAT - provision for bad debt | 9,211          | -              |
|                              | <b>176,991</b> | <b>159,228</b> |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Notes to the Financial Statements

| Figures in Rand   | 2017                   | 2016             |              |
|---|------------------------|------------------|--------------|
| <b>4. Cash and cash equivalents</b>   |                        |                  |              |
| Cash and cash equivalents consist of:   |                        |                  |              |
| Cash on hand  | 2,491                  | 4,046            |              |
| Bank balances   | 1,875,596              | 2,615,626        |              |
|   | <b>1,878,087</b>       | <b>2,619,672</b> |              |
| <b>5. Trade and other payables</b>  |                        |                  |              |
| Trade payables  | -                      | 208,640          |              |
| Amounts received in advance   | 443,604                | 71,180           |              |
| Other payables  | 26,037                 | 27,767           |              |
|   | <b>469,641</b>         | <b>307,587</b>   |              |
| <b>6. Other financial liabilities</b>   |                        |                  |              |
| <b>At amortised cost</b>  |                        |                  |              |
| Bank loan   | 108                    | 878              |              |
| The loan is secured by fixed property (note 2), is repayable in monthly instalments and bears interest at prevailing rates. |                        |                  |              |
| <b>Non-current liabilities</b>  |                        |                  |              |
| At amortised cost   | 108                    | 878              |              |
| <b>7. Provisions</b>  |                        |                  |              |
| <b>Reconciliation of provisions - 2017</b>  |                        |                  |              |
|   | <b>Opening balance</b> | <b>Additions</b> | <b>Total</b> |
| Legal Act Renewal   | -                      | 610,350          | 610,350      |
| The Council is in the process of redrafting the Dental Technicians Act.   |                        |                  |              |
| <b>8. Revenue</b>   |                        |                  |              |
| Rendering of services   | 4,249,190              | 3,358,534        |              |
| <b>9. Other income</b>  |                        |                  |              |
| Other income  | 232                    | 760              |              |
| Bad debts recovered   | 8,604                  | 2,847            |              |
| Penalty fees recovered  | 6,579                  | -                |              |
|   | <b>15,415</b>          | <b>3,607</b>     |              |

# South African Dental Technicians Council

Financial Statements for the year ended February 28, 2017

## Notes to the Financial Statements

| Figures in Rand   | 2017             | 2016             |
|---|------------------|------------------|
| <b>10. Operating loss</b>   |                  |                  |
| Operating loss for the year is stated after accounting for the following: |                  |                  |
| <b>Operating lease charges</b>  |                  |                  |
| Equipment   |                  |                  |
| • Contractual amounts   | 29,232           | 37,456           |
| Depreciation on property, plant and equipment                             | 244,058          | 137,377          |
| Employee costs  | 2,409,645        | 2,139,925        |
| <b>11. Investment revenue</b>   |                  |                  |
| <b>Interest revenue</b>   |                  |                  |
| Bank  | 143,867          | 202,584          |
| <b>12. Finance costs</b>  |                  |                  |
| Interest paid   | 93               | 92               |
| <b>13. Auditor's remuneration</b>   |                  |                  |
| Fees  | 28,175           | 23,555           |
| <b>14. Cash used in operations</b>  |                  |                  |
| Loss before taxation  | (1,013,322)      | (930,726)        |
| <b>Adjustments for:</b>   |                  |                  |
| Depreciation and amortisation   | 244,058          | 137,377          |
| Interest received   | (143,867)        | (202,584)        |
| Finance costs   | 93               | 92               |
| Movements in provisions   | 610,350          | -                |
| <b>Changes in working capital:</b>  |                  |                  |
| Trade and other receivables   | (17,763)         | 202,680          |
| Trade and other payables  | 162,054          | (88,876)         |
|   | <b>(158,397)</b> | <b>(882,037)</b> |