

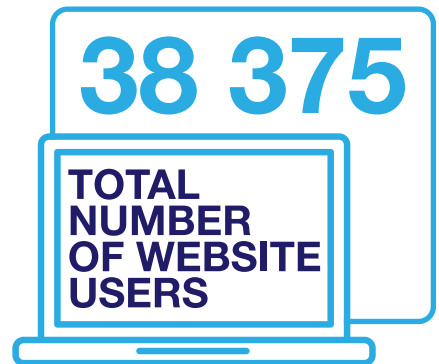


**SOUTH AFRICAN DENTAL
ASSOCIATION (SADA)(NPC)**
ANNUAL INTEGRATED
REPORT 2017/18



SADA
THE SOUTH AFRICAN
DENTAL ASSOCIATION

AT A GLANCE



WORLD ORAL
HEALTH DAY
(WOHD) REACH



TABLE OF CONTENTS

4 | ABOUT SADA

| | |
|---|----|
| Vision, Mission and Values | 04 |
| Specialist and Special interest groups affiliated with SADA | 04 |

4 | ABOUT THIS REPORT

| | |
|--|----|
| Reporting Philosophy | 04 |
| Scope, Boundary and Framework | 04 |
| The basis of Presentation and Guidelines | 05 |
| Materiality | 05 |
| Assurance Approach | 05 |
| The responsibility of the Board and the Approval of the Annual Integrated Report | 05 |

6 | MESSAGE FROM THE LEADERSHIP

| | |
|--|----|
| Message from the President | 06 |
| Message from the Chairperson | 07 |
| Message from the Chief Executive Officer | 09 |

11 | THE YEAR IN REVIEW

| | |
|------------------------|----|
| Our footprint | 11 |
| Performance Highlights | 12 |

19 | ORGANISATIONAL & MANAGEMENT STRUCTURES

| | |
|----------------------------|----|
| The National Council | 19 |
| The Board of Directors | 20 |
| The Young Dentists Council | 23 |
| Management | 24 |
| Risk and Opportunities | 25 |

26 | FINANCIAL REPORT

| | |
|-----------------------------------|----|
| Income and Expenditure | 26 |
| Directors' Report | 30 |
| Independent Auditors Report | 31 |
| Statement of Financial Position | 35 |
| Statement of Comprehensive Income | 35 |
| Statement of Changes in Reserves | 36 |
| Statement of Cash Flows | 36 |

37 | FUTURE OUTLOOK

| | |
|----------------|----|
| Future Outlook | 37 |
|----------------|----|

38 | ABBREVIATIONS

| | |
|---------------|----|
| Abbreviations | 38 |
|---------------|----|

ABOUT SADA & ABOUT THIS REPORT

ABOUT SADA

As the leading professional industry membership body for dentistry in Southern Africa, the South African Dental Association (SADA) represents over 80% of registered dentists in the country's private and public sectors.

Membership is open to industry professionals ranging from dental students and dentist in active practice to retired dentists as well as auxiliary dental professionals (or members from allied dental professions). The Association is committed to and engaged in processes relating to setting industry standards and formulating policies.

As the voice for oral health care, SADA has 11 branches in all 9 provinces and actively runs campaigns to educate and inform communities on issues of oral health and addresses such issues on both regional and national media platforms.

The Association is open to affiliate memberships for dental professionals in the South African Development Community (SADC) member states - Angola, Botswana, the Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe - as well as various other countries across the globe.

SADA is a proud and active Member of the FDI World Dental Federation (FDI) and the African Regional Organisation (ARO).

VISION, MISSION & 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):



SPECIALIST, SPECIAL INTEREST GROUPS AFFILIATED WITH SADA

SOUTH AFRICAN SOCIETY OF MAXILLOFACIAL AND ORAL SURGEONS

SASMFOS

THE SOUTH AFRICAN SOCIETY OF ORTHODONTISTS

SASO

ACADEMY OF PROSTHODONTICS OF SOUTH AFRICA

APSA

SOUTH AFRICAN SOCIETY FOR PERIODONTOLOGY, IMPLANTOLOGY AND ORAL MEDICINE

SASPIO

SPECIAL INTEREST GROUPS

SOUTH AFRICAN ACADEMY OF COMPUTERISED DENTISTRY

ABOUT THIS REPORT

The 2017/18 South African Dental Association Annual Integrated 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. SADA's Annual Integrated 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.

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 on 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.

SCOPE, BOUNDARY & FRAMEWORK

The SADA's 2017/18 Annual Integrated Report for the period 1 October 2017 to 30 September 2018 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.



ABOUT SADA & ABOUT THIS REPORT

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

The reporting boundaries defined for each material aspect of this report and 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
- 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.

THE 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.

The inclusion of certain sections in line with the International Reporting Guidelines improves on our 2016/17 Annual Integrated Report.

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, performance, in turn, on SADA's ability to create and sustain value in the long term.

THE ASSOCIATION IS COMMITTED to and engaged in processes relating to setting industry standards and formulating policies.

ASSURANCE APPROACH

Our assurance approach comprises of three lines of defense:

1. Review by Management and the relevant oversight structures;
2. Review by internal and external assurance providers; and
3. Adequacy and the effectiveness of the Association's internal controls, risk management, human resources and governance by independent internal audit service providers.

THE RESPONSIBILITY OF THE BOARD AND THE APPROVAL OF THE ANNUAL INTEGRATED REPORT

The Board, supported by the Strategy, Social and Ethics Committee (SSECO) and the Audit & Risk Committee (AUR-COM), is responsible for overseeing the integrity of our Annual Integrated 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 company's performance and future outlook.

THIS REPORT WAS APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY



Dr Yvette F Solomons
Chairperson of the Board
9 February 2019

For any feedback or comment, please contact

KC Makhubele,
Chief Executive Officer
kcmakhubele@sada.co.za
011 484 5288

MESSAGE FROM THE LEADERSHIP

MESSAGE FROM THE PRESIDENT

Thirty (30) new members of the National Council were inaugurated at the March 2018 meeting. These are the members who have resolved to provide unselfish service to the Association for the next four years, representing their respective Branches.

I was deeply humbled to be elected as the President of the Association for a term of two years. I take this appointment as a call to serve SADA, its membership, and all interests, more than as a personal honour.

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. I, therefore, pledge to serve you and the Association to the best of my ability. I had the incredible privilege of chairing two National Council meetings during 2018, where incredibly robust and lively debates and discussions took place.

It is an exciting and demanding challenge to represent an Association on behalf of our members in a significant sector, such as health, which is undergoing tremendous changes. The recent publication of the National Health Insurance Bill, Medical Schemes Amendment Bill and the provisional report of the Health Market Inquiry all signal a radical change in the entire healthcare landscape. In addition, we do appreciate the tremendous challenges that our members face in their practices

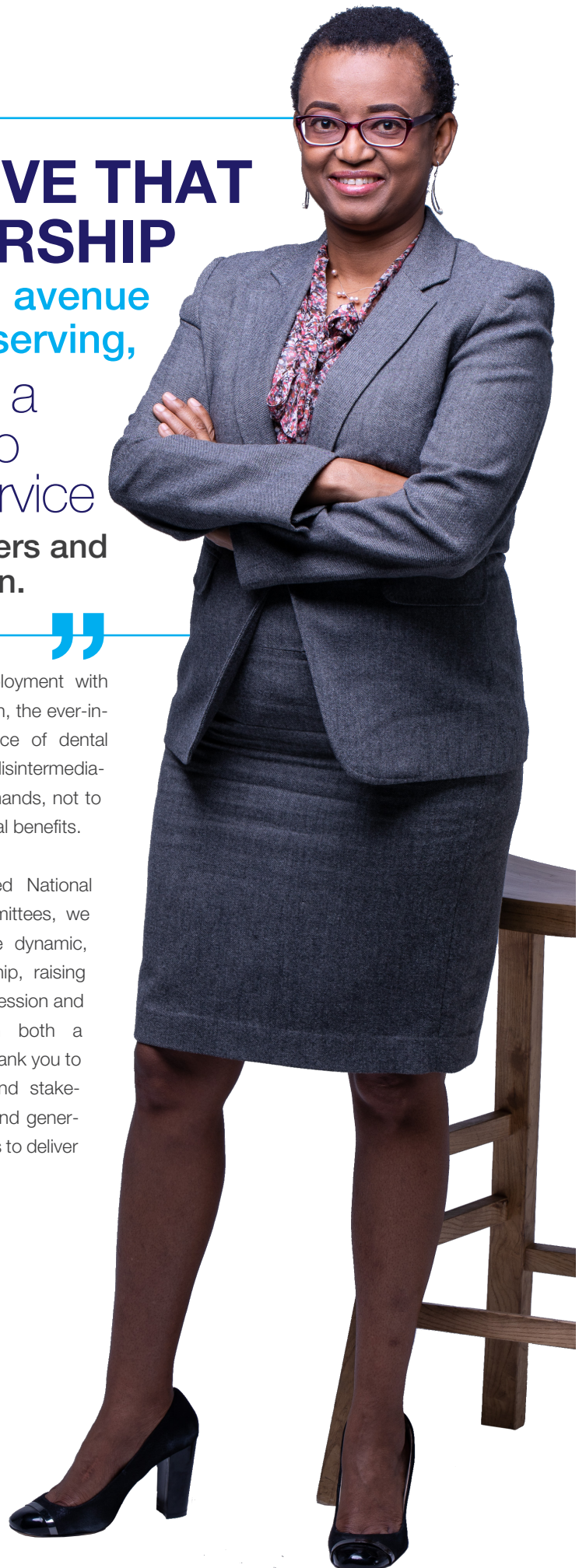
“
I BELIEVE THAT LEADERSHIP
is never an avenue to be self-serving, but rather a platform to render service to our members and the profession.
”

or in their places of employment with increasing regulatory burden, the ever-increasing scopes of practice of dental auxiliaries and resultant disintermediation, as well as patient demands, not to mention and shrinking dental benefits.

Together with a dedicated National Council and Branch Committees, we are determined to provide dynamic, bold and relevant leadership, raising the profile of the dental profession and representing dentistry on both a national and global level. Thank you to our partners, sponsors, and stakeholders for the continued and generous support which allows us to deliver on our mandate.



Prof Pusetso D Moipolai
President



MESSAGE FROM THE LEADERSHIP

MESSAGE FROM THE CHAIRPERSON

GROWING FROM STRENGTH TO STRENGTH

This time last year, my key message to our members was: “Despite many challenges that our profession faces, in particular, financial constraints, the past year has seen SADA doing more for the benefit of members ...”. It is with a great sense of pride and, indeed, my special privilege to once again report to the SADA shareholders that SADA has delivered on this strategic mandate through the consistent and committed effort of our management team.

The Board continues to have full confidence in the talent that we have on board of our staffing establishment, who continues to deliver through sheer perseverance and diligent application. Our high-performance culture remains strong and we will continue to progress beyond risks as we focus on providing great value to our members.

There can be no doubt that the operating environment during the period under review was extremely challenging for members. Economic growth has been slow and declining. The turmoil of our currency and, thus, economic instability have made for tremendous challenges. Yet, as per the saying “when the going gets tough, the tough get going”, I believe that we have emerged from this turmoil sustained and ready for the next phase. We focused on growing and transforming SADA in various aspects of the business of the Association and I believe that we have grown from strength to strength.

It cannot be denied that the private healthcare sector in South Africa plays a pivotal role in providing and facilitating access to quality oral health care; thus, as an association, with our network of participants, we will always remain sensitive to the call to extend quality treatment services to a broad market in the most affordable way possible. Indeed, new technologies and new-age clinical techniques demand significant investment in order to optimize protocols and to achieve greater efficiencies yet better affordability.

“**STRENGTH & GROWTH**
come only through
CONTINUOUS EFFORT & STRUGGLE

- Napoleon Hill

We recognise that there are many challenges in this regard that will remain in the foreseeable future, but we will continue to be on the forefront of current trends by stepping onto the right platforms to see the desired breakthroughs. We have succeeded in increasing our visibility and brand awareness by engaging with key and strategic stakeholders. They are an integral cog in the system of good strategic management. This was achieved by identifying opportunities for SADA to grow its profile amongst our stakeholders, fostering engagements and relationships with relevant government representatives, participating in all national debates in the interest of our profession, leveraging marketing campaigns, refining our messaging to our members,

upgrading and increasing our social media presence. Representing dentists and dental specialists alike have positioned SADA as the thought leader in our industry. Our leading CPD format and easy-to-apply policy continue to provide relevant and excellent technical support to make our members more confident in working the economics of their practices. Other proud ambassadors who continue to wave the SADA flag include members of the Young Dentists Council, Representatives and student bodies at SA Academic Institutes as well as Branch Committee members deserve mention and acknowledgment for their every effort. In this regard, the representation of the SADA brand continues to grow and excel.

This past year has seen the Board reflecting and embarking on a drive to review, align and redesign our protocols and documents of governance. The understanding and interpretation of rules, codes of conduct, terms of reference of Board Committees and principles of governance have now been improved, thereby making our business meetings and organizational practices more efficient. SADA’s reviewed Code of Conduct, as requested by our National Council, now boasts improved transparency and a culture of stakeholder engagement and accountability. We have also put in place a whistleblowing policy and facilities to reinforce SADA’s commitment to the highest standards of professional integrity, ethical behaviour, transparency and fair dealing in the conduct of its business. This policy will be rolled out to members in the new financial year. The sum total of these steps evidences our aim to ensure that you, as the members, feel regarded, represented and protected by our actions.

MESSAGE FROM THE LEADERSHIP

I am sure you would agree that in the past corporate governance was often seen as a compliance burden by the Association. However, over the past few years, we have implemented several radical changes to our governance structures. This has seen governance maturing into a critical tool for building a successful and sustainable organisation. You will have noted a move away from a compliance mindset to the notion of governed Board leadership to achieve desirable goals.

I started my journey at SADA as part of the Gauteng South Branch Committee, later representing the Branch on National Council. I served as SADA President on the inaugural SADA Board and was elected as a Director in 2013, and continued to serve as Chairperson of the SADA Board of Directors from 2015. Six years of my leadership will now come to an end at the March 2019 National Council meeting. This has indeed been an incredible journey. I am most grateful for the confidence entrusted and for every opportunity to have served towards the benefit of our profession.

I am delighted to report that I leave a very experienced, diversely skilled Board of Directors who are passionately engaged in the business. The currency of their time, wisdom, insights and commitment to serve has added visible lustre to the Association not only to achieve all short-term performance objectives but also, to realise our vision to become the leading dental association in Africa. It has been my incredible privilege and honour, during my tenure on the Board, to work alongside dedicated and committed fellow Directors, members of Board Committees and National Council.

It has been my incredible privilege and honour, during my tenure on the Board, to work alongside dedicated and committed fellow Directors, members of Board Committees and National Council. Their consistent, yet astute, counsel and instant availability to deal with Organisational affairs as and when the need arose, at all times, made it all possible.

Despite the challenging economy and the ongoing political and economic uncertainties, the Board remains confident in the future of the organisation and its ability to remain a leading performer in its sector. We have outdone many.

This report would not be complete if I fail to thank our executive management, our staff, our members, our service providers for their support and faith in SADA, their hard work, their passion for our success and their continued confidence and loyalty to the business of SADA.

In conclusion,

I am grateful to those who came before us, who unwaveringly laid a solid foundation on which we can continue to build. To the Board members who take over from here, I pass the baton over to you and wish you well on your SADA journey of growth and transformation, in all aspects.



Dr Yvette F Solomons
Chairperson of the Board



MESSAGE FROM THE LEADERSHIP

MESSAGE FROM CEO

When I started to do my MBChB at the University of Cape Town in 1990, working for the dental association was never on my radar. The first 22 months as the Chief Executive Officer of SADA has proved to be challenging yet invigorating at the same time. My passion to help the profession grows daily as I seek ways to improve the working conditions of our dedicated dentists.

As expected for this past year, the South African markets in which our members operated were weak and volatile. Poor economic growth exacerbated by significant political uncertainty saw both business and consumer confidence at low levels. There was also a change in political leadership during this time.

We are also in an age of increasing regulation, innovation, connection and acceleration, unlike anything the world has ever seen. The speed of change remains a challenging comprehension, amplifying risk and forcing the reimagining of everything from careers to business models.

Our members, organisations, and stakeholders are looking to our Association to untangle the web of complexity, provide clarity amid the uncertainty and make sure that organisational strategies are made to last.

To do that, we must push ourselves to evolve faster than the world around us. We must anticipate the next services that our members and other stakeholders will demand,

understand how business models and our structures will need to adapt and prepare for the future of dentistry.

SADA strives to ensure that we remain relevant to our market and members. One of our efforts to stay relevant is through our Continuous Professional Development (CPD) events through which we keep members abreast of the latest developments in practice management, ethics, and clinical practice and how to ensure they are complying.

Once again, we have seen growth in our CPD attendance through national and branch events.

The Association's Journal is also accredited to provide our members with their annual CPD point requirements.

SADA's marketing is keeping up with the time as we are actively maintaining our social media platforms.



MESSAGE FROM THE LEADERSHIP

HEADING FORWARD

While the South African outlook is undoubtedly better than it was a year ago, one cannot ignore the enormity of the challenges being faced in the country moving ahead.

We believe real positive outcomes will only happen when the economy starts growing meaningfully again. Consequently, we expect the economy in the year ahead to again be lacklustre. As we move into 2019, SADA will keep members at the very heart of our business. This philosophy informs everything we do, from how we treat our members and stakeholders, the product range we offer, to how we design our membership offerings. Every member is different and their needs are constantly changing. Putting the member first means we work hard to understand them and how we can serve them better.

SOME OF THE KEY PROJECTS FOR 2019 INCLUDE

- Completion of the Relative Value Unit (RVU) project
- Revision of the present SADA Dental Codes
- Planning of the 2019 Congress at the ICC, Durban
- Engaging with the National Department of Health on the National Health Insurance for oral health
- Responsible amalgam waste disposal and introducing amalgam separator project
- Engaging with the South African Health Products Regulator on Radiation Control
- Short-Term Practice Insurance for Practitioners
- Sedation Guidelines Project
- Infection Control Guidelines Project

ON A MORE SOMBRE NOTE, OVER THE PAST YEAR, WE RECEIVED NOTIFICATIONS OF THE PASSING AWAY OF THE FOLLOWING MEMBERS:

DR. JAN DE WITT 04/10/2017
DR. KAMAL SINGH 16/10/2017
PROF LIONEL MILES 24/12/2017
DR. CHRISTOFFEL WILHELM BLAAUW 15/01/2018
DR. OCKERT KRUGER 31/05/2018
DR. ROGER BRITTAIN 09/06/2018

The Association and its members wish to convey their heartfelt condolences to the families, friends, and colleagues on the passing of their loved ones. Finally, it is worth mentioning that our staff is still our most valuable asset for a service organisation such as ours. We continue to invest in the physical, emotional and social well-being of our employees.

I remain very optimistic that in 2019 this Association will make remarkable strides to achieve some of our key strategic goals. The RVU project is a big project which has the potential to assist our discussions with various key stakeholders. We will face our challenges head-on.

“
RUNNING AWAY FROM ANY PROBLEMS
only increases the distance from the solutions.”
- Anonymous



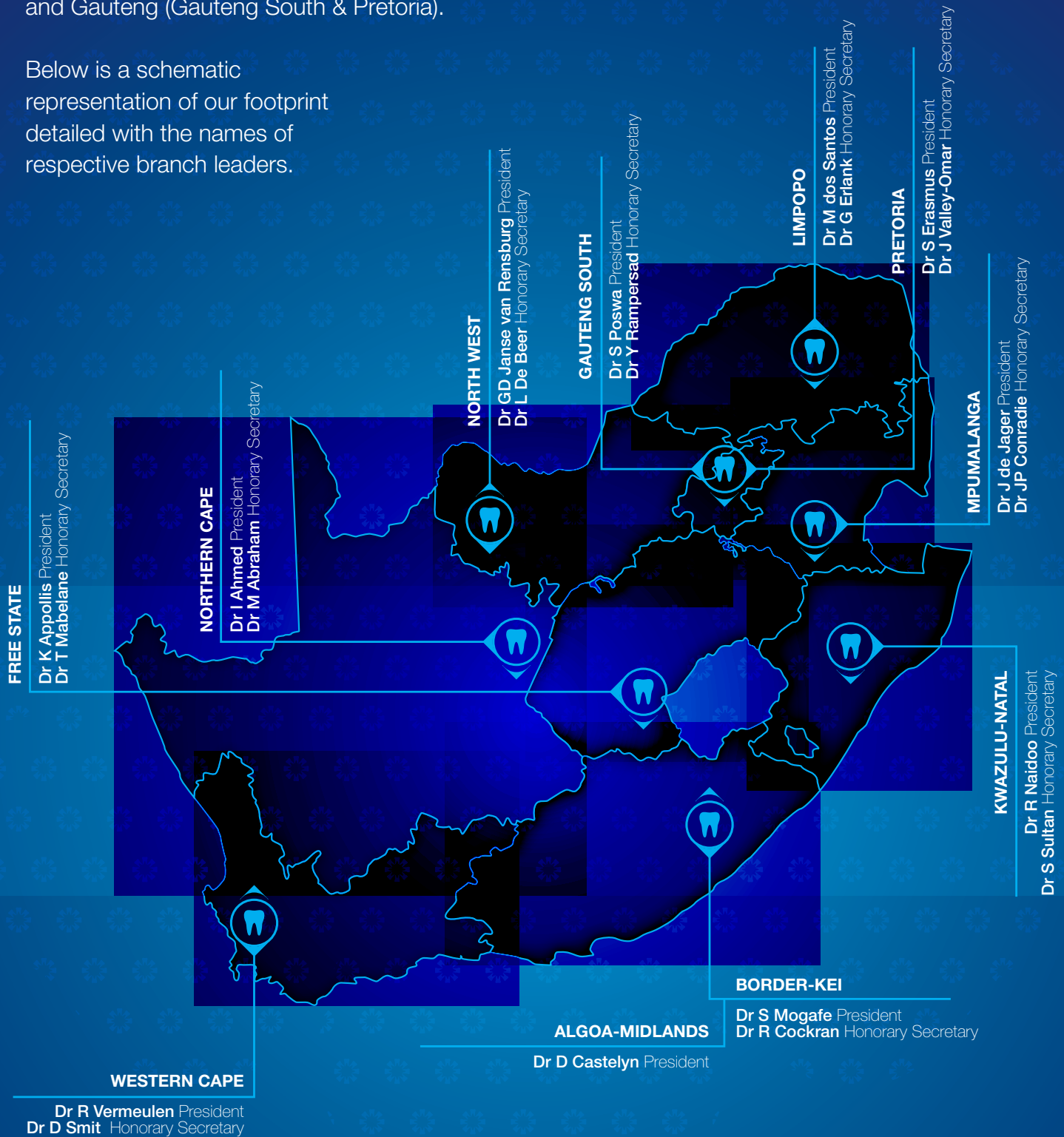
Mr KC Makhubele
The Chief Executive Officer

THE YEAR IN REVIEW

OUR FOOTPRINT IN SOUTH AFRICA

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) & Border-Kei (East London)) and Gauteng (Gauteng South & Pretoria).

Below is a schematic representation of our footprint detailed with the names of respective branch leaders.



THE YEAR IN REVIEW

PERFORMANCE HIGHLIGHTS

GOVERNANCE

Apart from adopting and implementing good corporate governance practices, the Board ensured that its ethical responsibilities to the Association's members and all stakeholders, including staff and the society at large. This entailed effective leadership of the Association in a climate-challenged by the external environment. This was the fundamental focus of all its deliberations under reviews. The Board also conducted an audit of its governance in line with King IV recommendations and ensured alignment with the principles of King IV.

CODE OF CONDUCT

The Board mandated the Strategy, Social & Ethics Committee to review the SADA Code of Conduct to ensure clarity on disciplinary processes and conflict of interest.

Whilst an inherent conflict of interest exists in that all Board but two independent Non-Executive Directors are members of SADA, such a conflict is mitigated in that Board members cannot unduly influence the day to day operations of SADA. The Board has made extensive efforts to highlight the importance of ensuring that incidents that give rise to a conflict of interest are declared, disclosed and monitored at all levels. This has culminated in the extensive review and update of the conflict of interest provisions in the SADA Code of Conduct.

BOARD EVALUATION

The evaluation of the effectiveness of the Board and Board Committees commenced during 2018 and the outcomes will be considered at the end of the first quarter of 2019.

During the year under review, several initiatives were identified to ensure that Board member development continues, such as training and Board assessments.

The Board Charter is being reviewed and finalised in the first quarter of the new year.

MEMBER ENGAGEMENT

While the Annual General Meeting has traditionally been seen as the highlight of the member calendar, we believe that engagement with our members should be an ongoing process, not something we think about once a year. We connect with members on an ongoing basis through a variety of channels, including face-to-face meetings at the branch level, and an increasing amount of online content. Members of our senior management hold many meetings with Branches, individual members and specialists' groups during the year. Each year, the Board receives an independent survey report from our branches and members on our major investors' views on our management and performance. This enables us to monitor what we are doing right, but more importantly and where and how we need to increase our focus.

MEMBERSHIP HISTORY

| Membership Type | 2015 | 2016 | 2017 | 2018 | Branch | 2015 | 2016 | 2017 | 2018 |
|--------------------|-------------|-------------|-------------|-------------|------------------------------|-------------|-------------|-------------|-------------|
| Affiliate | 97 | 90 | 98 | 89 | Algoa Midlands | 115 | 123 | 120 | 115 |
| Allied | 40 | 28 | 23 | 21 | Border Kei | 66 | 64 | 66 | 68 |
| Emeritus | 21 | 67 | 94 | 108 | Free State | 99 | 102 | 116 | 100 |
| Fellow Private | 2386 | 2473 | 2516 | 2376 | Gauteng South | 779 | 810 | 855 | 821 |
| First Year | 15 | 8 | 28 | 33 | KwaZulu Natal | 454 | 452 | 416 | 438 |
| Public Fellow | 253 | 242 | 188 | 165 | Limpopo | 53 | 52 | 51 | 51 |
| Retired | 53 | 47 | 41 | 45 | Mpumalanga | 113 | 120 | 116 | 117 |
| Second Year | 79 | 73 | 141 | 169 | North West | 74 | 79 | 88 | 81 |
| Third Year | 79 | 88 | 72 | 101 | Northern Cape | 47 | 47 | 48 | 46 |
| | | | | | Pretoria | 409 | 450 | 467 | 444 |
| | | | | | Western Cape | 705 | 728 | 761 | 732 |
| | | | | | Outside South African Border | 109 | 89 | 96 | 94 |
| Grand Total | 3023 | 3116 | 3201 | 3107 | Grand Total | 3023 | 3116 | 3201 | 3107 |

THE YEAR IN REVIEW

ANNUAL GENERAL MEETING (AGM)

Our 2018 AGM was well attended, in comparison to the one in the previous year, and all our proposed resolutions were passed. We strive to find a new way to increase participation levels in the AGM.

ANNUAL REPORT AND ACCOUNTS

We go beyond our statutory obligations to provide what we hope is a holistic and engaging view of the business in a language that is easily understandable. Added to this is a wealth of online content which is publicly available on our website.

DIRECT FEEDBACK

We get direct feedback from our members through a variety of channels, including surveys, face-to-face meetings, management, committees and branches at National Council. During the year, we also afford members the opportunity to provide feedback, either online or by telephone, on every transaction using information from them. This information is collated centrally and allows us to spot common themes swiftly. The insight gained is then routed to the relevant teams within SADA so that action can be taken.

DENTAL PRACTICE

We constantly assist members on clinical practice methods and legal advice. Below are some of the highlights.

MEDICAL SCHEME ENGAGEMENT

The Association met with several schemes and managed care organisations throughout the year, during which

times various issues raised by members were discussed and resolutions reached. In addition, the Association met with some schemes on a regular basis, such as Discovery, GEMS, Denis, Medscheme, Profmed and DRC.

NATIONAL HEALTH INSURANCE

SADA arranged several multi-stakeholder meetings with oral health care associations. The stakeholders compiled and finalised a Joint submission by oral health care providers in the private sector on the National Health Insurance Policy (NHI). The multi-stakeholders subsequently submitted the submission to the Department of Health.

PROCEDURE CODING

The Dental Practice Committee continually updates, revises and amends codes, descriptors, and guidelines in terms of evidence-based dentistry. These revisions are updated in the electronic version posted on the SADA website.

RELATIVE VALUE UNIT PROJECT

During the period under review, the Committee was actively busy with general practitioners and specialists to submit surveys designed by consultants to determine relative value units for all dental procedures.

The project has received a positive response from members. Several workshops have been held at branches and the response to our initial targets in most cases has far surpassed our expectations. We are grateful to all members who took time to complete surveys supplied. The South African Society for Maxillo-facial

and Oral Surgeons elected to conduct a Relative Value Unit (RVU) project for their schedule of codes independently and has graciously volunteered to share the conclusions of its project to complete the SADA RVU project to ensure that results will be valid and meaningful.

D-CALC

The SADA's personalised practice profile simulator tool (D-Calc), which has been in use by Dentists, allows practitioners to determine what fee to charge for each procedure to ensure a desired profit margin by taking into consideration individual practice expenses, staff requirements, etc. In the wake of the Competition Commission outlawing the practice of publishing acceptable fees for procedures by professional associations, this software will help members to determine fees for procedures where they have no guidance or precedents as to how to charge. Once the RVU is completed, the D-Calc will be updated accordingly.

WE BELIEVE
that engagement
with our members
should be an
ongoing process,
NOT SOMETHING
we think about only
ONCE
a year.

THE YEAR IN REVIEW

MERCURY WASTE DISPOSAL

With the ratification of the Minamata Treaty, it has become necessary to encourage and educate members in the safe handling and disposal of amalgam waste to avoid unnecessary mercury pollution. The Association has collaborated with Dental Recycling International (DRI) in a study to quantify the amount of amalgam waste produced by the average dental practice and to investigate options to prevent mercury entering the environment through the use of amalgam separators.

A mercury waste disposal centre has been identified in Olifantsfontein, Johannesburg. SADA is investigating the possibilities of collaborating with companies to provide amalgam separators and recycling contracts at affordable rates.

SADA attended a parliamentary hearing by the Department of Environmental Affairs on the feasibility of eradicating the use of amalgam and safe disposal of amalgam waste. SADA provided its feedback, including on affordability of restorative materials and the number of South Africans with amalgam fillings. It is anticipated that regulations will be introduced for safe disposal of amalgam waste.

RADIATION CONTROL

While it is encouraging that many members are starting to appreciate the responsibility of ensuring safe radiation practices and reducing exposure to the public, themselves and their staff, there is still a lot of confusion with regards to the routine tests that must be carried out by x-ray licence holders themselves.

The clinical department continues to hold various engagements with the Directorate of Radiation Control and the various inspection bodies to identify areas of uncertainty and guide members on safe radiation practices and to continuously lobby for preferential rates for testing of imaging devices by inspection bodies.

SEDATION GUIDELINES

During the year under review, SADA lent its support to the Society of Sedation Practitioners of South Africa (SOSPOSA) in the voluntary process of appraisals to ensure providers of sedation are adequately trained and sufficiently experienced to ensure that safe sedation practices are employed.

The Council for Health Services Accreditation of South Africa (COHSASA) was tasked with drafting guidelines to accredit sedation facilities. Due to the exorbitant costs involved to accredit sedation facilities, it was decided that the Association could not endorse this practice, despite us being in support of providers practicing safe sedation.

Guidelines for Dentists in controlling patient anxiety using responsive sedation will be finalized and published in the 2019 calendar year.

CLINICAL BULLETINS & LEGAL ADVISOR BULLETINS

Members would have received bulletins with the latest clinical, ethical and practice management advisory information.

DENTAL MEDIATION ACTIVITIES

The Dental Mediation service offered by SADA has proved a valuable alternative dispute resolution mechanism between practitioner and patient.

The following table summarizes the activities of the mediator's office

| | |
|------------|----------------|
| 408 | Cases Reported |
| 175 | Cases Mediated |
| 233 | Advice Given |

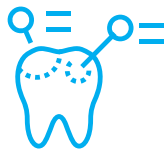
DENTAL ASSISTANTS

The regulations permitting unqualified and unregistered dental assistants to register and write Board examinations to obtain certification are now closed. Dental Assistants who registered to write the Board Examination must pass their Board examinations within two years from registration and then register as dental assistants to avoid their present registration lapsing.



THE YEAR IN REVIEW

EDUCATION & TRAINING



Education and training

The South African Dental Association strives to equip its members with the necessary skills and education to maintain their licence to practise in their various niches in dentistry. The Association does this by providing CPD activities for its members and by providing benefits that help to ensure that our members are able to stay current and relevant in the ever-changing landscape of dentistry in South Africa. The Association aims to continue with its endeavours through constant stakeholder engagements in both the private and government spheres.



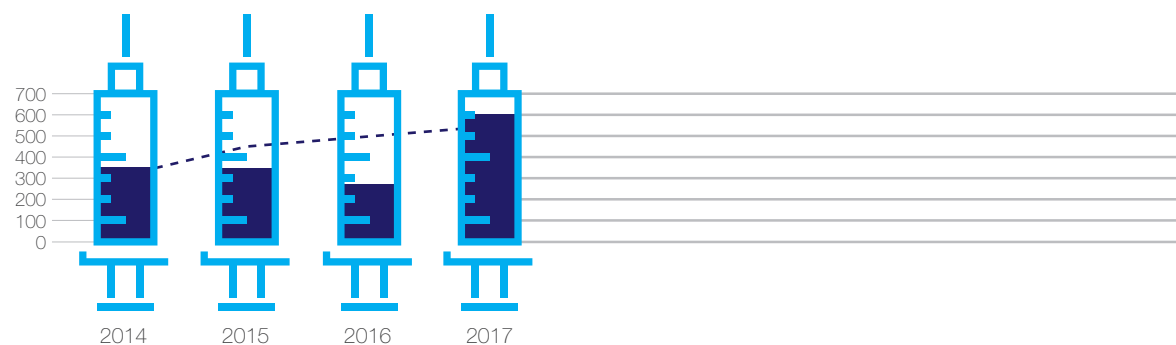
Public Education and Marketing

The South African Dental Association has the privilege of being an Accredited Service Provider as well as an Accreditor. This means that the HPCSA has given the Association the authority to accredit CPD events and the permission to also host CPD events. This status is valid for a period of five years, after which the Association needs to reapply to maintain this relationship with the HPCSA. The Education Department manages all the SADA CPD Events held at all the 11 branches. Therefore, attending members are able to accumulate their total annual CPD requirements through SADA-driven activities. The Association also accredits CPD events by stakeholders in both the private and government spaces. At a National Accreditors meeting (at which SADA was present), a call was made for the review of the HPCSA Service Provider guidelines. This review is currently in progress.



SADA Congress

Trend of SADA Congress Attendance 2014-17



According to the chart above, there has been a positive attendance to the Annual SADA Congresses, which are the Association's flagship event. The Association had its lowest attendance in 2016. Through the leadership of Mr. KC Makhubele, this trend was turned around, and this is evident in the 2017 attendance. The Association would like to thank the members for their support and participation, as these figures would not have been achieved without them. As a non-profit organisation, the Association relies on all the revenue that it receives in order to provide the services that are required by our members.

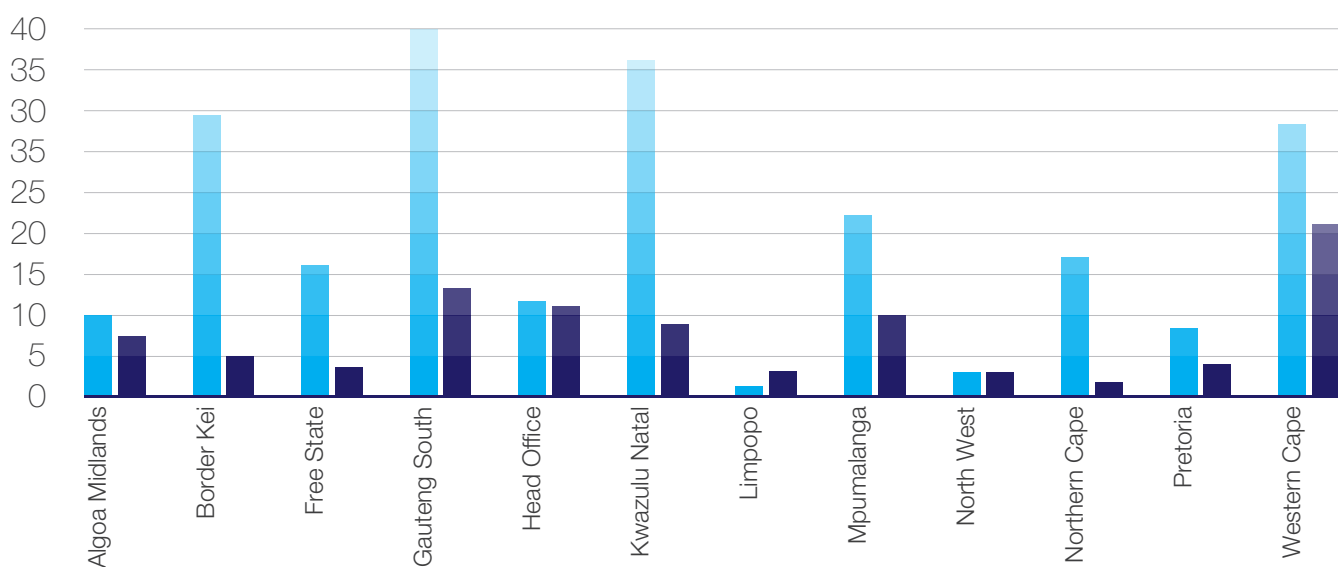
THE YEAR IN REVIEW



SADA Branch Events

Through the CPD events that are meticulously planned by the branches and the Events Manager, the Association aims to assist its members by keeping their knowledge databases and skills current and relevant through the CPD events that are meticulously planned by the branches and the Events Manager. Participation of members at these events is crucial to ascertain members' needs for the planning of future events that will address challenges in clinical practice, whether in private, public or in the academic setting.

| Branches | Total NO of clinical CEU'S per branch | Total NO of ethical CEU'S per branch | Total NO of Events |
|----------------|---------------------------------------|--------------------------------------|--------------------|
| Algoa Midlands | 10 | 7 | 5 |
| Border Kei | 29 | 5 | 7 |
| Free State | 16 | 4 | 7 |
| Gauteng South | 40 | 14 | 14 |
| Head Office | 12 | 11 | 3 |
| Kwazulu Natal | 36 | 9 | 10 |
| Limpopo | 1 | 3 | 3 |
| Mpumalanga | 23 | 10 | 5 |
| North West | 3 | 3 | 3 |
| Northern Cape | 12 | 2 | 3 |
| Pretoria | 8 | 4 | 6 |
| Western Cape | 37 | 21 | 10 |
| TOTAL | 227 | 93 | 76 |



■ Total NO of clinical CEU'S per branch ■ Total NO of ethical CEU'S per branch

THE YEAR IN REVIEW



SADA World Oral Health Day

The Association ran the event throughout the week of the 20th of March 2018. The event included live broadcasts by members of SADA and SASPIO. Media coverage and a press release which was written by the South African FDI Liaison officer, Dr NL Makwakwa, was published in the SADJ. Media Coverage was through radio stations such as Lotus FM, Alexandra FM, Clicks FM, Newspapers such as City Press and magazines like Drum and YOU magazines. All the SADA Social Media platforms were also used. This event was fulfilled with the collaboration of the Gauteng Health Department and with Colgate-Palmolive (Pty) Ltd.

SAY Ahh
THINK MOUTH THINK HEALTH

#SayAhh #SADA #WOHD18

Oral diseases may be linked to an increased risk of general health conditions and vice versa. Preventive care is always the best option to protect your mouth and body. Seek early detection and treatment to fight oral diseases and associated health complications.

www.worldoralhealthday.org
South African Dental Association
T: +27 11 484 5288 | W: www.sada.co.za

Educate your patients about the mouth and body connection. Download the campaign resources to help raise awareness on the positive impact of protecting oral health on general health.

Calculate World Oral Health Day on 20 March and be part of the global movement!

SAY Ahh
THINK MOUTH THINK HEALTH

www.worldoralhealthday.org

THE ASSOCIATION CONDUCTED THE EVENT THROUGHOUT THE WEEK OF THE 20TH OF MARCH 2018

6

SADA branches participated in the drive to promote oral health education at Schools and Old Age homes.

7000+1000+
children and elderly people participated in this event.

SOCIAL MEDIA REACH



THE YEAR IN REVIEW



Public and Social Engagements

The Association approached the HWSETA to investigate how it can assist its members to improve or further their education and skills. The HWSETA indicated that it had scholarships for the dental fraternity as well as funding for members wishing to attend further training to enhance their skills.

The Association was invited to attend the National Department of Health (NDoH) Indaba held at Emperors Palace to ensure the Department would meet the goals of World Health Organisation (WHO) for 2030. The outcome of the meeting was promising, with the government considering the creation of more posts in order to deal with the drawing up of policies and programmes aimed at dealing with the burden of disease that is experienced in all the different health sectors.



The South African Dental Journal (SADJ)

The South African Dental Journal has maintained accreditation with the Department of Higher Education, with The Academy of Science of South Africa and with Scientific Electronic Library Online (SciELO). We are also members of the National Scholarly Editors Forum. Membership and accreditation are dependent on the Journal meeting critical criteria. Additional criteria were announced at a Convention held in November to be introduced in 2019. Arrangements for meeting those requirements are in progress. The Journal content is recognised as eligible for the assignment of Continuing Education points, each issue carrying a Questionnaire which may attract two general points and one ethical point.

Publication record

At the beginning of the year, we had 47 articles that were still under review. During the year we received a further 155 papers. Over the period of review, the Journal published twelve issues, which contained 103 scientific papers. 114 papers were sub-edited and 9 were not published, either rejected (7) or withdrawn (2). Each issue also published regular features, including on Oral and Maxillofacial Radiology, Clinical Windows, Ethics and on various occasions, Oral Medicine, Oral Pathology and Forensic Dentistry. Of relevance during the report periods is the publication of a Festschrift issue to commemorate the Fortieth Anniversary of the establishment of the School of Oral Health Science, University of the Western Cape. That issue published 31 scientific papers from the School. Professor Nadia Mohamed served with distinction as Guest Editor. By way of addressing the critical issue of succession planning and task sharing, Sub-Editors were appointed by the Association, especially during the last months of 2018 when production was running late. Each Sub-Editor is to be offered an opportunity to edit an issue, the first being planned for the March 2019 issue.

Publishers

E-Doc has continued to be committed and cooperative and share the enthusiasm that the Journal should maintain high standards.

Electronic publishing

This continues to be a source of criticism from members. It is recognised, however, as a global initiative that scientific journals are adopting the electronic route. Hard copies are printed in small numbers and are available for purchase on request.



ORGANISATIONAL & MANAGEMENT STRUCTURES

THE NATIONAL COUNCIL



Prof Pusetso Moipolai President
Dr Paul Mathai Vice President

11 Branches



Young Dental Council
YDC

YOUNGDENTISTS 
COUNCIL

**Nominations
Committee**

Dr JH de Jager
Chairperson
Dr S Pieters
Dr R Putter
Dr R Perold
Mr K Nyatumba
Dr S Erasmus



ORGANISATIONAL & MANAGEMENT STRUCTURES

THE BOARD OF DIRECTORS



BOARD OF DIRECTORS

Dr Y Solomons | Dr R Putter | Mr K Nyatsumba | Dr KLN Mafanya | Dr SY Pieters
 Dr SJ Swanepoel | Dr N Osman | Mr KC Makhubele | Prof PD Moipolai | Dr C Brent (Resigned 23 Oct 17)

Audit & Risk Committee

Dr R Putter
 Chairperson
 Dr K Linda-Mafanya
 Dr SJ Swanepoel
 Ms RM Gajjar
 Mr MM Ncube

Strategy, Social & Ethics Committee

Dr SY Pieters
 Chairperson
 Dr R Putter
 Mr K Nyatsumba
 Mr H Moola

Operations Committee

Dr N Osman
 Chairperson
 Dr SY Pieters
 Dr L Brown
 Dr SJ Swanepoel
 Dr RR Naidoo
 Dr EK Naidoo

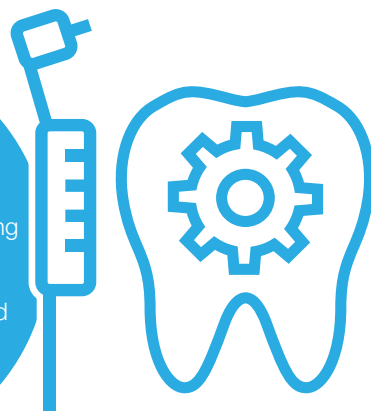
Dental Practice Committee

Dr SJ Swanepoel
 Chairperson
 Dr N Osman
 Dr R Putter
 Dr TM Kgokolo
 Dr S Sultan
 Dr F Mansoor

HR & Remuneration Committee

Mr K Nyatsumba
 Dr KLN Mafanya
 Dr SJ Swanepoel

TRANSFORMATION
 Over the past few years, the Association has been working hard in ensuring that it has a representative membership and governance demographics.



Specialist Representation
 Dr N Naidoo APSA
 Dr M Michael APSA
 Dr J van den Berg SASO
 Dr A Siebold SASPIO
 Dr Y Jadwat SASPIO
 Dr CF Hoogendijk SASMFOS

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 & Administration

ORGANISATIONAL & MANAGEMENT STRUCTURES

THE BOARD OF DIRECTORS

BOARD COMPOSITION AND ATTENDANCE OF BOARD MEETINGS 1 October 2017 – 30 September 2018

| TYPE OF MEETINGS | Board of Directors | | Audit & Risk | | Dental Practice Committee | | Operations Committee | | HR & Remunerations Committee | | Strategy, Social & Ethics Committee | |
|--|--------------------|----|--------------|----|---------------------------|----|----------------------|----|------------------------------|----|-------------------------------------|----|
| | F2F | VC | F2F | VC | F2F | VC | F2F | VC | F2F | VC | F2F | VC |
| NUMBER OF MEETINGS | 7 | | 3 | | 3 | | 3 | | 5 | | 6 | |
| Dr Y Solomons (Chairperson) | 5 | 2 | | | | | 2 | | 2 | 1 | 1 | 1 |
| Dr R Putter (Vice-Chairperson) | 5 | 2 | 3 | | 2 | | | | | | 5 | 1 |
| Mr K Nyatumba * | 5 | 2 | | | | | | | 4 | 1 | 5 | 1 |
| Dr KLN Mafanya * | 5 | 2 | 2 | | | | | | 2 | 2 | | |
| Dr SY Pieters | 4 | 2 | | | | | 2 | | | | 4 | 1 |
| Dr SJ Swanepoel | 5 | 2 | 1 | | 3 | | 3 | | 4 | 1 | | |
| Dr N Osman | 4 | 3 | | | 3 | | 3 | | | | | |
| Mr KC Makhubele (CEO) | 4 | 2 | 3 | | 3 | | 3 | | 4 | 1 | 4 | 1 |
| Prof PD Moipolai (Appointed 16 March 18) | 2 | | | | | | | | | | | |
| Dr R Vermeulen (Resigned 16 March 18) | 2 | 2 | | | | | | | | | | |
| COMMITTEE MEMBERS | | | | | | | | | | | | |
| Mr S Gounden (Resigned 30 March 18)* | | | 1 | | | | | | | | | |
| Ms M Mosweu (Resigned 30 March 18)* | | | 1 | | | | | | | | | |
| Mr M Ncube (Appointed 16 March 18)* | | | 2 | | | | | | | | | |
| Ms R Gajjar (Appointed 16 March 18)* | | | 2 | | | | | | | | | |
| Mr H Moolla * | | | 1 | | | | | | | | 3 | 1 |
| Dr F Mansoor | | | | | 2 | | | | | | | |
| Dr DJ van Niekerk | | | | | 1 | | | | | | | |
| Dr EK Naidoo | | | | | | | 3 | | | | | |
| Dr R Naidoo | | | | | | | 2 | | | | | |
| Dr L Brown | | | | | | | 2 | | | | | |
| Dr S Sultan | | | | | 1 | | | | | | | |
| Dr T Kgekoko | | | | | 2 | | | | | | | |

* Independent Member

VC | Video Conference Meetings
F2F | Face to Face Meetings

Some Board members changed from one committee to another during Board review



7

BOARD MEETINGS
WERE ATTENDED
IN 17/18 YEAR

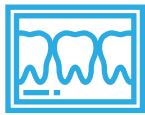


ORGANISATIONAL & MANAGEMENT STRUCTURES

YOUNG DENTISTS COUNCIL

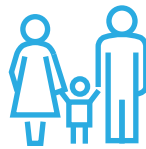


Private Sector Dentists



Dr V Bhika President
 Dr E Klassen
 Dr Z Rabaney
 Dr L Grundling

Public Sector Dentists



Dr B Vava
 Vice President
 Dr N Metsing
 Dr Z Seedat

Community Service Dentists



Dr M Ngoepe
 Dr C Vilikazi
 Dr L Keaikitsi
 Dr T Jantjies

Universities Dental Students Representatives



Mr L Maseko (SMU)
 Miss A Ghafoor (UP)
 Miss S Rasool (UWC)
 Miss D Botha (Wits)



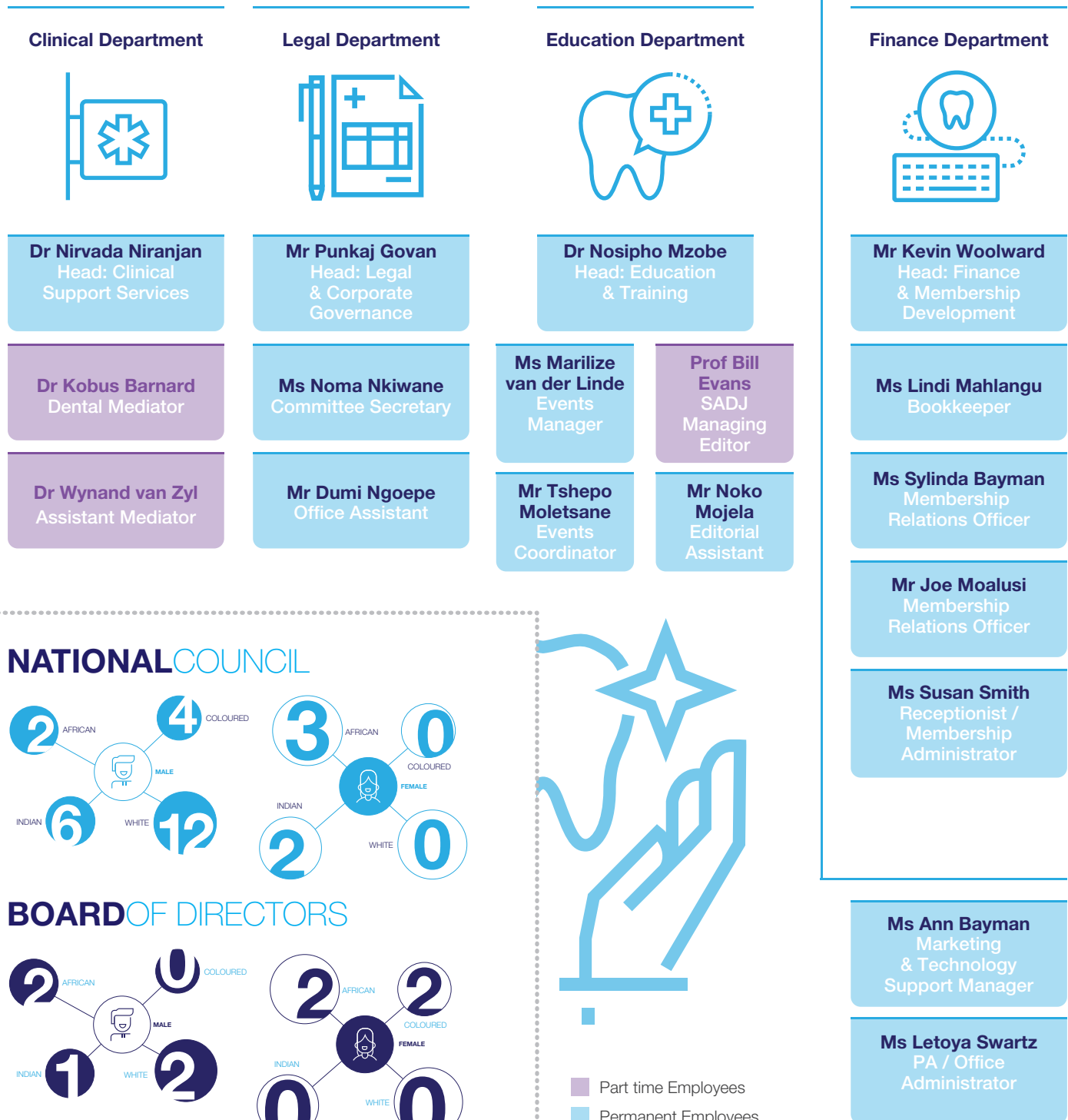
“ A GOOD DENTIST NEVER GETS ON YOUR NERVES ”

ORGANISATIONAL & MANAGEMENT STRUCTURES

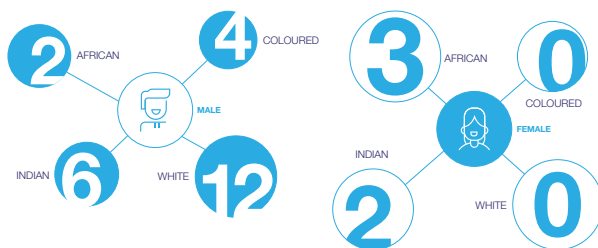
MANAGEMENT



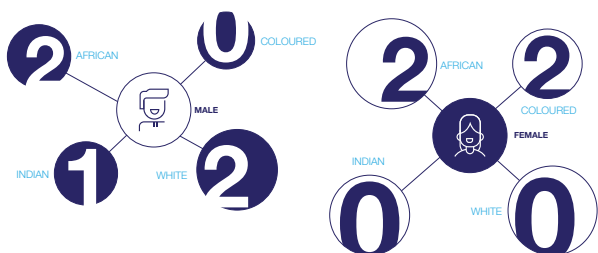
KC Makhubele CEO



NATIONAL COUNCIL



BOARD OF DIRECTORS



Part time Employees
 Permanent Employees

ORGANISATIONAL & MANAGEMENT STRUCTURES

RISK & OPPORTUNITIES

The Association is faced with the need to take some calculated risks to create value in the ordinary course of business. The Board, with the support of the Audit and Risk Committee, oversees the effectiveness of the risk management process, including the appropriateness of the risk mitigation plans related to the Association's top risks. Risk management is integrated into the Association's daily operations and strategic decision making processes.

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

SOCIAL RESPONSIBILITY

SADA understands its corporate responsibility and through its individual members throughout the country continue to educate and offer oral services for free using various platforms some of which are listed below.

SADA WORLD ORAL HEALTH DAY

The World Oral Health Day is an event which is aimed at educating the public about Oral Health. This event is held in collaboration with FDI, which provides the theme every two years. The theme for 2018 and 2019 is "Say Aah Think Mouth, Think Health";

the aim is to promote the message of the link between general health and oral health to the public and to also promote dentistry to the general public. This year SADA ran a successful campaign which involved participation from both the membership and various stakeholders.

Smile Foundation

SADA continues the relationship with the Smile Foundation with this partnership now having entered its seventh year, SADA members continue to donate their time, expertise, dental and related resources in their effort to treat children after cleft lip and palate surgeries.

Find them at
www.smilefoundaionsa.org

Summerhill House

Through the KwaZulu-Natal Branch, we continue to adopt children from Summerhill house and to provide for all their dental needs. The number of dentists who have joined this project has grown. We hope that similar projects will spring up in other provinces of the country.

Find them at
www.summerhh.org.za

Benevolent Fund

SADA understands very well that its members may, through no fault of their own fall into financial hardships. Consequently, SADA has created the benevolent Fund which was established by Dr. Alan Deverall in the early 1940s. We are currently supporting eight beneficiaries through the fund. Members of the Association voluntarily make donations towards the fund. We hope more members will join the effort to keep the fund afloat so that all Association members in need are assisted.

Recognition and Awards

The Association always appreciates, acknowledges and recognizes the work that is done by its members beyond their normal duties. It is for this reason that the SADA Awards and recognition program was created. All members of the Association of the Association are entitled to nominate a deserving individual/s for a SADA Award.

2017 SADA AWARDS & HONOURS



SADA Service Excellence Medal

Dr Jan de Jager
Dr Mark Wertheimer

SADA Meritorious Medal

Prof Christoffel Nortje
Dr Ismail Shreef
Dr Lethoko Tsiu

2017 SADA Trader of the Year

Wright-Millners

2017 SADJ with the Young Essayist Award

Dr Dirk Smit

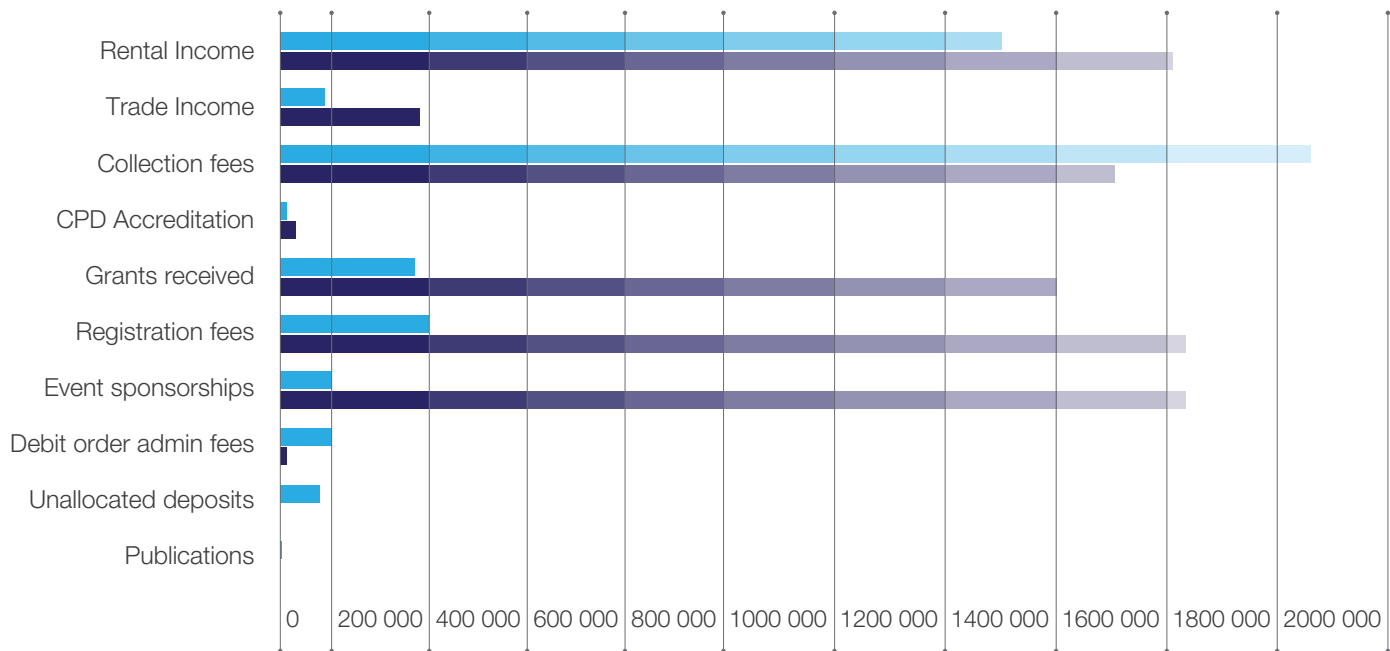
2017 SADA Branch of the Year

Western Cape
Branch

INCOME & EXPENDITURE

REVENUE

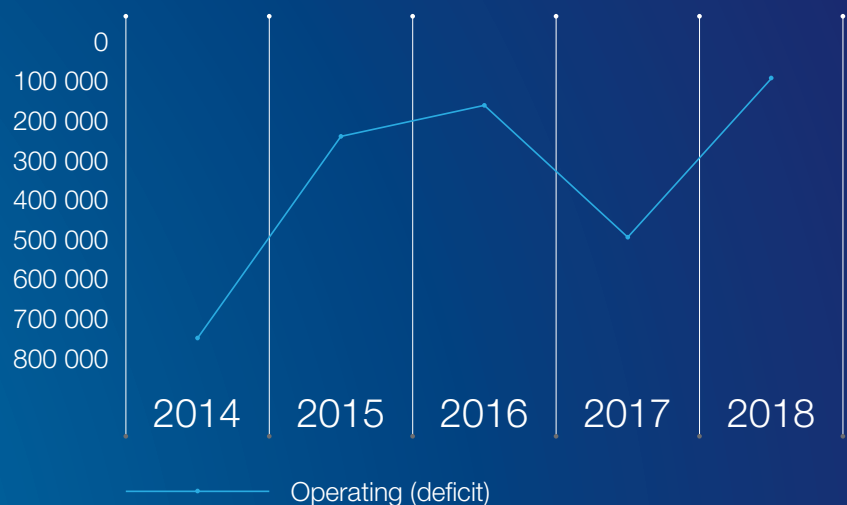
The absence of a SADA Congress during the financial year, resulted in operating revenue decreasing by 16.6%, coming in at R18,668,872 (2017: R22,393,835). The breakdown in revenue contribution (excluding capitation, which distorts the graph due to it making up the majority of the operating revenue) is reflected in the graph below. The 2017 Revenue excluding the SADA Congress was R19,334,566. The current revenue is down 3.4% against this figure.



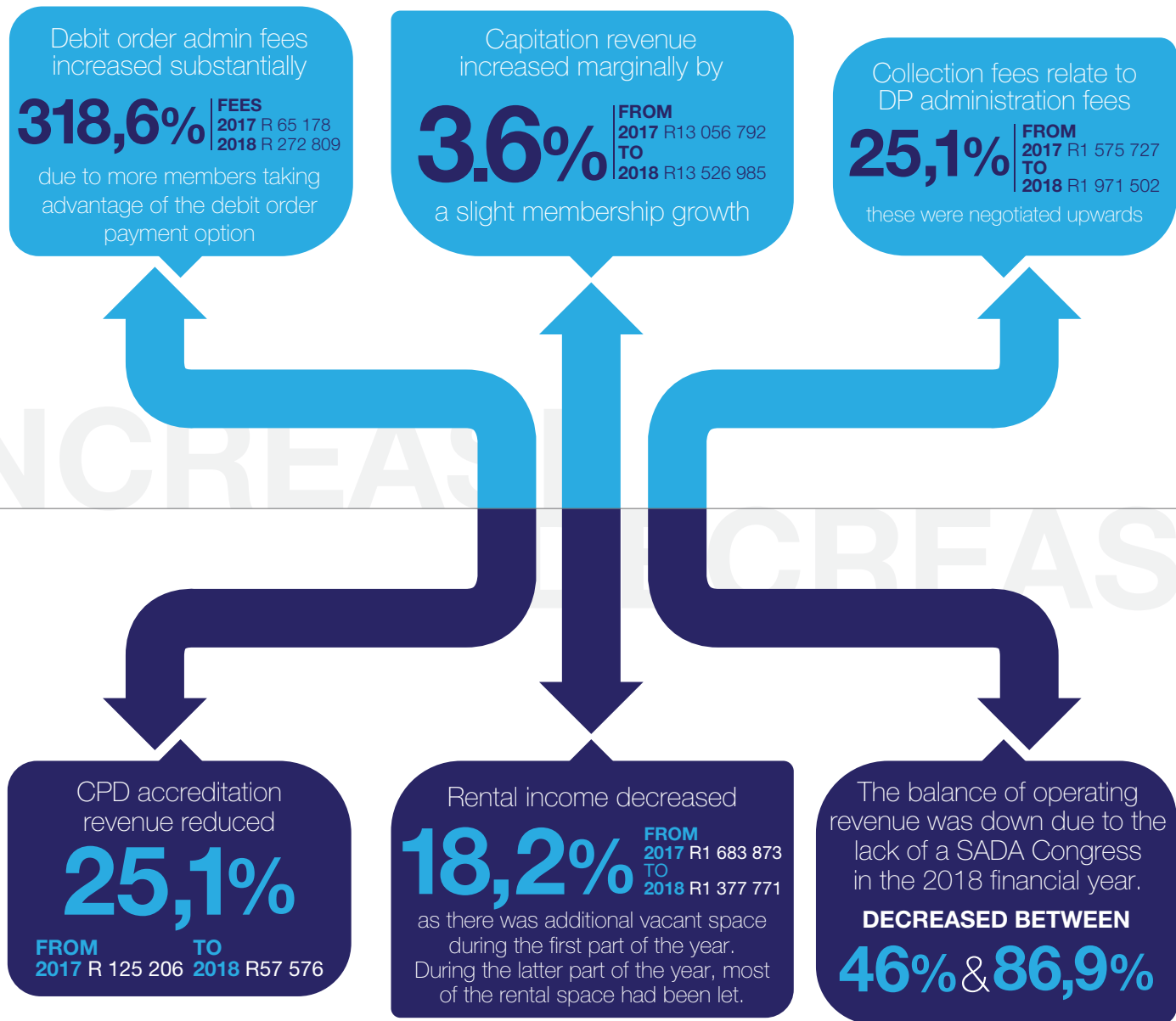
OPERATING DEFICIT

The operating deficit for 2018 decreased by R409,817 over 2017. The surplus for the year after investment revenue and before fair value adjustments increased by R220,124. The fair value adjustments which relate to the property resulted in an increase of total profit for the year increasing from R804,478 to R4,045,086.

The graph below shows the operating deficit trend for the last five years, from an operating deficit of R742,287 in 2014 to an operating deficit of R87,325 in 2018.

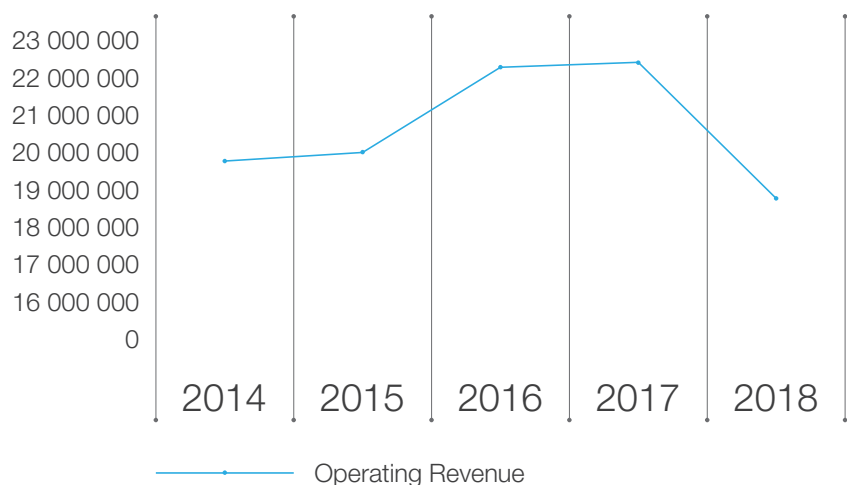


INCOME & EXPENDITURE



The trend of operating revenue over the last five years is shown in the following graph.

The operating revenue increased in 2016, with a small rise in 2017, and reduced in 2018 due to no SADA Congress being held in the 2018 financial year.

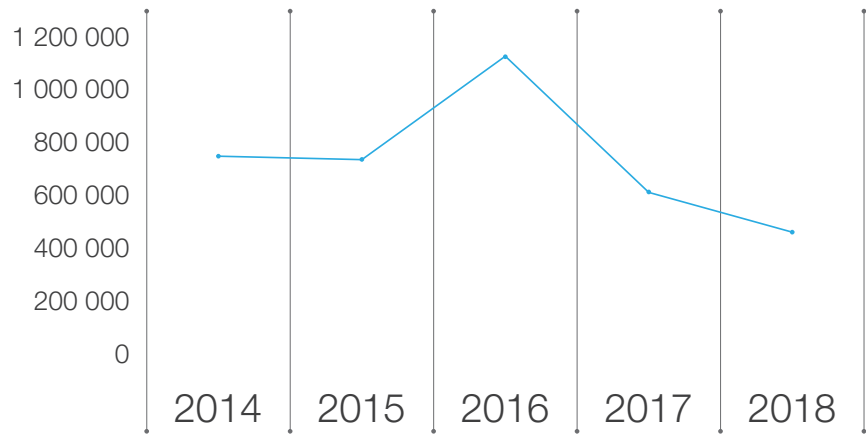


INCOME & EXPENDITURE

INVESTMENT REVENUE

Investment revenue dropped to R452,395 (2017: R636,088) due to the drop in markets and equity investments, which resulted in lower returns.

The graph to the right shows the investment revenue trend over the last five years, largely in line with how the South African market has performed over the same period.



Investment Revenue

Computer expenses increased

24,5%

due to major software and website upgrades

FROM 2017 R 543 952
 TO 2018 R 720 125

Depreciation Increased

12,2%

due to replacement of IT equipment and other assets

FROM 2017 R 260 282
 TO 2018 R 296 613

Employee costs decreased

3%

due to two years bonuses being reflected in the 2017 financial year

FROM 2017 R 10 598 228
 TO 2018 R 10 209 281

Legal expenses decreased substantially

The main reason for this decrease was that the balance of costs in terms of the HPCSA cost order was paid in 2017, with no significant new cases in 2018

FROM 2017 R 796 340
 TO 2018 R 13 439

Consulting fees, speaker fees, travel, venue hire and other expenses reduced from between

13% to 144%

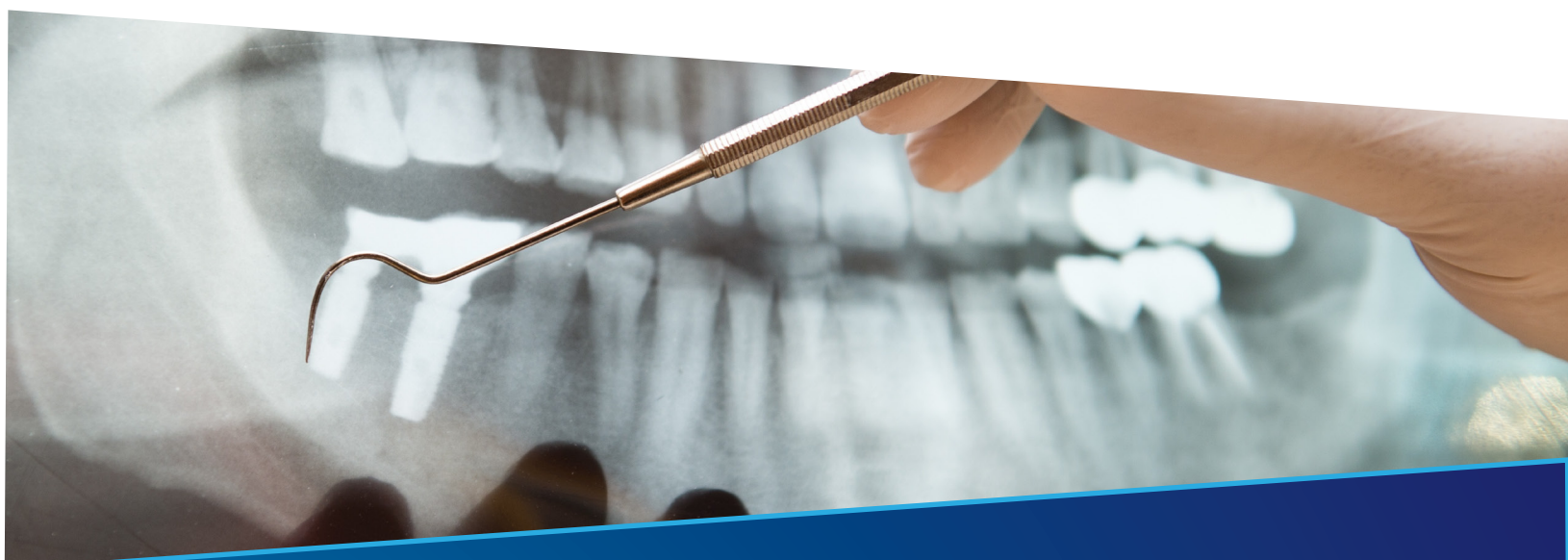
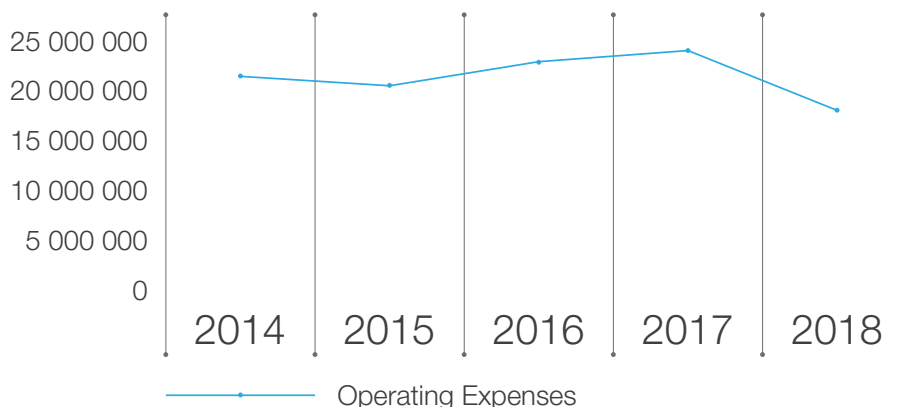
due to there being no SADA Congress during the period under review

INCOME & EXPENDITURE

OPERATING EXPENDITURE

SADA's operating expenditure reduced due to no SADA Congress being held in the 2018 financial year. Operating expenditure reduced by 18.1% to R18,756,197 (2017: 22,890,977).

The table below reveals the trend of operating expenses over the last five years, and is very similar to the operating revenue trend.



FAIR VALUE ADJUSTMENTS

Fair value adjustments include an increase in the investment property of R3,292,400 (2017:R0). This is based on the latest municipal rates valuation. The next independent valuation of the investment property will be in 2021. The remaining amount of the fair value adjustment in the current year relates to the unrealized net revaluation gain on investments. This figure was down by 41.8%, mainly due to our exposure to Steinhoff, as well as the drop in the markets, R387,65 (2017: R665,532)

BALANCE SHEET

The 2018 balance sheet remains strong, with no debt. The Association is still in a positive cash position, with reserves of R33,97m (2017: R30,21m). Total asset value stands at R41.8 million (2017: R34.1 million), which represents a 22.6% increase. This is due to better cash management and a net increase of R2.6m in Cash and investments, as well as the increase in the fair value of the property of R3.3 million. Trade receivables increased by 45.5% to R6,182,388 (2017: R4,248,837).

This was partly offset by an increase in trade payables of 101.3% to R7,823,533 (2017:R3,885,744). The major increase in debtors related to prepaid expenses paid for the 2018 Congress which took place in October 2018, as well as amounts due by DDFT to SADA. The major increase in trade payables related to the amount due to Dental Protection Limited.

The current ratio is also positive, indicating that the Association is able to cover its short-term liabilities 3.4 times with its current assets (2017: 5.8).

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of The South African Dental Association (NPC) for the year ended September 30, 2018.

1. NATURE OF BUSINESS

The South African Dental Association (NPC) was incorporated in South Africa and is engaged in 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 year.

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 year.

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 YF Solomons (Chairman) | Chairperson | Non-executive | South African |
| Mr KC Makhubele (CEO) | Chief Executive Officer | Executive | South African |
| Dr C Brent | Other | Non-executive | South African |
| Dr KLM Mafanya | Other | Non-executive | South African |
| Mr KM Nyatumba | Other | Non-executive Independent | South African |
| Dr N Osman | Other | Non-executive | South African |
| Dr R Putter | Other | Non-executive | South African |
| Dr S Pieters | Other | Non-executive | South African |
| Dr SJ Swanepoel | Other | Non-executive | South African |

There have been no changes to the directorate for the period under review.

4. EVENTS AFTER THE REPORTING PERIOD

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 its 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 continued in office as auditors for the company for 2018.

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.



Dr YF Solomons
Chairperson of the Board
9 February 2019



Mr KC Makhubele
Chief Executive Officer
9 February 2019

INDEPENDENT AUDITORS REPORT



To the Members of The South African Dental Association NPC

Opinion

We have audited the annual financial statements of The South African Dental Association NPC set out on pages 9 to 27 which comprise the statement of financial position as at 30 September 2018 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 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 30 September 2018, and its financial performance and its cash flows for the year 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 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 the performing of 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report, as required by the Companies Act of South Africa and the supplementary information set out on pages 4 to 5. 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT



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 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.

INDEPENDENT AUDITORS REPORT



- 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.

A handwritten signature in black ink, appearing to read 'Jeanine Nellmapius-Clarke'.

Jeanine Nellmapius-Clarke
SizweNtsalubaGobodo Grant Thornton Inc
Director
Registered Auditor

19 February 2019

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



PRINCIPAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

| Income | Note(s) | 2018 | 2017 (Restated) | 2017 (Original) |
|-------------------------------------|---------|-------------------|--------------------|--------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 3 | 769,067 | 528,153 | 528,153 |
| Investment property | 2 | 14,412,400 | 11,120,000 | 11,120,000 |
| Intangible assets | 4 | 22,504 | 93,919 | 93,919 |
| | | 15,203,971 | 11,742,072 | 11,742,072 |
| CURRENT ASSETS | | | | |
| Inventories | 5 | 119,224 | 110,964 | 110,964 |
| Trade and other receivables | 6 | 6,182,388 | 4,248,837 | 4,198,564 |
| Cash and cash equivalents | 9 | 5,124,982 | 2,841,085 | 2,841,085 |
| Benevolent fund | 7 | 1,716,226 | 2,006,202 | 2,006,202 |
| Investments | 8 | 13,442,796 | 13,147,530 | 13,147,530 |
| | | 26,585,616 | 22,354,618 | 22,304,345 |
| Total Assets | | 41,789,587 | 34,096,690 | 34,046,417 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Reserves | | 33,966,054 | 30,210,946 | 30,627,251 |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 10 | 7,823,533 | 3,885,744 | 3,419,166 |
| Total Equity and Liabilities | | 41,789,587 | 34,096,690 | 34,046,417 |

STATEMENT OF COMPREHENSIVE INCOME

| Income | Note(s) | 2018 | 2017 (Restated) |
|--|---------|------------------|--------------------|
| Revenue | 11 | 17,276,167 | 16,689,156 |
| Other income | | 1,392,705 | 5,704,679 |
| Operating expenses | | (18,756,197) | (22,890,977) |
| Operating deficit | 12 | (87,325) | (497,142) |
| Investment revenue | 13 | 452,395 | 636,088 |
| Fair value adjustments | 14 | 3,680,015 | 665,532 |
| Profit for the year | | 4,045,085 | 804,478 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 4,045,085 | 804,478 |

STATEMENT OF CHANGES IN RESERVES

| Income | Property Reserve | Marketing Reserve | Benevolent Fund | Operating Reserve | Total Reserves | Retained Income | Total Equity |
|--|------------------|-------------------|-----------------|-------------------|----------------|-----------------|--------------|
| Balance at October 1, 2016 | 3,244,004 | 710,606 | 2,248,935 | 24,590,987 | 30,794,532 | - | 30,794,532 |
| Surplus for the year (Restated) | - | - | - | - | - | 804,478 | 804,478 |
| Total comprehensive surplus for the year | - | - | - | - | - | 804,478 | 804,478 |
| Transfer to marketing reserve | - | 146,686 | - | - | 146,686 | (146,686) | - |
| Utilisation of reserve | (1,145,330) | - | (242,733) | - | (1,388,063) | - | (1,388,063) |
| Transfer between reserves | - | - | - | 657,792 | 657,792 | (657,792) | - |
| Total changes | (1,145,330) | 146,686 | (242,733) | 657,792 | (583,585) | (804,478) | (1,388,063) |
| Balance at October 1, 2017 | 2,098,673 | 857,292 | 2,006,202 | 25,248,779 | 30,210,946 | - | 30,210,946 |
| Surplus for the year | - | - | - | - | - | 4,045,085 | 4,045,085 |
| Total comprehensive surplus for the year | - | - | - | - | - | 4,045,085 | 4,045,085 |
| Transfer between reserves | - | - | - | 4,045,085 | 4,045,085 | (4,045,085) | - |
| Utilisation of reserves | - | - | (289,977) | - | (289,977) | - | (289,977) |
| Total changes | - | - | (289,977) | 4,045,085 | 3,755,108 | (4,045,085) | (289,977) |
| Balance at September 30, 2018 | 2,098,673 | 857,292 | 1,716,225 | 29,293,864 | 33,966,054 | - | 33,966,054 |
| Note(s) | 16 | 17 | 7 | 18 | | | |

STATEMENT OF CASH FLOWS

| Income | Note(s) | 2018 | 2017 |
|---|---------|-----------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 19 | 2,114,596 | 172,839 |
| Interest income | | 452,395 | 636,088 |
| Net cash from operating activities | | 2,566,991 | 808,927 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | 3 | (466,110) | (205,147) |
| Sale of property, plant and equipment | 3 | - | 12,501 |
| Purchase of other intangible assets | 4 | - | (6,300) |
| Sale of financial assets | | 478,282 | 665,532 |
| Investment in equity instruments | | (295,266) | (4,057,455) |
| Net cash from investing activities | | (283,094) | (3,590,869) |
| Total cash movement for the year | | 2,283,897 | (2,781,942) |
| Cash at the beginning of the year | | 2,841,085 | 5,623,031 |
| Total cash at end of the year | 9 | 5,124,982 | 2,841,089 |

FUTURE OUTLOOK

SADA's future sustainability is focused on the creation and protection of value for all stakeholders through effectively managing financial and non-financial factors which impact on the Association's success. The goal of the Board is to sustain the Association's business model by growing its membership, attracting younger members and providing appropriate benefits and excellent service to members.

SADA will continue to take appropriate action by offering members different membership options, negotiating with funders and managed-care companies, providing education opportunities and training, and advocating for issues affecting the members. SADA membership options are structured appropriately, with the major objective being to provide membership categories best suited to various types of members. Growth in membership is achieved by providing outstanding service and different benefits appropriate to the Association's various target markets.

The Association constantly strives to improve on its service delivery to its members and implements sound marketing, communication and brand management. A notable component of sustainability for SADA is ensuring that the Association's administration is effective and performs in line with strict service level arrangements. Service levels are monitored quarterly by the Board, in conjunction with the SADA CEO.

While there is a number of challenges currently facing the Association – which, if unattended, could pose a threat to its future sustainability – the most important challenge is to ensure that

younger members are attracted to the Association in order to lower the average age of its membership. To achieve this, SADA has introduced the Young Dentists Council (YDC), which is for practitioners under the age of 35 years. The YDC offers practitioners in both the private and public sectors as well as students and community service dentists a platform to discuss professional matters affecting young practitioners.

SADA also implemented an aggressive growth strategy within its target market by having a dedicated person recruiting new members and practitioners who have allowed their membership to lapse. This strategy is being amplified in 2018/19 to achieve accelerated growth, with the aim of lowering the age profile of SADA members to mitigate the risk presented by the Association's ageing membership.

The current health market inquiry investigating the dynamics of the private health-care industry will undoubtedly impact the health care provider industry. The inquiry may result in sustainability concerns for practitioners in the medium and long term. The Association's ability to negotiate with medical schemes and managed-care companies will be affected if it is unable to negotiate dental benefits or new procedures and technology that should be funded. The Association is required to negotiate consideration of dental procedures individually with schemes and funders.

The White Paper (in respect of the NHI) was recently published for comment. At this stage, notwithstanding efforts to understand the full impact of the legislation on the dental profession particularly,

the Paper contains little or no information about dentistry at the various levels of care anticipated to be provided by the NHI. The Board and its Committees will keep up to date on all developments in this regard.

New legislation anticipated in 2019, which will demarcate the business of medical schemes from health insurance products like gap cover and primary healthcare products (providing for, amongst others, dentistry), will have some impact on dental insurance products on offer to members of the public. This legislation may impact on some products that are likely to be offered by SADFIN. The continued expansion of scope of practice for different dental auxiliaries operating in the dental landscape (including giving some the right of independent private practice) continues to present a challenge to the sustainability of the dental profession. In addition, there is currently an additional threat posed by the anticipated introduction of a new clinical worker with limited clinical scope – the Clinical Dental Technologist (also known as Denturists). Over the years, with each successive amendment, the regulator and its professional board have sought to expand the scope of dental auxiliaries so that some of these procedures that fell squarely within the scope of dentists can now be carried out by them. This situation is further aggravated by the fact that many unregistered persons offer clinical services such as teeth whitening, with complete impunity. SADA will continue to interact with the relevant professional boards and regulators to maintain the landscape in which dentists practise responsibly, taking into account the education and training of dentists compared to other professionals operating in this space.

ABBREVIATIONS

| | |
|----------------|--|
| ARO | African Regional Organisation |
| AURCOM | Audit & Risk Committee |
| CHE | Council for Higher Education |
| CPD | Continuous Professional Development |
| DHET | Department of Higher Education and Training |
| DPCOM | Dental Practice Committee |
| FDI | Fédération Dentaire Internationale World Dental Federation |
| HPCSA | Health Professionals Council of South Africa |
| HRREMCO | Human Resources and Remuneration Committee |
| ICD | International Classification of Diseases |
| IDESA | Institute of Dental Education South Africa |
| IFRS | International Financial Reporting Standard |
| IIRS | International Integrated Reporting Council |
| IR | International Reporting Framework |
| NHI | National Health Insurance |
| NOMCOM | Nominations Committee |
| NPC | Non Profit Company |
| OPSCOM | Operations Committee |
| PBDOH | Professional Board of Dental Therapy and Oral Hygiene |
| RVU | Relative Value Units |
| SADA | South African Dental Association |
| SADJ | South African Dental Journal |
| SADTC | South African Dental Technicians Council |
| SAMA | South African Medical Association |
| SAQA | South African Qualifications Authority |
| SSECO | Strategy, Social and Ethics Committee |
| WOHD | World Oral Health Day |
| YDC | Young Dentists Council |



TOP RIGHT IMAGE

SADA Staff

MIDDLE RIGHT IMAGE

Attendees enjoying the current speaker at the 2017 Congress

MIDDLE LEFT IMAGE

Attendees to the 2017 Congress dancing to some great music



SADA
THE SOUTH AFRICAN
DENTAL ASSOCIATION



SADA WORLD ORAL HEALTH DAY



31 Princess of Wales Terrace, Parktown, Johannesburg | 011 484 5288 | info@sada.co.za