Johannesburg Attorneys Association
(Registration number 1943/067801/126)
Financial statements
for the year ended 31 May 2019

Adler and Associates
Chartered Accountant (SA)

Johannesburg Attorneys Association

(Registration number: 1943/067801/126)
Financial Statements for the year ended 31 May 2019

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 H Eksteen L Du Toit M Van Dijk
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)

Johannesburg Attorneys Association

(Registration number: 1943/067801/126)
Financial Statements for the year ended 31 May 2019

Contents

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

	Page
Members' Responsibilities and Approval	3
Members' Report	4
Independent Reviewer's Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 13
Detailed Income Statement	14

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

14 August 2019

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 2019, the assets of the corporation exceeded its liabilities.

The financial statements set out on page 4, were approved by all members on 14 August 2019 and have been signed by them or on their behalf by:

C Gladwin-Wood

K Gascoigne

Members' Report

The members submit their report for the year ended 31 May 2019.

1. Incorporation

The Association was incorporated and operates in South Africa .

2. Review of activities

Main business and operations

Net profit of the association was R31 202 (2018: profit R178 970), after taxation of R- (2018: 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	Changes
Y Wadee	Vice Chairperson	
J Tarica	Vice Chairperson	
W Bloem	General Member	
K Gascoigne	Treasurer	
C Gladwin-Wood	Chairperson	
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	Member until 28 February 2019
H Eksteen	General Member	Member from 01 August 2018
L Du Toit	Secretary	Member from 01 August 2018
M Van Dijk	General Member	Member from 01 March 2019

ADLER AND ASSOCIATES
CHARTERED ACCOUNTANTS (SA)

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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 2019 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 and fair presentation of these 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial statements (ISRE 2400 (Revised)). 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.

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 2019, 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)

14 August 2019
Krugersdorp

Statement of Financial Position as at 31 May 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	1	1
Current Assets			
Trade and other receivables	3	472 304	373 667
Cash and cash equivalents	4	2 482 954	2 511 808
		2 955 258	**2 885 475**
Total Assets		**2 955 259**	**2 885 476**
Equity and Liabilities			
Member's interest and reserves			
Reserves		1 123 218	1 181 008
Retained income		1 781 159	1 692 167
		2 904 377	**2 873 175**
Liabilities			
Current Liabilities			
Trade and other payables	5	50 882	12 301
Total Equity and Liabilities		**2 955 259**	**2 885 476**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue	6	1 302 788	1 396 293
Cost of sales	7	(456 572)	(393 760)
Gross profit		**846 216**	**1 002 533**
Other income		7 500	10 693
Operating expenses		(920 316)	(942 479)
Operating (loss) profit		**(66 600)**	**70 747**
Investment revenue	8	98 149	110 176
Finance costs		(347)	(1 953)
Profit for the year		**31 202**	**178 970**
Other comprehensive income		-	-
Total comprehensive income for the year		**31 202**	**178 970**

Statement of Changes in Equity

Figures in Rand	Reserves for own shares / Share repurchase reserve	Retained income	Total equity
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 01 June 2018	**1 181 008**	**1 692 167**	**2 873 175**
Profit for the year	-	31 202	31 202
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**31 202**	**31 202**
Movements for the year	(57 790)	57 790	-
Total changes	**(57 790)**	**57 790**	**-**
Balance at 31 May 2019	**1 123 218**	**1 781 159**	**2 904 377**

Note(s)

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash used in operations	11	(126 656)	(50 707)
Interest income		98 149	110 176
Finance costs		(347)	(1 953)
Net cash from operating activities		**(28 854)**	**57 516**
Total cash movement for the year		**(28 854)**	**57 516**
Cash at the beginning of the year		2 511 808	2 454 292
Total cash at end of the year	4	**2 482 954**	**2 511 808**

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	2019	2018

2. Property, plant and equipment

	2019			2018		
	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	(39 480)	1
Total	**153 281**	**(153 280)**	**1**	**153 281**	**(153 280)**	**1**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Closing balance
Office equipment	1	1

Reconciliation of property, plant and equipment - 2018

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

3. Trade and other receivables

Trade receivables	472 304	373 667

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	366	366
Bank balances	2 482 588	2 511 442
	2 482 954	**2 511 808**

5. Trade and other payables

Trade payables	43 974	8 088
VAT	6 909	4 214
	50 883	**12 302**

6. Revenue

Income - G L C Grant	161 981	295 230
Income - High Court	701 453	593 784
Income - Magistrates Court	16 178	31 116
Income - Randburg Court	42 540	63 622
Income - Subscriptions	380 636	412 541
	1 302 788	**1 396 293**

Notes to the Financial Statements

Figures in Rand	2019	2018

7. Cost of sales

Rendering of services		
Costs - High Court	252 328	214 524
Costs - Magistrates Court	110 879	84 204
Costs - Randburg Court	93 365	95 032
	456 572	**393 760**

8. Investment revenue

Interest revenue		
Bank	98 149	110 176

9. Taxation

No provision has been made for 2019 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	13 000	12 000

11. Cash used in operations

Profit before taxation	31 202	178 970
Adjustments for:		
Depreciation and amortisation	-	218
Interest received	(98 149)	(110 176)
Finance costs	347	1 953
Changes in working capital:		
Trade and other receivables	(98 637)	(104 238)
Trade and other payables	38 581	(17 434)
	(126 656)	**(50 707)**

Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Income - G L C Grant		161 981	295 230
Income - High Court		701 453	593 784
Income - Magistrates Court		16 178	31 116
Income - Randburg Court		42 540	63 622
Income - Subscriptions		380 636	412 541
	6	**1 302 788**	**1 396 293**
Cost of sales			
Purchases		(456 572)	(393 760)
Gross profit		**846 216**	**1 002 533**
Other income			
Donations received		7 500	10 693
Interest received	8	98 149	110 176
		105 649	**120 869**
Operating expenses			
Accounting fees		(26 188)	(19 513)
Advertising		(91 836)	(101 300)
Auditors remuneration	10	(13 000)	(12 000)
Bad debts		-	(181)
Bank charges		(17 901)	(16 243)
Cleaning		(4 128)	(2 892)
Computer expenses		(9 890)	(23 252)
Depreciation, amortisation and impairments		-	(218)
Employee costs		(565 373)	(566 580)
Gifts		-	(1 500)
Insurance		(1 227)	(3 054)
Legal expenses		(22 315)	(40 619)
Meeting expenses		(90 953)	(61 634)
Printing and stationery		(1 338)	(10 499)
Repairs and maintenance		(175)	-
Staff welfare		(2 038)	(1 972)
Travel - local		(1 443)	(455)
Website costs		(72 511)	(80 567)
		(920 316)	**(942 479)**
Operating profit		**31 549**	**180 923**
Finance costs		(347)	(1 953)
Profit for the year		**31 202**	**178 970**