Johannesburg Attorneys Association
(Registration number 1943/067801/126)
Financial statements
for the year ended 31 May 2018

Adler and Associates
Chartered Accountant (SA)

Johannesburg Attorneys Association

(Registration number: 1943/067801/126)
Financial Statements for the year ended 31 May 2018

General Information

Country of incorporation and domicile	South Africa
Members	Y Wadee J Tarica W Bloem K Gascoigne C Gladwin-Wood N De Klerk A Theron H Sader N Sauli-Koren S Nhlabathi J Schmahl
Business address	Johannesburg High Court Cnr Prichard and Kruis Streets Johannesburg 2001
Postal address	P O Box 6532 Johannesburg 2000
Bankers	Standard Bank
Reviewers	Adler and Associates Charted Accountants (SA)

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Level of assurance

These financial statements have been independently reviewed in compliance with the applicable requirements of the Close Corporations Act, 1984 (No. 69 of 1984).

Published

07 September 2018

Members' Responsibilities and Approval

The members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accounting officer is responsible to determine that the financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act.

The members are also responsible for the corporation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the members have every reason to believe that the corporation has adequate resources in place to continue in operation for the foreseeable future.

The members of the corporation confirm that as at 31 May 2018, the assets of the corporation exceeded its liabilities.

The financial statements set out on page 4, were approved by all members on 07 September 2018 and have been signed by them or on their behalf by:

Y Wadee

K Gascoigne

Johannesburg Attorneys Association

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Members' Report

The members submit their report for the year ended 31 May 2018.

1. Incorporation

The Association was incorporated and operates in South Africa .

2. Review of activities

Main business and operations

The association is engaged in representing the interest of their members to the public, to the organized profession including law societies and to government. The association operates principally in South Africa.

The operating results and state of affairs of the association are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net profit of the association was R178 970 (2017: profit R244 671), after taxation of R- (2017: R-).

3. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Events after the reporting period

The members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

5. Members

The members of the association during the year and to the date of this report are as follows:

Name	Office
Y Wadee	Chairperson
J Tarica	Vice Chairperson
W Bloem	Vice Chairperson
K Gascoigne	Treasurer
C Gladwin-Wood	Secretary
N De Klerk	General Member
A Theron	General Member
H Sader	General Member
N Sauli-Koren	General Member
S Nhlabathi	General Member
J Schmahl	General Member

ADLER AND ASSOCIATES
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Independent Reviewer's Report

To the member of Johannesburg Attorneys Association

[Note that no example exists for this paragraph and you need to consult IRBA before finalising this paragraph]

We have also reviewed the financial statements of Johannesburg Attorneys Association, set out on pages 6 to 13, which comprise the statement of financial position as at 31 May 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Members' Responsibility for the Financial Statements

The association's members are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Close Corporations Act, 1984 (No. 69 of 1984), and for such internal control as the members determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Johannesburg Attorneys Association as at 31 May 2018, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Close Corporations Act, 1984 (No. 69 of 1984).

Adler and Associates

Adler and Associates
SC Roux CA (SA)
Charted Accountants (SA)

07 September 2018
Krugersdorp

Johannesburg Attorneys Association

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Financial Statements for the year ended 31 May 2018

Statement of Financial Position as at 31 May 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	1	219
Current Assets			
Trade and other receivables	3	373 667	269 429
Cash and cash equivalents	4	2 511 808	2 454 292
		2 885 475	**2 723 721**
Total Assets		**2 885 476**	**2 723 940**
Equity and Liabilities			
Member's interest and reserves			
Reserves		1 181 008	509 428
Retained income		1 692 167	2 184 776
		2 873 175	**2 694 204**
Liabilities			
Current Liabilities			
Trade and other payables	5	12 301	29 736
Total Equity and Liabilities		**2 885 476**	**2 723 940**

Johannesburg Attorneys Association

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	6	1 396 293	1 254 221
Cost of sales	7	(393 760)	(365 890)
Gross profit		**1 002 533**	**888 331**
Other income		10 693	18 504
Operating expenses		(942 479)	(752 838)
Operating profit		**70 747**	**153 997**
Investment revenue	8	110 176	107 707
Finance costs		(1 953)	(17 033)
Profit for the year		**178 970**	**244 671**
Other comprehensive income		-	-
Total comprehensive income for the year		**178 970**	**244 671**

Johannesburg Attorneys Association

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Statement of Changes in Equity

Figures in Rand	Reserves for own shares / Share repurchase reserve	Retained income	Total equity
Balance at 01 June 2016	**509 428**	**1 940 106**	**2 449 534**
Profit for the year	-	244 671	244 671
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**244 671**	**244 671**
Balance at 01 June 2017	**509 428**	**2 184 777**	**2 694 205**
Profit for the year	-	178 970	178 970
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**178 970**	**178 970**
Movements for the year and prior years	671 580	(671 580)	-
Total changes	**671 580**	**(671 580)**	**-**
Balance at 31 May 2018	**1 181 008**	**1 692 167**	**2 873 175**

Note(s)

Johannesburg Attorneys Association

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Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash (used in) generated from operations	11	(50 707)	57 260
Interest income		110 176	107 707
Finance costs		(1 953)	(17 033)
Net cash from operating activities		**57 516**	**147 934**
Total cash movement for the year		**57 516**	**147 934**
Cash at the beginning of the year		2 454 292	2 306 358
Total cash at end of the year	4	**2 511 808**	**2 454 292**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Close Corporations Act, 1984 (No. 69 of 1984). The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	6 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at cost

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

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.4 Revenue

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

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

1.5 Borrowing costs

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

Notes to the Financial Statements

Figures in Rand	2018	2017

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	113 800	(113 800)	-	113 800	(113 800)	-
Office equipment	39 481	(39 480)	1	39 481	(39 262)	219
Total	**153 281**	**(153 280)**	**1**	**153 281**	**(153 062)**	**219**

Reconciliation of property, plant and equipment - 2018

	Opening balance	**Depreciation**	**Closing balance**
Office equipment	219	(218)	1

Reconciliation of property, plant and equipment - 2017

	Opening balance	**Depreciation**	**Closing balance**
Office equipment	2 634	(2 415)	219

3. Trade and other receivables

Trade receivables	373 667	269 429

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	366	267
Bank balances	2 511 442	2 454 025
	2 511 808	**2 454 292**

Included in the money market balance are amounts received from the RAF fund in prior periods. These amounts have not been adjusted to the RAF reserve in the prior periods. We correctly verified the amount that should be reflected in the RAF reserve and have accordingly adjusted ths in the current financial period.

5. Trade and other payables

Trade payables	8 088	26 929
VAT	4 214	2 806
	12 302	**29 735**

6. Revenue

Income - G L C Grant	295 230	133 100
Income - High Court	593 784	663 779
Income - Magistrates Court	31 116	39 432
Income - Randburg Court	63 622	87 246
Income - Subscriptions	412 541	330 664
	1 396 293	**1 254 221**

Notes to the Financial Statements

Figures in Rand	2018	2017

7. Cost of sales

Rendering of services		
Costs - High Court	214 524	290 092
Costs - Magistrates Court	84 204	34 852
Costs - Randburg Court	95 032	40 946
	393 760	**365 890**

8. Investment revenue

Interest revenue		
Bank	110 176	107 707

9. Taxation

No provision has been made for 2018 tax as the association is exempt of income tax in terms of the provision of section 10(1)(d)(iv)(bb) of the income Tax Act of South Africa.

10. Reviewer remuneration

Fees	12 000	16 250

11. Cash (used in) generated from operations

Profit before taxation	178 970	244 671
Adjustments for:		
Depreciation and amortisation	218	2 414
Interest received	(110 176)	(107 707)
Finance costs	1 953	17 033
Changes in working capital:		
Trade and other receivables	(104 238)	31 336
Trade and other payables	(17 434)	(130 487)
	(50 707)	**57 260**

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Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
Revenue			
Income - G L C Grant		295 230	133 100
Income - High Court		593 784	663 779
Income - Magistrates Court		31 116	39 432
Income - Randburg Court		63 622	87 246
Income - Subscriptions		412 541	330 664
	6	**1 396 293**	**1 254 221**
Cost of sales			
Purchases		(393 760)	(365 890)
Gross profit		**1 002 533**	**888 331**
Other income			
Donations received		10 693	18 504
Interest received	8	110 176	107 707
		120 869	**126 211**
Operating expenses			
Accounting fees		(19 513)	(21 088)
Advertising		(101 300)	-
Auditors remuneration	10	(12 000)	(16 250)
Bad debts		(181)	(9)
Bank charges		(16 243)	(16 860)
Cleaning		(2 892)	(3 020)
Computer expenses		(23 252)	(5 166)
Depreciation, amortisation and impairments		(218)	(2 414)
Employee costs		(566 580)	(541 243)
Gifts		(1 500)	(831)
Insurance		(3 054)	(1 080)
Legal expenses		(40 619)	-
Meeting expenses		(61 634)	(58 128)
Printing and stationery		(10 499)	(1 918)
Repairs and maintenance		-	(615)
Staff welfare		(1 972)	(4 850)
Travel - local		(455)	(354)
Website costs		(80 567)	(79 012)
		(942 479)	**(752 838)**
Operating profit		**180 923**	**261 704**
Finance costs		(1 953)	(17 033)
Profit for the year		**178 970**	**244 671**