

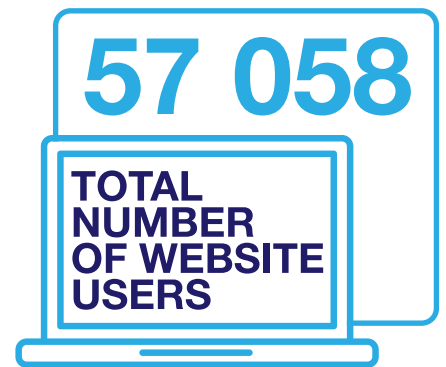
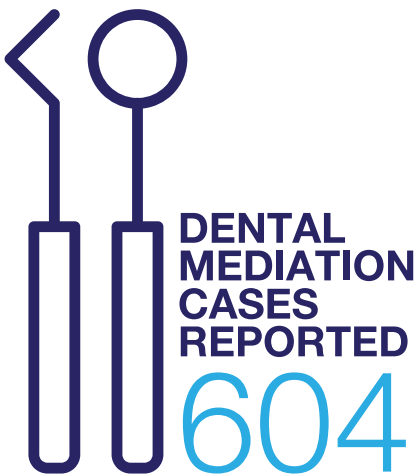
# INTEGRATED ANNUAL REPORT 2019



**SADA**

The South African Dental  
Association (SADA) NPC

**SOUTH AFRICAN DENTAL  
ASSOCIATION (SADA)(NPC)**



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# ABOUT SADA

[ SECTION 1 & 2 ]

# ABOUT SADA

## [1] ABOUT SADA

The South African Dental Association (SADA) is the peak national body for the dental profession representing the large majority of active registered dentists, both in the public and private sectors in South Africa. It is a non-profit professional association with voluntary membership represented by a total of 11 branches, one in every province of the Republic of South Africa, with Gauteng and Eastern Cape provinces having two branches each. The Association represents the interests of both the oral health profession and its members in South Africa.

Our membership covers general practitioner dentists and specialist practitioner dentists (orthodontics, prosthodontics, maxillo-facial and oral surgery, periodontics, community dentistry specialists and oral pathology specialists. Our membership is also open to all allied oral health practitioners (oral hygienists, dental therapists, dental technicians, and dental assistants). Membership is open and FREE for all oral health students.

The Association actively encourages continuing professional advancement of dentists and allied oral health practitioners, and, to this end, it regularly holds branch events for learning and mentoring purposes and, an annual international SADA Dental & Oral Health Congress and Exhibition. It is the only oral health professional body in Africa which publishes an internationally accredited professional journal (the South African Dental Journal - SADJ) with circulation locally, throughout the rest of Africa, and internationally.

The Association is recognised by the public and relevant stakeholders as the authority in providing information and advice about oral health. SADA is affiliated to the Fédération Dentaire Internationale World Dental Federation (FDI) and the FDI African Regional Organisation (ARO). Read more at [www.sada.co.za](http://www.sada.co.za)

## [1.2] VISION, MISSION AND VALUES

Our vision is to be recognised as the trusted leader and voice of oral healthcare in Southern Africa. Our mission is to promote the interests and serve the needs of our members. Above all, we value and aim to encourage optimal oral healthcare for all South Africans.

Our core values are what we call 2π/2 (PIE):



## [1.2] SPECIALIST GROUPS AFFILIATED WITH SADA

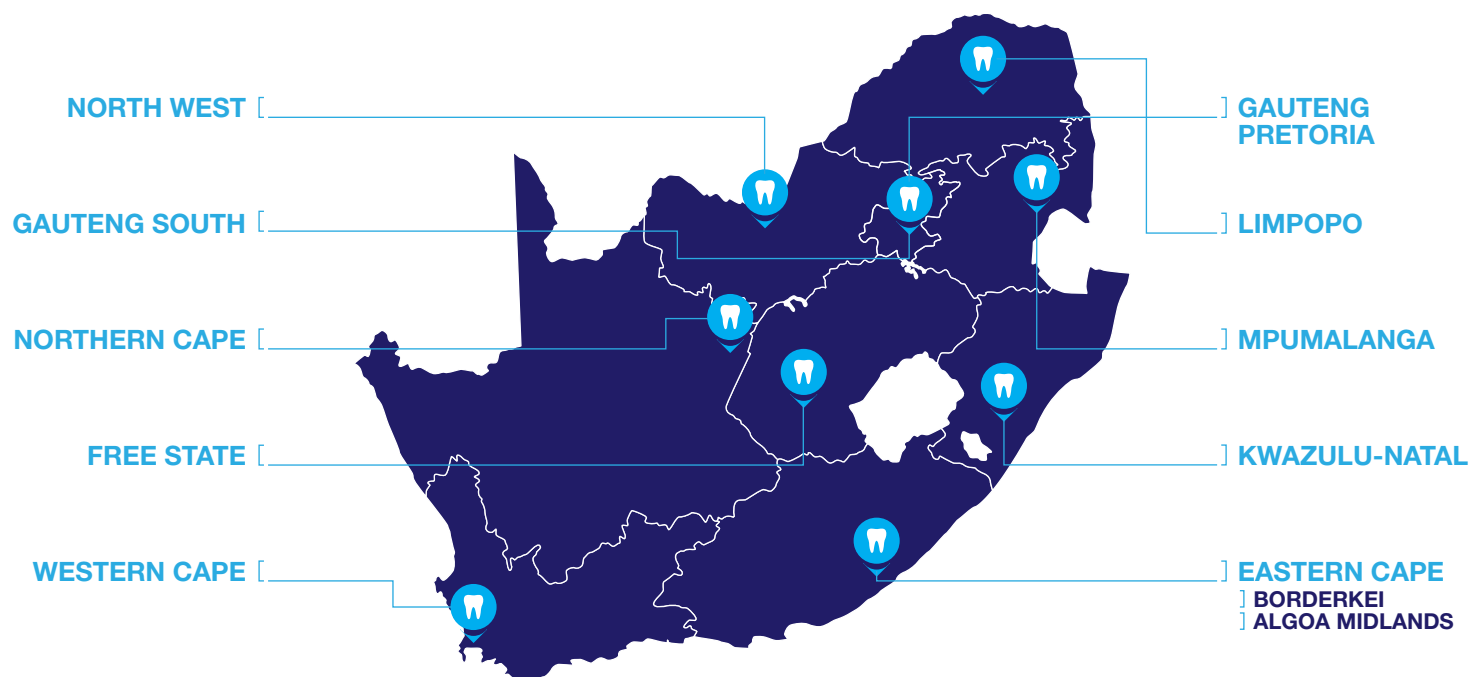
- ] South African Society of Maxillofacial and Oral Surgeons (SASMFOs)
- ] South African Society of Orthodontists (SASO)
- ] Academy of Prosthodontics of South Africa (APSA)
- ] South African Society for Periodontology, Implantology and Oral Medicine (SASPIO)

## [1.3] SPECIAL INTEREST GROUPS

- ] South African Academy of Computerised Dentistry
- ] Paedodontic Society of South Africa

## [1.4] OUR FOOTPRINT

We have a presence in all nine (9) provinces in the Republic of South Africa, with two provinces having two separate branches i.e., Eastern Cape (Algoa-Midlands (Port Elizabeth) and Border-Kei (East London)), and Gauteng (Gauteng South and Pretoria). Below is a schematic representation of our footprint, detailed with the names of respective branch leaders.



# ABOUT THIS REPORT

## [2] ABOUT THIS REPORT

The 2018/19 South African Dental Association Integrated Annual Report has been compiled to provide our stakeholders with insight into our financial results, as well as our processes and performance over the past year. The 2019 year has 15 months, due to the change of the SADA financial year-end from 30 September to 31 December, as duly approved by the SADA structures. SADA's Integrated Annual Report aligns with the practice and follows the principles of integrated reporting as dictated by the framework published by the International Integrated Reporting Council (IIRC) in 2013.

### [2.1] REPORTING PHILOSOPHY

In this report, when we refer to "SADA", "the Association", "we" or "our", we mean the South African Dental Association NPC. Our intention in this document is to reflect how the strategy, governance, performance and strategic plans of the Association are providing value to our members, and how the Association is impacted by both the internal and external environments.

### [2.2] REPORTING SCOPE, BOUNDARY, AND FRAMEWORK

The SADA's 2018/19 Integrated Annual Report for the period 1 October 2018 to 31 December 2019 aims to provide members and other stakeholders with a holistic view of SADA's business model, governance, strategy, and performance. It reports on operations at the head office and branches countrywide, with the framework of reference being key risks and opportunities that impact on both private and public oral healthcare services.

The report examines the responsible management of available resources, detailing SADA's interactions and activities related to members and other key stakeholders, including dental professionals, third-party funders and relevant regulatory authorities.

**With regards to the reporting boundaries defined for each material aspect of this report, in preparing this report, our Management Team considered integrated reporting guidelines provided by:**

- ] The Integrated Reporting Committee (IRC) of South Africa and the International Integrated Reporting (IR) Framework issued by the IIRC;
- ] The Companies Act No 71 of 2008 – as amended;
- ] The International Financial Reporting Standard (IFRS) for small and medium enterprises; and
- ] The King IV™ Report on Corporate Governance for South Africa.

A comprehensive set of consolidated annual financial statements is also available online in the members' section of our website ([www.sada.co.za](http://www.sada.co.za)).

### [2.3] BASIS OF PRESENTATION AND GUIDELINES

The report provides a transparent and balanced appraisal of SADA's value creation, considering both qualitative and quantitative matters related to the operational and strategic objectives of the Association, as well as its ongoing sustainability. These are the factors we consider to be most important, as they influence our stakeholders' decision making. Comparative information for two to three years, where relevant, as well as short- and medium-term targets, are included.

### [2.4] APPROACH TO MATERIALITY

This report addresses all matters of material importance that we consider to be risks and/or opportunities which can significantly impact on the delivery of SADA's strategy and performance, and, in turn, on SADA's ability to create and sustain value in the long term.

### [2.5] APPROACH TO ASSURANCE

**Our assurance approach comprises three lines of defence:**

- ] Review by management and the relevant oversight Board structures;
- ] Review by internal and external assurance providers, such as external auditors; and
- ] Review of the adequacy and effectiveness of the Association's internal controls, risk management, human resources and governance by independent internal audit service providers.

### [2.6] BOARD APPROVAL

The Board, supported by the Strategy, Social and Ethics Committee (SSECO) and the Audit and Risk Committee (AURCOM), is responsible for overseeing the integrity of our Integrated Annual Report. The Board confirms that it has applied its collective mind to the preparation and presentation of the report and is satisfied that it is a fair and reasonable representation of the Association's performance and future outlook.

This report was approved by Board and signed on its behalf by Dr Putter on the 29 May 2019.



**For any feedback or comment, please contact:**

**KC Makhubele**

**Chief Executive Officer**

Email: [kcmakhubele@sada.co.za](mailto:kcmakhubele@sada.co.za)

Tel: +27 (11) 484 5288

### [2.7] FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements relating to the Association that are based on the beliefs of the Association's management, as well as assumptions made by and information currently available to the Association's management.

These forward-looking statements are by their nature subject to significant risks and uncertainties. They include, without limitation, statements relating to the Association's business prospects, future developments, trends and conditions in the industry and geographical markets in which the Association operates, its strategies, plans, objectives and goals, its ability to control costs, statements relating to operations, margins, overall market trends, risk management, and exchange rates.

**Any forward-looking statements have not been reviewed or reported on by the Association's external auditors.**

# OUR LEADERSHIP AND GOVERNANCE

[ SECTION 3 ]



# OUR LEADERSHIP AND GOVERNANCE

## [3] OUR LEADERSHIP AND GOVERNANCE

SADA is committed to achieving high standards of governance, ethics and integrity. Our approach to corporate governance is integrated into our standards, policies, practices and procedures and it supports our efforts to apply the King IV™ principles 1 to 16. We are in the process of reviewing our corporate governance practices and the application of the King IV™ principles to ensure we act in the best interests of our stakeholders, comply with applicable laws and regulations, and are able to adapt quickly to changes in our regulatory environment.

### [3.1] THE BOARD

#### SADA's Board of Directors consists of ten members:

Nine non-executive directors (the President, 6 other dentists members and 2 Independent members) and the Chief Executive officer as an executive director. All non-executive directors are elected by the SADA National Council, which is the representative body of members from SADA branches. The executive director is appointed by the Board of Directors. The directors over the period in review were: Dr Y Solomons\*(Chairperson), Dr R Putter (Chairperson), Mr K Nyatumba (Independent)\*, Dr KLN Mafanya (Independent), Dr SY Pieters, Dr SJ Swanepoel, Dr N Osman (Vice-Chairperson), Dr EK Naidoo\*\*, Dr FC Meyer\*\*, Prof P Moipolai (President), and Mr KC Makhubele (CEO).

\* Term finished during the year

\*\*Appointed during the year

### [3.2] BOARD INDEPENDENCE

Through the appointment of strong independent directors and the separation and clear definition of the roles and responsibilities of the Board Chairperson and Chief Executive Officer (CEO), the Association has established a clear balance of power and authority at Board level. This is further supported by the Lead Independent Director, whose role is to address any conflicts that may arise and provide guidance on and monitoring of the application of appropriate standards of corporate governance.

### [3.3] BOARD COMMITTEES

SADA's Board Committees report at least three times to the Board on their statutory duties and Board-assigned responsibilities. Their responsibilities are set out in their terms of reference, which are regularly reviewed and are available from the Committee Secretary.

“**WE BELIEVE** that engagement with our members should be an ongoing process, **NOT SOMETHING** we think about only **ONCE**”

Audit & Risk Committee	Strategy, Social & Ethics Committee	Operations Committee	Dental Practice Committee	HR & Remuneration Committee
<b>Key Objectives</b>				
<ul style="list-style-type: none"> <li>] Financial Reporting</li> <li>] <b>Audit:</b> External and Internal</li> <li>] Risk Management</li> <li>] Compliance with Laws</li> <li>] <b>OpsPolicies:</b> Internal Control</li> </ul>	<ul style="list-style-type: none"> <li>] Develop and Implement Strategy</li> <li>] Sustainability</li> <li>] Strategic Responses to Macro Economic Environment</li> <li>] Social and Ethics Guidance</li> <li>] Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>] OPS</li> <li>] Specialist/ Special Interest</li> <li>] Education and Training</li> <li>] <b>Marketing:</b> Value and Impact</li> <li>] Membership</li> <li>] Position Statements</li> </ul>	<ul style="list-style-type: none"> <li>] Codes Maintenance</li> <li>] Funding</li> <li>] Public Sector</li> <li>] RVU/ Gov Policies</li> </ul>	<ul style="list-style-type: none"> <li>] Employment Policies</li> <li>] Occ. Health and Safety</li> <li>] Performance Management</li> <li>] Optimal Workforce Planning</li> <li>] Equitable Remuneration Practice</li> <li>] CEO Performance Management</li> <li>] Employment Policies</li> <li>] Occ. Health and Safety</li> <li>] Performance Management</li> <li>] Optimal Workforce Planning</li> <li>] Equitable Remuneration Practice</li> <li>] CEO Performance Management</li> </ul>



# OUR LEADERSHIP AND GOVERNANCE

Audit & Risk Committee	Strategy, Social & Ethics Committee	Operations Committee	Dental Practice Committee	HR & Remuneration Committee
<b>Members</b>				
<b>Dr R Putter</b> (Dr F Meyer assumed this position) Chairperson	<b>Dr SY Pieters</b> Chairperson	<b>Dr N Osman</b> Chairperson	<b>Dr SJ Swanepoel</b> Chairperson	<b>Dr KLN Mafanya</b> (Interim Chairperson October 2019)
Dr K Linda-Mafanya	Dr R Putter	Dr SY Pieters	Dr N Osman	Dr SJ Swanepoel
Dr SJ Swanepoel	Mr K Nyatumba*	Dr L Brown	Dr R Putter	Mr K Nyatumba*
Ms RM Gajjar	Mr H Moolla*	Dr SJ Swanepoel	Dr TM Kgokolo	
Mr M Ncube***	Dr F Meyer**	Dr RR Naidoo	Dr S Sultan	
		Dr EK Naidoo**	Dr F Mansoor	
	Dr Y Solomons*	Dr Y Solomons*	Dr Y Solomons*	
KC Makhubele	KC Makhubele	KC Makhubele	KC Makhubele	KC Makhubele
		Dr S Sibanda**	<b>Specialist Representation</b> Dr N Naidoo – APSA Dr M Michael – APSA Dr J van der Berg – SASO Dr Siebold – SASPIO Dr Y Jadwat – SASPIO Dr CF Hoogendijk – SASMFOS	



“

**I BELIEVE THAT LEADERSHIP**  
is never an avenue to be self-serving,  
but rather a platform to  
render service to our  
**members and the profession.**

- Prof Pusetso D Moipolai

”

# OUR LEADERSHIP AND GOVERNANCE

## [3.4] ASSESSING THE BOARD'S PERFORMANCE

The Association has applied the King IV™ recommendation that the performance of the Board, its committees and its members be evaluated every two years. A performance evaluation was conducted in 2018 by an external governance organisation by means of questionnaires and interviews that were used to evaluate the Board and its

committees, with a peer evaluation of the non-executive and executive directors, and an evaluation of the Chairperson and the interactions of the Board with the CEO. Whilst the evaluation provided areas for improvement, the overall conclusion was that these areas are operating satisfactorily.

## [3.5] BOARD AND BOARD COMMITTEES' ATTENDANCE REPORT

### BOARD ATTENDANCE OF BOARD MEETINGS: 1 October 2018 – 31 December 2019

Committee	Board of Directors		Audit & Risk Committee		Dental Practice Committee		Operations Committee		HR & Remunerations Committee		Strategy, Social & Ethics Committee		
	F2F	SP	VC	F2F	SPVC	F2F	F2F	F2F	SP	VC	F2F	SP	VC
<b>NUMBER OF MEETINGS</b>													
Dr Y Solomons(Chairperson)*	2	1	1			1	1	1			1	1	2
Dr R Putter (Chairperson)	4	1	1	1	1	3	2	2			3	2	1
Mr K Nyatsumba*	3	1	1					3	1	1	2	2	1
Dr KLN Mafanya	4	1	1	3	3			4	1	1	2		2
Dr SY Pieters	4	1	1				3				2	2	
Dr SJ Swanepoel	4	1	1	3	3	3	1	4	1	1			1
Dr N Osman (Vice Chairperson)	4	1	1			3	2						1
Dr EK Naidoo**	2					2	2						
Dr FC Meyer**	2			2	2						2		
Mr KC Makhubele (CEO)	4			3	2	3	3	4	1	1	3	2	1
Prof P Moipolai (President)	3	1											2
*Term Ended	16 March 2019 – Dr Y Solomons; 30 September 2019 – Mr K Nyatsumba												
**Appointed	16 March 2019 – Dr EK Naidoo, Dr FC Meyer												
<b>F2F</b>	in-person meetings												
<b>SP</b>	special meetings outside annual meeting roster												
<b>VC</b>	video conference												
<b>COMMITTEE MEMBERS</b>													
<b>Board Committee Members</b>													
<b>Audit &amp; Risk Committee Members</b>													
Mr M Ncube (Independent)***					3	2							
Ms R Gajjar (Independent)						3							
Dr F Mansoor							3						
Dr R Naidoo								1					
Dr L Brown								2					
Dr S Sultan							3						
Dr T Kgokolo							1						
Mr H Moolla (Independent)*											2	2	2
Dr S Sibanda**							1						
Dr EK Naidoo								1					
*Term Ended	25 July 2019 – Mr H Moolla												
**Appointed	22 July 2019 – Dr S Sibanda												
***Resigned	1 December 2019 – Mr M Ncube												

# OUR LEADERSHIP AND GOVERNANCE

## [3.6] INVESTMENT COMMITTEE

- ] Mr KC Makhubele – Chairperson, Chief Executive Officer
- ] Dr J de Jager
- ] Dr J Patel
- ] Dr W Kearney
- ] Dr B Beilinson
- ] Dr Y Hoy
- ] Mr P Govan – Head: Legal Corporate
- ] Mr K Woolward – Head: Finance and Membership

## [3.7] NATIONAL COUNCIL

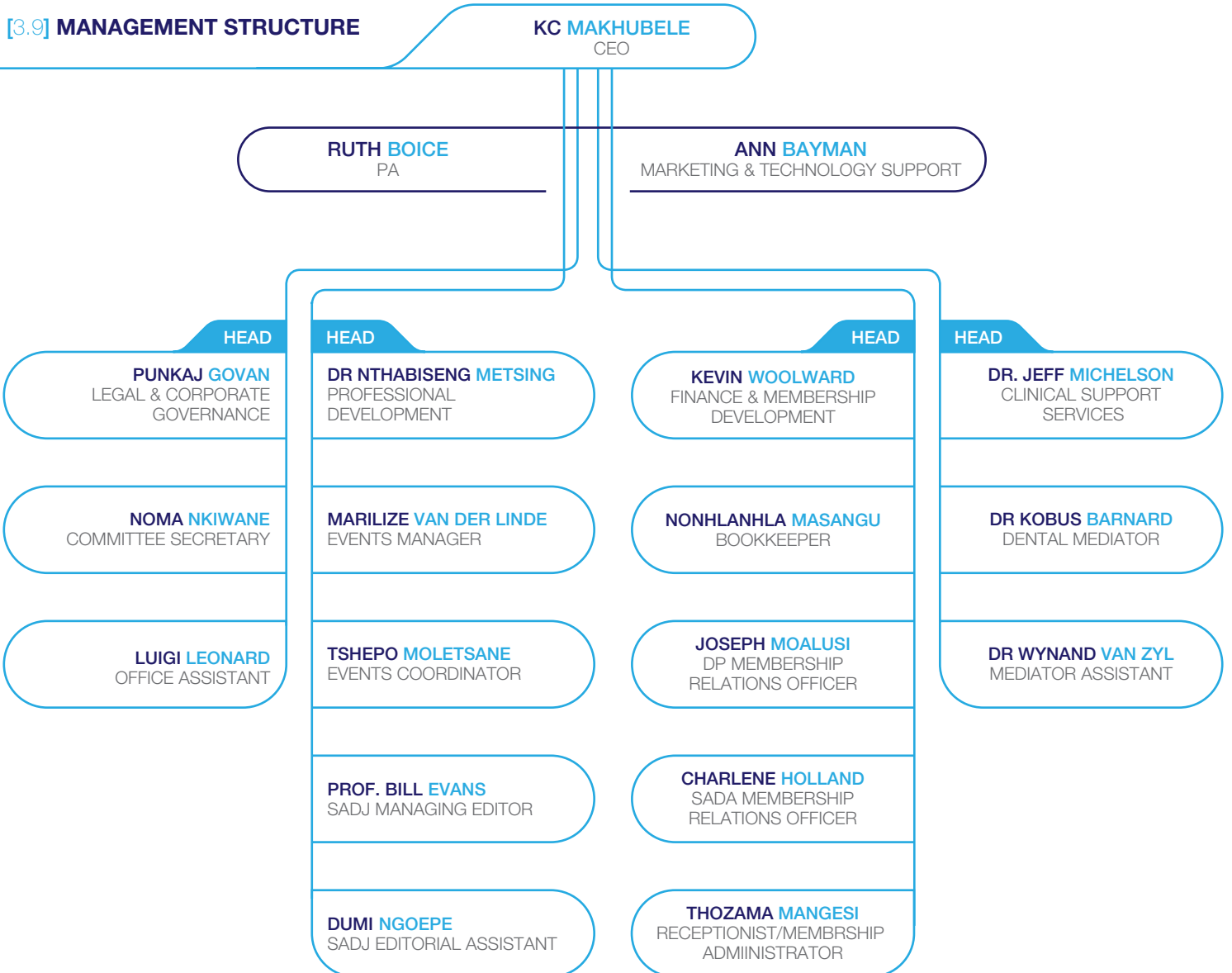
The National Council is a representative body of Association branches and consists of 30 members. Each branch is represented by its Branch President and other elected members. The number of seats each branch has on the National Council is linked to the number of branch members concerning total SADA membership, with the

provision that each branch shall have at least two representatives. The National Council is also reflective of equity and gender targets set by the Association.

## [3.8] YOUNG DENTISTS COUNCIL

Established in 2013, the Young Dentists Council (YDC) provides a platform for dental students, community service dentists, and young dentists, just starting practice, to express their views and obtain leadership exposure within SADA structures. This forum facilitates their introduction to the dental and oral health community and provides full support and education to these young, up-and-coming practitioners. The ultimate goal is to connect with these young minds and journey with them through their careers, providing a stable, trusted platform for them to refer to, collaborate with, and align with throughout their dental vocation.

## [3.9] MANAGEMENT STRUCTURE



# MESSAGES FROM THE LEADERSHIP

[ SECTION 4 ]



# MESSAGES FROM THE LEADERSHIP

## [4.1] PRESIDENT'S REVIEW

During the review period, two National Council meetings were held, and my term as President will come to an end at the first National Council meeting in 2020. Since I became President, I have come to recognise more keenly than ever the expectations and trust that our members and stakeholders have in SADA.

It has also been a considerable privilege and experience to attend Board meetings in my capacity as President. In this role, I have acquired a greater understanding and appreciation of the Board's role of governance and the National Council's role in providing a platform to grassroots members through their branch representatives to bring issues facing them in their clinical and professional lives to the Board's attention.

The National Council had the opportunity of participating in a strategic workshop, together with the Board, to map out its three-year business plan and strategy for 2020-2022. Members were able to provide considerable input in the formulation of the plan, which was approved by the Board later in 2019 for implementation.

On matters that are facing the healthcare environment, of concern is the issue of de-professionalisation and corporatisation of practices. This refers to the ill-treatment of healthcare professionals, resulting in them being reduced to traders, retailers, and/or entrepreneurs. Individual practitioners are forced to compete with large corporations that are not subject to the ethical rules of conduct. We need to bring back professionalism within the profession by accepting the notion that practitioners have 'patients' and not 'clients'. Of concern is the constant expansion of the scope of allied oral healthcare professionals who are less qualified but continue to carry out many procedures for which they are not properly trained. Also, we are finding an increase in 'scope creep', where professionals are performing procedures that fall within the scope of their colleagues.

My appreciation also goes to the Vice President of the Association, Dr Paul Mathai, and the members of the National Council, for bringing membership issues to and attending to oversight of the SADA National Council, and to the CEO, Mr KC Makhubele, and the management for ensuring that SADA remains "fit for purpose" at all times.

SADA is motivated and therefore would like to acknowledge those practitioners who continue to provide service in the public and private sector under the most trying circumstances. As the Association, SADA congratulates them for their achievements and acknowledges their contributions.



**Professor PD Moipolai**  
President



## [4.2] CHAIRPERSON'S REVIEW

It is with great humility that I write this message. My journey with the Association started several years ago when I joined as a member. I was later elected onto the National Council, later appointed as a non-executive director of SADA, chaired the Audit and Risk Committee, and, culminating in March 2019, elected into the prestigious role of Chair of this historic Association.

I assumed my new role as Chairperson six months into the new financial year and have some large shoes to fill, with outgoing Chairperson Dr Yvette Solomons having served six years as a director, with two terms as Chairperson. I am proud to chair a Board that has the skills, integrity, and gravitas to lead SADA.

The healthcare environment was put under pressure in 2019 with the release of the National Health Bill and the Health Market Inquiry Final Findings and Recommendation by the Competition Commission that was released in September 2019. Significant time and resources were expended in providing meaningful comments on the National Health Bill and studying the final recommendations of the Health Market Inquiry. The pressures put on practitioners by regulatory bodies such as those dealing with dental assistants' registration and licensing, and quality control tests on x-rays and imaging systems have proved challenging for the Association and its members.

The Association's key concern is affordability, with many of our members facing challenges concerning the cost of living, including the ability of their patients to afford oral healthcare services. We are deeply concerned about ongoing healthcare inflation, which, coupled with difficult economic conditions, rising costs, and job losses, constrain our members' ability to continue accessing quality dental healthcare. These conditions are slowing the growth in practice ownership, with a concomitant impact on future affordability and sustainability.

The Board supports and adheres to the requirements of King IV™ and takes into consideration all the complexities of governing an Association representing the dental profession. It holds management accountable for ensuring the Association adheres to the highest standards of ethics and integrity. This underpins an effective SADA and forms the foundation of a culture that supports employee, member, and stakeholder confidence. I am very pleased with the team dynamic displayed so far and look forward to leading the Board and the Association during my term. As a business with a conscience, the Board is very aware of the role that SADA plays in society and its leading role in the communities in which it operates.

The Board is presently reviewing its constitution and rules to streamline its governance structures and Board Committees, and how officers are identified and elected. These proposals will be presented to the branches and members in the New Year at the next Annual General Meeting.

The Board also approved the strategic plan for 2020-2022, which will guide the SADA operations for the next three years. The plan was formulated with National Council participation in a workshop conducted in March 2019.



# MESSAGES FROM THE LEADERSHIP

I believe that the Association is poised for another sustainable leap into the future, being in front of mind regarding the governance of our organisation. The role of SADA, in the fast-moving and ever-changing world in which we live, is important to ensure sustainability against the backdrop of the changing healthcare landscape that is so prevalent today. We have a pivotal role to play in guiding and leading our members through this challenging environment. I will serve and lead this organisation with pride, honour, and humility. I thank the SADA National Council for the faith they have shown in electing me into this role. I further thank the management, branches, National Council, members, and other stakeholders of SADA for their continued support of this organisation, and of corporate governance in general. We are committed to improving our members' professional lives every day and to help them reach their financial goals. We regularly review the value our products provide to members and assess whether they adequately provide for the identified need.

The Association must continue to provide a discernibly better value proposition to our members. We also try to protect our members from the impact of the economic environment as best we can, for example, we decided to increase membership fees by only 3%.

We said goodbye to Mr Kaizer Nyatsumba, whose term as independent non-executive director came to end in September 2019. This position will be advertised and the Nominations Committee will interview candidates and make its recommendations to the Board, to be confirmed by the National Council. We thank Mr Nyatsumba for his dedication and hard work over the two terms he served as an independent director, and for fulfilling his fiduciary duties in an exemplary manner.

The directors are aware that the Covid-19 virus may have an effect on business, but this is not yet quantifiable and is not likely to affect the business as a going concern. The directors are in the process of implementing procedures which will minimise the impact of Covid-19. The directors are not aware of any significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the annual financial statements, which significantly affects the financial position of the Association or the results of the operations to the date of this report.

On behalf of the Board of Directors, I would like to thank and congratulate our management team, branch committees and officers for their dedication, commitment, and professionalism.

Their continued efforts, under the leadership of our CEO, KC Makhubele, have enabled SADA to achieve its objectives in the past year and to make strides on the path towards service to our members. I am also grateful to our directors for their continued support and invaluable advice during a challenging year. Last but not least, I would like to express my gratitude to our members and stakeholders for continuing to place their trust in us.



**Dr R Putter**

Chairperson, Board of Directors

## **[4.3] CHIEF EXECUTIVE OFFICER'S REVIEW**

The South African economy remains constrained, with business and consumer confidence at an all-time low. The rand weakened in the year against a backdrop of global trade tensions and economic uncertainty. The weaker currency negatively impacted on the cost of equipment and supplies our members use in their professional lives. The impact of the rand's weakness was further exacerbated by the volatile price of crude oil. Interruption of electricity supply remains a significant challenge, not only for our members' practices but also for the entire South African economy. The extremely challenging economic backdrop is having a major impact on all of our members, their practices and our business as a whole.

During the downtime experienced as a result of load shedding, practices are unable to provide clinical services to their patients, whilst still liable for overhead expenses. SADA has performed its functions under difficult economic conditions during the year under review. During these difficult times, our members' expectations from the Association is that we must consistently and constantly give guidance and lead the profession.

I am pleased to report that during the period under review, the Association organised and held two international congresses in Pretoria and Durban. Both events were exceedingly well attended, with delegate numbers exceeding initial projections, and at both congresses, exhibitions were fully subscribed. Delegates were very positive in their feedback about the programme, its range, and the caliber of speakers. They were particularly excited about the many hands-on experiences and the range of products and supplies available.

We also successfully managed and navigated the implications of the change in the Association's financial year-end to align with the calendar year. This was necessary to facilitate other product offerings of the Association, not to mention that it made the appointment of an auditor and the management of audited financial statements and their approval easier. This required a review of the budget, and we are happy to report, despite the 15-month financial year, we managed to meet our budgets.

# MESSAGES FROM THE LEADERSHIP

The position of Eskom is of particular concern and is a top risk facing the country, and has a direct impact on our members' operations. Load shedding has already cost our members loss of clinical time and is likely to continue in 2020.

The Board resolved to initiate discussions with the Dental Practitioners Association (DPA), culminating in a meeting with the DPA to discuss the broad general framework of cooperation on mutual issues affecting the dental profession. This was subsequently followed up with many more meetings and a draft understanding document to be signed. We are hopeful that the DPA will sign and embark on a journey in partnership with SADA in representing the dental profession with stakeholders for the benefit of all practitioners.

During the year, we have also made great strides and inroads in our relationship with the Office of the CEO/Registrar of the HPCSA, addressing much regulatory uncertainty and instability, as the regulator became more conscious of their power and influence and used it

assertively to enforce compulsory registration of dental assistants. This culminated in several meetings with and written submissions to the Registrar's office to discuss both strategic issues facing the profession and the registration of dental assistants. Work continues in this regard – part of which is to introduce an accredited online training course for dental assistants.

We have long held the view that the dental profession can play a leading role in delivering the government's healthcare agenda of increasing access to affordable healthcare. Individual practices provide a convenient network for state patients' access to primary, secondary and tertiary oral health services, and relieve the pressure on overburdened and under-resourced state facilities. We welcome the concept of universal health coverage but we must recognize the long legislative and regulatory road that lies ahead. Several meetings have been held with key role players and stakeholders dealing with the NHI, and we will continue to engage with them in 2020.

**On a more somber note, over the past year, we received notifications of the passing away of the following members:**

KwaZulu-Natal: [Dr Pieter Roux 15 May 2019.](#)

Gauteng South: [Dr Sidney Setzer 12 April 2019.](#)

Gauteng South: [Mrs Sylvia Walt 8 December 2019](#)  
(Benevolent Fund Beneficiary)

In an environment of low economic growth and intense pressure on consumer spending, members reported being under incredible pressure to stay afloat. While our activities are certainly not immune to the economic slowdown, our core product

offering and services to members was defensive, and we have continued to attract and retain members by being relevant and offering value.



**KC Makhubele**

Chief Executive  
Officer





# MESSAGES FROM THE LEADERSHIP

## [4.4] INTERNAL CONTROL

A review was conducted in 2014 and 2015 by internal auditors on the Association's internal controls and risk management systems. This included: financial control, human resources, and information technology, considering information and accounts from management and comment from the external auditor. An external audit for information technology was conducted during the year in review due to the many changes that occurred with respect to information technology infrastructure and software development.

After the presentation of the formal documentation, the Board of Directors believes that the Association's systems of internal control and risk management are effective, and internal financial controls form a sound basis for the preparation of reliable and transparent financial statements. The Audit and Risk Committee's opinion is supported by the Board.

The management of risk is undertaken by the SADA Management Team. The Board of Directors' role is to probe the Association's Risk Register to ensure that risks that are manageable by the Association are properly overseen and that mitigating controls are implemented. Risks outside of the Association's control are monitored closely.

## [4.5] NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting (AGM) of the Association is posted on the Association's website and published in the Journal. The notice and agenda, with supporting documents, are dispatched to all voting members within the required time frame, as set out in the Association's constitution. Members who are unable to attend the AGM are permitted to appoint a proxy/ies to speak and vote on their behalf on each of the resolutions proposed at the AGM. The SADA AGM is an opportunity for members to not only meet the members of the Board, National Council and their colleagues, but to be provided with insight into the Association's performance for the financial year, as well as being provided with the opportunity to ask questions about the business set out in this notice and to raise other relevant matters relating to the Association.

## [4.6] RISK MANAGEMENT

### Risks and opportunities

The Association is faced with the need to take some calculated risks to create value in the ordinary course of business. The Board, as well as the Audit and Risk Committee, oversee and are able to guide strategic, operational, financial and reputational risks by carefully weighing risks and returns against each other. Effective, mature risk management is integrated into the Association's daily operations and strategic direction. Both the Audit and Risk Committee and the Board of Directors oversee the mitigation controls of each of the identified risks to uncover the possible impact of the risk on the Association. It is reassuring that the Board of Directors and the Executive Management Team have a wealth of knowledge and experience in the industry. The Board of Directors also monitors the Risk Register regularly to ensure that strategic risks are addressed in the formulation of the Association's strategy.

Risk monitoring and control procedures are updated on an ongoing basis, with management being responsible for the continual review and management of operational risks. Emerging risks are identified and brought forward by management and various board committees.

### Risk Register

The Board, supported by the Audit and Risk Committee, supervises the current risks and determines new and emerging risks that may threaten the Association. The risk categories, risk appetite and controls, as well as possible actions and timing, are all documented in the Risk Register.

## [4.7] PERFORMANCE HIGHLIGHTS

In the year under review, the Association was stable, with a strong professional team driving the organisation forward. The organogram (see 3.9 above) reflects 18 positions currently. As with most businesses, succession planning is a key consideration for the Board of Directors in order to ensure that the Association is sustainable with regards to knowledge and skills transfer, including the ongoing successful delivery of key services to members.

We recognise and value the role our employees play in the Association's success, and strive to provide an open, fair, and conducive working environment where individuals can grow to reach their full potential. We encourage an environment of continual learning and a culture of excellence. Even though employees are employed with specific skills for their particular roles, we encourage and facilitate relevant training and development to ensure that the services and support provided are informed and current.

**SADA is a legally compliant employer that has not experienced any industrial action during the year under review.**

# PERFORMANCE HIGHLIGHTS

[ SECTION 5 ]



# PERFORMANCE HIGHLIGHTS

## [5] PERFORMANCE HIGHLIGHTS

In the year under review, the Association was stable, with a strong professional team driving the organisation forward. The organogram (see 3.9 above) reflects 18 positions currently. As with most businesses, succession planning is a key consideration for the Board of Directors in order to ensure that the Association is sustainable with regards to knowledge and skills transfer, including the ongoing successful delivery of key services to members.

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specific skills for their particular roles, we encourage and facilitate relevant training and development to ensure that the services and support provided are informed and current.

SADA is a legally compliant employer that has not experienced any industrial action during the year under review.

## [5.1] PERFORMANCE AND INFORMATION HIGHLIGHTS/ PERFORMANCE AGAINST THE STRATEGIES

Our three-year strategic goals up to the end of 2019 are as listed below. It must be noted that the strategies were revised at the end of the financial year. Whilst the new strategy is now being executed, the official launch to members will be at the next National Council in 2020.

STRATEGIC GOALS	REMARKS
<p><b>Strategic Goal 1: Management of private practice matters</b></p>	<p>The Association has managed to deal with a lot of practitioner-third-party funder disputes, and the vast majority was resolved amicably. We also were able to gather information that pointed to a gap amongst the practitioner community. We have used this information to educate our members and even medical aids. A full report has been presented at the DPCOM.</p>
<p><b>Strategic Goal 2: The implementation of the Relative Value Unit (RVU) project</b></p>	<p>The RVU data collection was delayed after the first round of RVU data collection, and a new data collection method of holding small branch groups was used to assist members to understand the questions being asked and get immediate help where needed. There were further delays due to one of our specialty societies having elected to collect data by themselves. At the end of the year under review, the process of focus group reviews had commenced and was going well. We are excited that the data collected far surpassed our target and was much higher than for the previous projects.</p>
<p><b>Strategic Goal 3: Maintaining, strengthening relationships</b></p>	<p>SADA has identified all key stakeholders and a separate strategy of engagement has been established. We are happy that our relationships with most institutions are at an all-time high.</p>
<p><b>Strategic Goal 4: Marketing – strengthening of the SADA brand</b></p>	<p>The brand SADA has become a household name in the eyes of the public, key stakeholders, and members of the oral health profession in SA and internationally. Our viewpoint is sought after in many and varied matters. Our social media presence has skyrocketed – refer to the social media under the key performance highlights.</p>
<p><b>Strategic Goal 5: Nurturing the relationship with dental traders and special interest groups</b></p>	<p>Our dental traders are critical in the value chain of oral health practitioners' service to the public. We have a strong working relationship, wherein we discuss matters of mutual interest. Our relationship is, among other ways, displayed by how many of the "old" traders have come back to our CPD events, including Congress, and the increased satisfaction rate.</p>
<p><b>Strategic Goal 6: Training institutions relations</b></p>	<p>Through the South African Committee of Dental Deans, we have continued to strengthen the relationship between the Association and the dental schools. SADA plays a big role in hosting "graduand functions" for each university, and remains the biggest provider of awards for various qualifying student categories, mainly during awards ceremonies or oath taking.</p>

# PERFORMANCE HIGHLIGHTS

<p><b>Strategic Goal 7: Management of National Council and branch structures</b></p>	<p>Head office has continued to give great support to National Council and the branches' admin and guidance, to enable the structures to function as they should. Financial reporting is one area where our systems may have failed us, but is being looked at to make useful changes or adaptations.</p>
<p><b>Strategic Goal 8: Development of the Institute for Dental Education South Africa (IDESA)</b></p>	<p>After a long and hard process, the Board has decided that the establishment of IDESA will not be of benefit to SADA. A new partnership has now been formed to offer exactly the same services as would have been offered by IDESA.</p>
<p><b>Strategic Goal 9: Creating and development of SADA Financial Services (SADFIN)</b></p>	<p>There has been conflicting legal and financial opinion on the legality of forming such an institution. We are happy to report that clarity has now been received and the Board has decided to forge ahead and create a for-profit organization to enable SADA to take advantage of commercial opportunities to the benefit of our members.</p>
<p><b>Strategic Goal 10: Government relations</b></p>	<p>The historic robust engagement with the Department of Health had caused the relationship with SADA to take a big knock. We are glad to report that we have re-established a good working relationship, which has started to benefit not just the Association members, but the government and the public at large.</p>



# PERFORMANCE HIGHLIGHTS

## [5.2] KEY PERFORMANCE HIGHLIGHTS

- The new SADA 2020-2022 Strategy and Business Plan was finalised after a workshop with the National Council. This plan will guide the Association for the next three years, 2020 -2022.
- A public sector subcommittee was established to represent the interests of public sector dentists.
- SADA and SAMA continue discussions with the DOH and HPCSA on the formation of a new council governing doctors and dentists. A draft bill was prepared and a joint meeting with the Minister of Health was held in the middle of 2019 and the draft bill was presented.
- The application by the Paedodontic Society of SA as a special interest group of SADA was approved.
- A successful congress and exhibition "From Start to Finish: Back to Basics", 30 August to 1 September 2019 was held at the Albert Luthuli International Conference Centre, Durban. The programme catered for dental GP's and specialists, oral hygienists, dental assistants, dental therapists, dental technicians and office staff. A total of 1,148 attended, with 715 delegates, 362 traders and 71 speakers. There were 61 exhibitors, excluding exhibitors that formed part of the German Chamber of Commerce, which consisted of 18 exhibitors and was represented by 47 traders. The 71 speakers, which consisted of 14 international and 57 local speakers, were part of an extensive clinical, master classes / hand-on, motivational and practice management programme.
- A total of 22 branch events were held representing 103 clinical \ points and 10 ethical points. 1,219 unique members attended \ these events.
- On Nelson Mandela International Day on 18 July, head office decided to bring oral health services to the children at the Nelson Mandela Children's Hospital, in collaboration with Colgate, who kindly donated a mobile clinic. We thank members of the profession who kindly donated their time away from their practice or employment to attend to the children. SADA was privileged to interact with the Minister of Health, Dr Zweli Mkhize, who visited the wards and the SADA stand, and the mobile clinic.
- As part of our Oral Health Month initiatives, SADA embarked on visiting primary schools in the West Rand in Khutsong township. A total of 1,602 children ranging from grade R to grade 3 received oral health education.
- SADA online brand and awareness has improved dramatically during the year in question with an average of 18438 pages views monthly through the SADA web presence.
- Online Continuing Professional Development opportunities were subscribed to by 2548 members as at 31 December 2019.
- The growth in social media followers further indicate the strength of the SADA brand awareness, as displayed by the following follower increases; LinkedIn 92%, Facebook 54%, YouTube 140%, Instagram 132%.

**SOCIAL  
MEDIA  
REACH**

**57 058**

**TOTAL  
NUMBER  
OF WEBSITE  
USERS**



**140 626  
ANNUAL  
INSTAGRAM  
REACH**



**SADA FACEBOOK REACH**

**726 011**



**YDC FACEBOOK REACH**

**102 595**



**22 481  
ANNUAL LINKEDIN  
REACH**

- The National Health Bill 2019 was published in the gazette for comment. SADA made extensive written submissions on the content of the bill.
- At the SADA Congress, the Deputy Director-General of the National Department of Health, Dr Anban Pillay, gave a presentation on the NHI Bill, which was followed up with a panel discussion.
- The SADA Position Paper: Use of Assistant Practitioners in Maxillo facial, Oral and Periodontal Surgery was approved.
- The SADA Position Paper – Guidelines for Dentists in Controlling Patient Anxiety using Responsive Sedation was finalized.

# VALUE CREATION PERFORMANCE

[ SECTION 6 ]



## [6.1] CREATING VALUE FOR OUR MEMBERS

### Supporting members

**SADA has in the past year supported its members in the profession – students and practising dentists in both the public and private sectors of oral health, by, amongst others:**

- ] Giving members access to local and international networking opportunities, mentoring circles and study groups through the SADA Dental & Oral Health Congress and Exhibition. The year 2020 saw us hold two congresses in the same financial year, one in August 2018 and the other in October 2019. This was due to the change in the financial year.
- ] Providing enough CPD events to allow members to achieve full HPCSA CPD requirement through SADA's learning circles.
- ] Providing personalised advice on clinical, legal and practice management, as well as telephone and email support to qualifying members.
- ] Producing and publishing the only fully accredited scientific dental journal in South Africa, the South African Dental Journal (SADJ), both online and in hard copy.
- ] Getting preferential rates on Dental Protection (DP) Indemnity Membership.
- ] Providing job advertising for members to fulfil their employment vacancies and other practice requirements for free on the SADA classifieds and social media.
- ] Developing exclusive online practice related templates and contract examples.
- ] Ensuring members receive regular up-to-date dentistry information and news, and access to independent, unbiased and superior mediation services.
- ] Maintaining the only dental coding book in South Africa, assisting members with authorisation parameters, risk management and unresolved medical schemes matters.
- ] Managing the regulatory burden for members in as far as the regulatory bodies such as the HPCSA, professional submission \ and advocacy in respect to dental policies and funding, and monitoring and influencing the practice scope of various oral health care practitioners.

### Sustainable value creation

**Sustainable value creation is driven by strong operational performance that unlocks cash and disciplined capital allocation.**

**The Association's financial strategy supports sustainable value creation by:**

- ] Ensuring an improvement in underlying operational performance. Whilst a minimal membership increase was levied, the membership increase in the year was 3% across the board.
- ] Improved cost recovery on services offered to external organisations using SADA's services.
- ] Management of cost through efficiency measures.
- ] Continued contribution, albeit small, towards the reserves meant to assist operations when the need arises.

## [6.2] CREATING VALUE FOR SOCIETY

SADA is committed to the promotion and provision of oral health care services of the highest professional and ethical standards, and will guard the interests and rights and vigorously address the oral health

needs of the community, and the concern of its members and that of society at large. SADA has continued to provide oral health campaigns and education (such as oral health conditions, dental procedures, and proper oral hygiene techniques) to empower oral health patients.

## [6.3] CREATING VALUE FOR OUR EMPLOYEES

SADA understands that its employees are the heart of our business – a happy and satisfied staff member offers better member support services. With an understanding of the non-profit sectors and the constraints we operate under, SADA understands that creating value for our employees is of paramount importance to us and underlines our people philosophy. The well-being and development of our people and the creation of a culture that enables excellence are key imperatives in our business.

**Consequently, we are committed to creating a working environment that seeks to:**

- ] attract, develop and reward exceptional people within the confines of our sector.
- ] drive high-performance through our performance management system. This system aligns to the objectives of our stakeholders.
- ] align the financial well-being of employees with the economic interest of shareholders.
- ] provide transparent, consistent and equitable remuneration principles to foster an environment of collaboration, engagement and trust.

Our ambition is to build a workplace for the future, employing an IT infrastructure that allows members to access work-related information from anywhere. To this end, we have updated most of our IT systems and ensured all members work from reasonably functional mobile PCs with relatively high-security features, in order to protect the Association from external harm.

We have ensured that our performance management system dovetails with employees' developmental needs, and we have provided such skills training needs. The organisation, for the first time, partnered with an external trainer and signed up three learners for a varying period from six months to a year. The success of such learnerships led to at least two of the learners being employed in SADA.

SADA's culture of a vibrant work environment is underpinned by ensuring equal fair treatment and opportunities for all employees in the business, such as ensuring that current employees are given preference for new opportunities.

## [6.4] SOCIAL RESPONSIBILITY

Corporate social responsibility remains high on the mind of the Association, forming a vital part of our identity in the community we serve. Given that our core business is in the oral health space, we have focused our efforts to emphasise supporting our members and the oral health patients who cannot afford oral health care. These activities are driven from branch level and nationally. The Association is currently supporting this principle, mainly through the following three vehicles.

# VALUE CREATION PERFORMANCE

## [6.4] SOCIAL RESPONSIBILITY

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oral health patients who cannot afford oral health care. These activities are driven from branch level and nationally. The Association is currently supporting this principle, mainly through the following three vehicles.

### THE BENEVOLENT FUND

The SADA Benevolent Fund continues to assist members and their families who have fallen on hard times, and, during the past year, has provided monthly assistance to eight beneficiaries. The fund has been drying up rapidly, but we hope that through the generous help of our members, we will be able to close the deficits in 2020.

### THE SMILE FOUNDATION

SADA and The Smile Foundation have worked in partnership on various initiatives for approximately six years. As testament to the values of SADA and its members, the donation of time, expertise and resources by dentists has assisted The Smile Foundation in its ongoing drive to treat children after cleft lip and palate surgeries. A collaborative project, the "Foundation's Relate" bracelets, which stands for change, has not done very well over the year, with insignificant contributions made from SADA members. The project's goal was to reach R2 million, which would have contributed to various programmes such as the mobile community outreach. Unfortunately, this was not a successful initiative, and management has decided to abandon it.

*Find them at: [www.smilefoundationsa.org/](http://www.smilefoundationsa.org/)*

### SUMMERHILL HOUSE ORPHANAGE

Summerhill House is a non-profit organisation (registered Section 21) whose sole motivation and vision is to provide homes and personal transformation for orphaned and abandoned children whose lives have been affected by the HIV / Aids pandemic. The year under review continues to be an exciting year for SADA KZN, who has carried on supporting Summerhill House by donating their professional time. Branch members have voluntarily "adopted" the children from Summerhill House and continued to provide for all their dental needs for 2018.

The vision is to on-board more local dentists in 2019. SADA would like to encourage more dentists across the country to emulate this example in their areas. Should they need guidance or information, SADA is able to advise them and provide a solid plan on how such a project can be successfully and sustainably run. We are so grateful to Colgate for its support and contributions and look forward to more of the trade "coming to the party" to support our local communities.

*Find them at: <http://www.summerhh.org.za/>*



# OTHER KEY REPORTS AND INFORMATION

[ SECTION 7 ]



# OTHER KEY REPORTS AND INFORMATION

## [7.1] REMUNERATION REVIEW

The term of non-executive directors is governed by the Memorandum of Incorporation (MOI), which provides that a director's term is two years.

The remuneration of non-executive directors who serve on the Board and Board Committees is based on proposals from the Human Resources and Remuneration Committee (HRREMCO), which are submitted to the Board for approval.

Remuneration is reviewed, taking into account the budget of the Association, the strategic objectives, number of Board and Board Committee meetings, management of expenses, and review of the demands of time and responsibilities on the Board and Board Committees.

Non-executive director remuneration is limited to attendance at meetings, whether they are in person or meetings held via video conference. The independent non-executive directors are paid an hourly rate, with a maximum cap per meeting.

Fees are typically approved annually on this basis at the SADA Annual General Meeting. The proposal is for directors' remuneration to be increased by the amount equivalent to the current annual inflation rate of 5%, which is also the rate of increase of the annual membership fees.

The HRREMCO also considers the remuneration payable to members of the National Council and Board Committee members who are not directors, and has recommended the same rate of increase of 5%.

## [7.2] REPORT OF THE STRATEGY, SOCIAL AND ETHICS COMMITTEE

During the period under review, SSECO considered a complaint about a breach of confidence by a member and rendered a finding in the matter. The Appeal Committee of SSECO considered the appeal lodged by the member, against whom an adverse finding was made. SSECO facilitated a strategy workshop with the National Council on 15 March 2019 with an external facilitator. The Committee finalised and presented its draft SADA Strategy and Business Plan for the period 2020 to 2022. The Board approved the plan, and management has started executing the plan.

The SADA strategy, in broad general principles, focuses on its membership value proposition and various initiatives and milestones to be achieved that will add value to members. There are also initiatives in dealing with challenges faced by members with the funder industry, engaging with all relevant stakeholders, and managing the relationship with key role players to improve SADA's influence. The Board adopts a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the Association over time.

SADA will continue to explore opportunities that will keep members up to date with current trends and new skills for advancement in the field.

SADA continues to remain committed to the transformation objectives at both governance and membership level in terms of race and gender representation. There is a need for the Board to set and disclose programmes towards targets for race and gender diversity, as required in the King IV™ report on corporate governance.

The Committee considered and recommended to the Board the application from the Paedodontic Society of South Africa for special interest group status. The Society is a new affiliate of the Association, and the Committee wishes them well in their professional interest. The Committee formulated the Board Charter document, setting out the roles and responsibilities of the Board. This charter sets out the specific responsibilities to be discharged by the Board members collectively, as well as the roles and responsibilities incumbent upon directors as individuals. The SADA Board accepted the recommended document, with minor amendments.

# OTHER KEY REPORTS AND INFORMATION

## [7.3] MEMBERSHIP INFORMATION

SADA membership at the end of the year under review was 3308. The table below shows the breakdown per SADA Branch. This table has

been updated to include movement in and out of each of the Provinces and may differ to previously presented reports.

### SADA MEMBERSHIP BREAKDOWN 2015-2019

Branches	2015	2016	2017	2018	2019
Algoa Midlands	88	123	120	115	118
Border Kei	68	64	66	68	71
Free State	104	102	116	100	102
Gauteng South	803	810	855	821	828
Kwazulu Natal	476	452	416	438	442
Limpopo	57	52	52	51	55
Mpumalanga	123	120	116	117	119
North West	76	79	88	81	83
Northern Cape	49	47	48	46	48
Pretoria	441	450	467	444	449
Western Cape	722	728	761	732	737
Outside South African Border	95	88	96	94	63
<b>GRAND TOTAL</b>	<b>3102</b>	<b>3115</b>	<b>3201</b>	<b>3107</b>	<b>3115</b>

## [7.4] CONTINUED PROFESSIONAL DEVELOPMENT MEETING REPORT

The year in review has seen SADA conduct various Branch Meetings as well as two Congresses. The breakdown of the various events is shown below:

Branch	Number of Events	Total Number of Attendees	Total Number of Clinical CEU's awarded	Total Number of Ethical CEU's awarded	Total CEU's awarded for all Events
Algoa Midlands	3	121	4	3	7
Border Kei	2	23	6	0	6
Free State	6	258	27	4	31
Gauteng South	4	128	16	0	16
KwaZulu-Natal	7	588	21	2	23
Limpopo	3	62	6	2	8
Mpumalanga	2	53	12	3	15
North West	1	19	1	0	1
Northern Cape	1	34	5	0	5
Pretoria	5	236	4	4	8
Western Cape	7	613	41	5	46
<b>TOTAL BRANCH EVENTS</b>	<b>41</b>	<b>2135</b>	<b>143</b>	<b>23</b>	<b>166</b>
Congress 2018	1	765	21	3	24
Congress 2019	1	747	18	4	22
Head Office (Paedo Events)	4	208	26	1	27
<b>Overall Totals</b>	<b>47</b>	<b>3855</b>	<b>208</b>	<b>31</b>	<b>239</b>

# OTHER KEY REPORTS AND INFORMATION

## [7.5] FINANCIAL PERFORMANCE

SADA performed well under trying circumstances during the year under review. The comparison between the 2019 and 2018 figures is somewhat skewed due to our change of year-end and the number of Congresses in each financial year. The change of year-end resulted in

the 2019 financial year being 15 months long as opposed to the 12 months 2018 financial year. In addition, there were two Congresses in the 2019 financial year and no Congress during the 2018 financial year. It is therefore difficult to compare the figures on a like for like basis between the two financial years.

## The total surplus of **R 881,370**

was below the **2018** surplus of **R4,045,085**, but 2018 also included a material adjustment of the fair value of the property which changed from **R11,120,000 to R14,412,000**.

## Operating revenue of **R 31,184,228**

was well up on the **2018** figure of **R18,671,872**, largely due to two Congresses held in financial year under review.

**We increased our number of members,  
but the capitation value fell, as members chose fewer electives.**

SADA's operating expenditure increased in line with the longer period and the additional Congresses to

**R 31,459,985**  
IN **2019** FROM  
**R 18,756,197**

SADA's balance sheet remains solid.

The Association is still in a positive cash position, with reserves slightly up to

**R 34,589,407**  
FROM **2018** (R33,966,054),  
AND TOTAL ASSETS OF  
**R 64,954,195**  
5 COMPARED TO **2018**  
(R41,789,587)

# ANNUAL FINANCIAL STATEMENTS

[ SECTION 8 ]



# ANNUAL FINANCIAL STATEMENTS

## [8.1] APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the consolidated annual financial statements of the South African Dental Association. Accordingly, the Board acknowledges its duty to ensure balanced content and fair presentation in the annual financial statements, so that it provides a comprehensive assessment of the performance of the organisation for the financial year ended 31 December 2019.

The annual financial statements are prepared following the provisions of the Companies Act of South Africa, and comply with International Financial Reporting Standards (IFRS) for SMEs, and incorporate full and reasonable disclosure, in line with the accounting policies of the organisation. It is the Board's view that the statements fairly present the state of affairs of SADA as at the end of the financial year, and the net profit and cash flows for the year.

The directors are ultimately responsible for the internal controls of SADA. Management enables the directors to meet these responsibilities. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity, objectivity and fair presentation of the consolidated annual financial statements and related financial information presented, and to adequately safeguard, verify and maintain accountability for members. Such systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations provided by management and the internal auditors, the directors believe that the accounting and internal controls are adequate and that the financial records may be relied upon for preparing the consolidated annual financial statements as per IFRS, and maintaining accountability for SADA's equity, assets and liabilities. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review and up to the date of the consolidated annual financial statements.

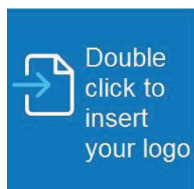
The directors, therefore, have a reasonable expectation that SADA has adequate resources to continue in operational existence for the foreseeable future. For this reason, accounting policies, supported by judgements, estimates and assumptions in compliance with IFRS, are applied on the basis that the organisation shall continue as a going concern.

The consolidated annual financial statements set out in this report were recommended by AURCOM, approved by the Board on 29 May 2020 and signed on its behalf by:



**Dr Renier Putter**  
Board Chairperson

## [8.2] INDEPENDENT AUDITOR'S REPORT



### INDEPENDENT AUDITOR'S REPORT

**SizweNtsalubaGobodo Grant Thornton Inc.**  
**Jeanine Nellmapius-Clarke**  
**Partner**

#### Registered Auditors

**31 March 2020**  
**Per: Jeanine Nellmapius-Clarke**  
**Pretoria**  
**Additional description**

**31 March 2020**  
**Pretoria**  
**221 Garsfontein Road**  
**Summit Place Office Park, Building 4**  
**Pretoria, Gauteng**



## [8.3] REPORT OF THE AUDIT AND RISK COMMITTEE

Based on the information and explanations given by directors and external auditors, the Committee believes that the accounting and internal controls, including the internal financial controls, are adequate and that the financial records may be relied upon for preparing the consolidated financial statements in accordance for SMEs, and maintaining accountability for the organization's assets and liabilities. The Committee fulfils an oversight role regarding the integrated reporting process.

Accordingly, the Committee:

- ] has considered the 2019 Integrated Annual Report and has assessed the consistency with operational, financial and other information known to the Committee members, and for consistency with the consolidated financial statements;
- ] is satisfied that the 2019 integrated annual report is materially accurate, complete, reliable and consistent with the consolidated financial statements; and
- ] recommended on 29 May 2020, the consolidated financial statements for the year ended 31 December 2019 for approval by the Board.

## [8.4] DIRECTORS' REPORT

### The South African Dental Association (NPC)

(Registration number: 1935/007092/08)

Annual Financial Statements for the 15 months ended 31 December 2019

### DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of The South African Dental Association (NPC) for the 15 months 31 December 2019.

#### 1. NATURE OF BUSINESS

The South African Dental Association (NPC) was incorporated in South Africa with interests in the professional membership association, providing advocacy and educational services to members. The company operates in South Africa. There have been no material changes to the nature of the company's business from the prior 12 months ended 30 September 2018.

#### 2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior 12 months ended 30 September 2018.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements and do not in our opinion require any further comment.

#### 3. DIRECTORS

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

Dr R Putter (Chairman)	Chairman	Non - executive	South African
Mr KC Makhubele	Chief Executive Officer	Executive	South African
Dr C Brent - resigned 16/03/2019	Other	Non-executive	South African
Dr KLM Mafanya	Other	Non-executive	South Africa
		Independent	
Dr FC Meyer - appointed 16/03/2019	Other	Non-executive	South African
Dr EK Naidoo - appointed 16/03/2019	Other	Non-executive	South African
Mr KM Nyatumba	Other	Non-executive	South African
		Independent	
Dr N Osman	Other	Non-executive	South African
Dr S Pieters	Other	Non-executive	South African
Dr YF Solomons -resigned 16/03/2019	Other	Non-executive	South African
Dr SJ Swanepoel	Other	Non-executive	South African

## **The South African Dental Association (NPC)**

(Registration number: 1935/007092/08)

Annual Financial Statements for the 15 months ended 31 December 2019

### **DIRECTORS' REPORT**

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#### **4. EVENTS AFTER THE REPORTING PERIOD**

The directors are aware that the Covid-19 virus may have an effect on the business, but this is not yet quantifiable and is not likely to affect the business as a going concern. The directors are in the process of implementing procedures which will minimise the impact of Covid-19. The directors are not aware of any significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the annual financial statements, which significantly affect the financial position of the company or the results of the operations to the date of this report.

#### **5. GOING CONCERN**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors 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 company.

#### **6. AUDITORS**

SizweNtsalubaGobodo Grant Thornton Inc. continued in office as auditors for the company for 2019.

#### **7. SECRETARY**

The company had no secretary during the year .

#### **8. LIQUIDITY AND SOLVENCY**

The directors have performed the liquidity and solvency tests required by the Companies Act 71, of 2008, South Africa.

#### **9. CHANGE OF YEAR-END**

A resolution was passed on the 31st January 2019 to change the company's year end from September to December.



## [8.5] ANNUAL FINANCIAL STATEMENTS

### [8.5.1] STATEMENT OF FINANCIAL POSITION

#### The South African Dental Association (NPC)

(Registration number: 1935/007092/08)

Annual Financial Statements for the 15 months ended 31 December 2019

#### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Figures in Rand	Note(s)	31 December 2019	30 September 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	585 545	769 067
Investment property at fair value	2	14 412 400	14 412 400
Intangible assets	4	875	22 504
FDI	26	153	424
		15 152 244	15 203 971

Current Assets	Note(s)	2019	2018
Inventories	5	142 422	119 224
Trade and other receivables	6	18 037 754	6 182 388
Cash and cash equivalents	9	17 549 654	5 124 982
Benevolent fund	7	1 264 591	1 716 226
Investments	8	12 807 530	13 442 796
		49 801 951	26 585 616
<b>Total Assets</b>		<b>64 954 195</b>	<b>41 789 587</b>

#### Equity and Liabilities

##### Equity

Reserves 34 589 407 33 966 054

##### Liabilities

##### Current Liabilities

Trade and other payables	10	16 367 028	7 700 035
Deferred revenue	27	13 997 760	123 498
		30 364 788	7 823 533
<b>Total Equity and Liabilities</b>		<b>64 954 195</b>	<b>41 789 587</b>



## Independent Auditor's Report

To the Members of The South African Dental Association (NPC)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annual financial statements of The South African Dental Association (NPC) set out on pages 9 to 26 which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the 15 months 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 Association (NPC) as at 31 December 2019, and its financial performance and cash flows for the 15 months then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 group and company 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 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 directors are responsible for the other information. The other information comprises the information included in the document titled "The South African Dental Association (NPC) Annual Financial Statements for the 15 months ended 31 December 2019", which includes the Directors' Report as required by the Companies Act of South Africa. 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 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, in our knowledge obtained in the audit, otherwise appears to be materially misstated if,

Victor Sekese (Chief Executive)  
A comprehensive list of all Directors is available at the company offices or registered office

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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.

### **Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 the ISAs, 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 entity 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 directors 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.**

Jeanine Nellmapius-Clarke  
SizweNtsalubaGobodo Grant Thornton Inc  
Director  
Registered Auditor

5 June 2020

Summit Place Office Park, Building 4  
221 Garstfontein Road  
Menlyn, Pretoria  
Gauteng

# ANNUAL FINANCIAL STATEMENTS

## [8.5.3] STATEMENT OF OTHER COMPREHENSIVE INCOME

### The South African Dental Association (NPC)

(Registration number: 1935/007092/08)

Annual Financial Statements for the 15 months ended 31 December 2019

### STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	15 months ended 31 December 2019	12 months ended 30 September 2018
Revenue	11	25 416 344	16 334 509
Other income	12	5 767 884	2 334 363
Operating expenses		(31 459 985)	(18 756 197)
Operating deficit	13	(275 757)	(87 325)
Investment revenue	14	1 059 822	452 395
Fair value adjustments	15	97 305	3 680 015
Surplus before taxation		881 370	4 045 085
Surplus for the period ended		881 370	4 045 085
Other comprehensive income		-	-
Total comprehensive income for the period ended		881 370	4 045 085

## [8.5.4] STATEMENT OF CHANGES IN EQUITY

### The South African Dental Association (NPC)

(Registration number: 1935/007092/08)

Annual Financial Statements for the 15 months ended 31 December 2019

### STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Property Reserve	Marketing Reserve	Benevolent Fund	Operating reserve	Total reserves	Retained income	Total equity
<b>Balance at 01 October 2017</b>	<b>2 098 673</b>	<b>857 292</b>	<b>2 006 202</b>	<b>25 248 779</b>	<b>30 210 946</b>	-	<b>30 210 946</b>
Profit for the 12 months	-	-	-	-	-	4 045 085	4 045 085
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the 15 months -</b>	-	-	-	-	<b>4 045 085</b>	<b>4 045 085</b>	
Transfer between reserves	-	-	-	4 045 085	4 045 085	(4 045 085)	-
Utilisation of reserves	-	-	(289 977)	-	(289 977)	-	(289 977)
Total changes	-	-	<b>(289 977)</b>	<b>4 045 085</b>	<b>3 755 108</b>	<b>(4 045 085)</b>	<b>(289 977)</b>
<b>Balance at 01 October 2018</b>	<b>2 098 673</b>	<b>857 292</b>	<b>1 716 225</b>	<b>29 293 864</b>	<b>33 966 054</b>	-	<b>33 966 054</b>
Profit for the 15 months	-	-	-	-	-	881 370	881 370
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the 15 months -</b>	-	-	-	-	<b>881 370</b>	<b>881 370</b>	
Transfer between reserves	-	-	-	881 370	881 370	881 370	1 762 740
Utilisation of reserves	-	-	(451 634)	-	(451 634)	-	(451 634)
Total changes	-	-	<b>(451 634)</b>	<b>881 370</b>	<b>429 736</b>	-	<b>429 736</b>
<b>Balance at 31 December 2019</b>	<b>2 098 673</b>	<b>857 292</b>	<b>1 264 591</b>	<b>30 175 234</b>	<b>34 589 407</b>	-	<b>34 589 407</b>

## [8.5.2] STATEMENT OF CASH FLOW

### The South African Dental Association (NPC)

(Registration number: 1935/007092/08)

Annual Financial Statements for the 15 months ended 31 December 2019

### STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	15 months ended 31 December 2019	12 months ended 30 September 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	11 110 645	2 114 596
Interest received		1 059 82	2 452 395
Net cash from operating activities		12 170 467	2 566 991
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	3	(155 862)	(466 110)
Sale of property, plant and equipment	3	128 318	-
Sale of financial assets		97 305	478 292
Benevolent fund movement		(251 513)	-
Investment in equity instruments		-	(295 266)
Change in investments		435 957	-
Net cash from investing activities		254 205	(283 094)
Total cash movement for the 15 months		12 424 672	2 283 897
Cash at the beginning of the 15 months		5 124 982	2 841 085
Total cash at end of the 15 months	9	17 549 654	5 124 982

# GLOSSARY OF TERMS AND ACRONYMS

[ SECTION 9 ]



# GLOSSARY OF TERMS AND ACRONYMS AND ADMINISTRATION

## [9] GLOSSARY OF TERMS AND ACRONYMS

<b>ARO</b>	African Regional Organization
<b>AURCOM</b>	Audit & Risk Committee
<b>CPD</b>	Continuous Professional Development
<b>DP</b>	Dental Protection
<b>FDI</b>	Federation Dentaire Internationale World Dental Federation
<b>HPCSA</b>	Health Professions Council of South Africa
<b>IDESA</b>	Institute of Dental Education South Africa
<b>IFRS</b>	International Finance Reporting Standards
<b>IIRC</b>	International Integrated Report Council
<b>NHI</b>	National Health Insurance
<b>NPC</b>	Non-Profit Company
<b>RVU</b>	Relative Value Units
<b>SADA</b>	South African Dental Association
<b>SADFIN</b>	South African Dental Financial Services
<b>SADJ</b>	South African Dental Journal
<b>SAMA</b>	South African Medical Association
<b>SSECO</b>	Strategy, Social & Ethics Committee
<b>WOHD</b>	World Oral Health Day
<b>YDC</b>	Young Dentists Council



# ADMINISTRATION

[ SECTION 10 ]



# ADMINISTRATION

## [10] ADMINISTRATION

Contact The Chief Executive Officer – KC Makhubele  
Email [kcmakhubele@sada.co.za](mailto:kcmakhubele@sada.co.za)  
Telephone 011 484 5288

### The South African Dental Association

Registration number 1935/0070/92/08  
Website: [www.sada.co.za](http://www.sada.co.za)

### Registered Office

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Tel +27 (11) 484 5288  
Email [info@sada.co.za](mailto:info@sada.co.za)

### External Auditors

SizweNtsalubaGobodo Grant Thornton Inc.

### Registered Auditors

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**SADA**

The South African Dental  
Association (**SADA**) NPC

# INTEGRATED ANNUAL REPORT 2019



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