

ANNUAL REPORT BY THE TREASURER OF THE
ASSOCIATION OF PRETORIA ATTORNEYS
FOR THE 2019/2020 FINANCIAL YEAR

1. **FINANCIAL**

1.1 The draft financial statements prepared by Messrs. Meintjes Vermooten & Partners, Chartered Accountants and Auditors (SA) (“the auditors”), for the year ending 30 June 2020 are attached hereto and marked Annexure “AS1” and must be read in conjunction with this report.

1.2 The auditors, as in previous years, proceeded to not only audit the Association’s books, but also to act as the day to day accountants of the Association. The administrative tasks that are undertaken by the staff in the employ of the auditors daily are of the utmost importance for the smooth functioning of the Association’s affairs.

1.3 The following are the most pertinent aspects in the attached financial statements: -

1.3.1 During the 2020 financial year, the Association unfortunately made an overall loss of R131 111.00 in stark contrast to the profit of R40 148.00 during the 2019 financial year. It should, however, be noted that the income and profitability of the Association was negatively impacted by the National Lockdown announced by President Cyril Ramaphosa on the 26th of March 2020. Various other factors have also influenced the decline in the profit margin, for instance the introduction of the Caselines, which has resulted in members of the Association making less copies and prints at our High Court office.

1.3.2 Seeing that the Law Society of the Northern Province was disbanded, the Association no longer receives an annual contribution from the Gauteng Law Council, which you will note was R 240 308.00 for the year ended 2019 and nil for the year ended 2020.

1.3.3 The Association's cash position at the end of June 2020, was as follows: -

| | | |
|---------|---------------------------|------------------------------|
| 1.3.3.1 | Current cheque account | R 718 664.00 |
| 1.3.3.2 | 32 Day investment account | <u>R 3 478 300.00</u> |
| | TOTAL CASH ON HAND | <u>R 4 196 964.00</u> |

The Association's cash position is thus still healthy, however the cash reserves decreased with 1% during the 2020 financial year. The previous year saw a 5.5% increase in our cash reserves.

1.4 The Association's income for the year ending June 2020 unfortunately showed a decrease of 14.5%. During the 2019 financial year the income grew with 12%.

The income of the Association has shown a steady growth over the past few years, save for this last financial year, where we suffered a loss.

1.5 Loss in the income of the Association can solely be attributed to the introduction of Caselines and the Covid-19 crisis. The escalation of the Association's expenses relating to leasing charges of office equipment and audit fees has not been passed on to our members in an effort to keep the services at the offices both competitive and affordable. Employees expenses have in fact dropped by a percentage of 5%

1.6 When compared with the Association's income, the expenses showed a decrease of 7.8%. The increase/decrease in the following expenses are mentionable: -

1.6.1 The Offices at the High Court –The maintenance and continual upgrading of the office and office machinery contributed largely to the increase in expenses and will continue to do so in the future.

1.6.2 Administrative fees - These are the expenses that are paid to the auditors for the administrative and accounting functions that they perform for the Association on a day to day basis. The administrative fees increased with 7.4% during the past financial year.

1.6.3 Banking fees – Banking fees decreased with 15.6%. The decrease in banking fees can be attributed to 3 months (April 2020 – June 2020) there was no cash banked due to lockdown.

1.6.4 General expenses – It is not possible to list each smaller expense separately, so this was allocated under a general heading.

1.6.5 Rental of office machinery – These expenses are essential for the photocopying, printing and fax equipment provided in the respective offices. These items are continuously upgraded to ensure the smooth operation of the offices at the High Court and Magistrates Court. The expenses in this regard increased with 9%.

1.6.6 Office expenses - There was a slight decrease in the office expenses which go hand in hand with the bigger offices. Our office expenses increased with 45% during this past financial year.

1.6.7 Computer and website development expenses – During the past few years, the Association invested in the upgrading of its computer hardware as well as the re-designing of its website. The upgrading of the hardware has ensured that we deliver more effective services

to our members. The re-designed website together with the use of newsletters has enabled us to improve our communication with our members. The computer and website development expenses has decreased slightly during the past financial year.

1.6.8 Stationery and printing – The Stationery and Printing expense decreased with 14%. This expense is directly linked to the printing of the Association. These expenses are monitored to ensure that the services rendered at the offices of the Association remain both profitable and valuable.

1.6.9 Functions and Marketing - The functions and marketing expense decreased significantly in comparison with the 2019 financial year, because of Lockdown.

1.6.10 Legal Fees - You will note that no legal fees were paid in respect of any applications during the 2020 financial year.

The Association always remains focused on reducing and controlling its expenses. In this regard it needs to be mentioned that, although we have seen an increase in the expenditure of the Association, it remains imperative that the service that the Association renders to its members, is maintained at a high standard. The Association utilises the funds received from members in the form of membership fees and income generated from the operations at the Magistrates Court and the High Court in the best interests of its members and will continue to do so in the following financial year.

It is also important to note that the Executive Committee meets on a monthly basis to manage the affairs of the Association effectively and to ensure that members receive the benefit of the financial growth. The management accounts are scrutinised at the meetings to ensure strict cost recovery measures at both the High Court and Magistrate Court. It is of the utmost

importance that we provide a value-added service which is both effective and affordable.

The Association is financially still in a healthy position, but the Executive Committee will have to consider increasing our annual subscription fees to ensure the survival of the Association.

2. **GENERAL**

2.1 I would like to express my appreciation to the following persons and institutions: -

2.1.1 All the members of the Association for their continued support of the functions, as well as the facilities provided to its members at the respective offices.

2.1.2 The employees of the Association. Without their hard work and loyalty, the Association would not be able to function as smoothly as it does on a day to day basis.

2.1.3 The auditor's representatives: Mr Twanie de Witt (CA) SA and Mariëtte Breedt, who are always available to assist the committee with any queries relating to the finances.

2.2 I also make use of this opportunity to thank my co-members of the Executive Committee for their input and assistance, without which I would not be able to properly perform my functions.

I accordingly request that the draft Financial Statements attached to this report be approved.

**MILLIE SHANTALL-LURIE
TREASURER AND VICE-CHAIRPERSON**

08 October 2020

PRETORIASE PROKUREURSVERENIGING /
PRETORIA ATTORNEYS ASSOCIATION /
MOKGATLHO WA BAEMEDI BA PRETORIA

Finansiële state*op 30 Junie 2020***Financial statements***at 30 June 2020****Inhoudsopgawe******Contents******Bladsy/
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Goedgekeur op _____ deur:

Approved on _____ by:

.....
Voorsitter/Chairman.....
Tesourier/Treasurer



**MEINTJES, VERMOOTEN
& VENNOTE & PARTNERS**

Geregistreerde Ouditeure • Geotrooieerde Rekenmeesters (S.A.)
Registered Auditors • Chartered Accountants (S.A.)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRETORIA ATTORNEYS ASSOCIATION.

Qualified Opinion

We have audited the Financial Statements of Pretoria Attorneys Association as set out on pages 3 to 9, which comprise of the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to Annual Financial Statement, including a summary of significant accounting policies as set out on page 7.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Pretoria Attorneys Association as at 30 June 2020, and its financial performance and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory notes as set out in page 3 to 9.

Basis for Qualified Opinion

As with similar organisations, it is not feasible for the Association, to institute accounting controls over cash collections from membership fees and other income prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the entity in accordance with Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditor (IRBA Code) and other independent requirements applicable to performing audits of financial statements 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.

Emphasis of matter - Subsequent event: The impact of the uncertainty of Covid-19

We draw attention to note 4 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on the association's future prospects, performance and cash flows. The committee have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Responsibilities of association's committee for the Financial Statements

The association's committee is responsible for the preparation and fair presentation of the Financial Statements in accordance with accounting policies as set out on page 7.

In preparing the Financial Statements, the association's committee is responsible for assessing the entities' ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the association's committee either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Other information

The association's committee is responsible for the other information. The other information comprises the information included in the annual financial statements of the Pretoria Attorneys Association for the year ended 30 June 2020, which includes the Detailed Income Statement, which we obtained prior to the date of this report. 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 an audit opinion or 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.

Auditors' responsibilities for audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements are as a whole 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, conducted in accordance with International Standards on Auditing, 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 International Standards on Auditing, we exercise professional judgement and

- Identity and assess the risks of material misstatements 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 misstatements 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of 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 entity's ability to continue as going concern. If we conclude that that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the association's management 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.


Meintjes Vermooten & Partners
Simon Johannes de Witt
Chartered Accountants (S.A.)
Registered Auditor

PRETORIA

Date

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

Staat van Finansiële Posisie
op 30 Junie 2020

Statement of Financial Position
at 30 June 2020

| | 2020 R | Nota / Note | 2019 R | |
|--|-----------|----------------|-----------|---|
| Bates | | | | Assets |
| Nie-bedryfsbates | 244,301 | | 254,722 | Non-Current Assets |
| Meubels en kantoortoerusting | 244,301 | 1 | 254,722 | Furniture and office equipment |
| Bedryfsbates | 4,238,931 | | 4,348,762 | Current assets |
| Debiteure | 17,893 | | 117,650 | Accounts receivable |
| Deposito | 23,250 | | - | Deposit |
| 32 Dae Kennis Deposito Rekening | 3,478,300 | | 3,257,734 | 32 Day Notice Deposit Account |
| Kontant voorhande | 825 | | 825 | Cash on hand |
| Bankrekening | 718,664 | | 972,553 | Bank account |
| | 4,483,232 | | 4,603,484 | |
| Ekwiteit & Laste | | | | Equity & Liabilities |
| Ekwiteit | | | | Equity |
| Opgelope fondse | 4,329,724 | | 4,460,836 | Accumulated funds |
| Saldo aan begin van die jaar | 4,460,835 | | 4,420,688 | Balance at beginning of year |
| Surplus/(tekort) van inkomste bo uitgawes | (131,111) | | 40,148 | Surplus / (deficit) of income over expenditure |
| Laste | | | | Liabilities |
| Bedryfslaste | 153,508 | | 142,647 | Current liabilities |
| Krediteure | - | | 62,716 | Accounts payable |
| Debiteure vooruit betaal | 153,508 | | - | Debtors paid in advance |
| Belasting betaalbaar | - | | 79,931 | Taxation payable |
| | 4,483,232 | | 4,603,483 | |

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

Staat van Omvattende Inkomste
vir die jaar geëindig 30 Junie 2020

Statement of Comprehensive Income
for the year ended 30 June 2020

| | 2020 R | Nota / Note | 2019 R | |
|--|------------------|----------------|------------------|---|
| Inkomste | 2,432,485 | | 2,845,583 | Income |
| Uitgawes | 2,784,162 | | 3,022,128 | Expenses |
| Ander | 1,649,933 | | 1,858,934 | Other |
| Huur - kantoormasjiene | 154,448 | | 141,216 | Leasing charges - office equipment |
| Ouditgelde | 23,400 | | 21,319 | Audit fees |
| Waardevermindering | 45,615 | | 40,360 | Depreciation |
| Werknemer koste | 910,767 | | 960,300 | Employee cost |
| Bedryfswins / (verlies) | (351,677) | | (176,546) | Operating profit / (loss) |
| Rente inkomste | 220,566 | | 216,694 | Interest received |
| Surplus / (tekort) van inkomste bo uitgawes | (131,111) | | 40,148 | Surplus / (deficit) of income over expenditure |

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
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Staat van Verandering in Ekwiteit
vir die jaar geëindig 30 Junie 2020

Statement of Changes in Equity
for the year ended 30 June 2020

| | Opgelope fondse/ Accumu- lated funds R | Nota / Note | Totale Ekwiteit/ Total Equity R | |
|---------------------------------------|---|------------------------|--|---------------------------------------|
| SAID Belasting 2004 | (32,090) | | (32,090) | SARS Taxation 2004 |
| SAID Rente tot 30 Junie 2018 | (44,704) | | (44,704) | SARS Interest up to 30 June 2018 |
| <i>Balans op 1 Julie 2018</i> | 4,420,688 | | 4,420,688 | <i>Balance at 1 July 2018</i> |
| Surplus vir die jaar | 40,148 | | 40,148 | Surplus for the year |
| <i>Balans op 1 Julie 2019</i> | 4,460,835 | | 4,460,835 | <i>Balance at 1 July 2019</i> |
| Surplus/(Tekort) vir die jaar | (131,111) | | (131,111) | Surplus/(Deficit) for the year |
| <i>Balans op 30 Junie 2020</i> | 4,329,724 | | 4,329,724 | <i>Balance at 30 June 2020</i> |

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

Staat van Kontantvloei

vir die jaar geëindig 30 Junie 2020

Statement of Cash flows
for the year ended 30 June 2020

| | 2020 R | Nota / Note | 2019 R |
|--|-----------------|----------------|-----------------|
| Netto kontantvloei uit bedryfsaktiwiteite | 1,871 | | 241,555 |
| Netto inkomste/(Netto verlies) | (131,111) | | 43,285 |
| Waardevermindering | 45,615 | | 40,360 |
| Rente ontvang | (220,566) | | (216,694) |
| Bedryfswins/(verlies) voor verandering in bedryfskapitaal (Toename)/Afname in rekeninge ontvangbaar | (306,062) | | (133,049) |
| Toename/(Afname) in rekeninge betaalbaar | 76,507 | | 155,036 |
| Kontant voortgebring uit bedryfsaktiwiteite | 10,861 | | 2,873 |
| Rente ontvang | (218,694) | | 24,861 |
| | 220,566 | | 216,694 |
| Kontantvloei uit beleggingsaktiwiteite | (35,195) | | (21,425) |
| Toevoegings tot Eiendom, Aanleg & Toerusting | (35,195) | | (21,425) |
| Netto toename/(afname) in kontant en kontantekwivalente | (33,324) | | 220,130 |
| Kontant & kontantekwivalente aan die begin van die jaar | 4,231,112 | | 4,010,982 |
| Kontant & kontantekwivalente aan die einde van die jaar | 4,197,788 | | 4,231,112 |
| 32 Dae Kennis Deposito Rekening | 3,478,300 | | 3,257,734 |
| Kontant voorhande | 825 | | 825 |
| Bankrekening | 718,664 | | 972,553 |
| | 3,257,734 | | 3,257,734 |
| | 825 | | 825 |
| | 972,553 | | 972,553 |

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

Rekeningkundige Beleid

op 30 Junie 2020

1. Aanbieding van Finansiële State

Die finansiële state is ooreenkomstig die onderstaande rekenkundige beleid opgestel.

Die finansiële state word opgestel ooreenkomstig die historiese koste metode.

Hierdie rekeningkundige beleide is konsekwent met die vorige jaar.

1.1 Inkomste erkenning

Inkomste bestaan uit ledegelede, funksie inkomste en ander fooie.

1.2 Vaste bates

Vaste bates word gedra teen koste min opgelope waardevermindering en enige waardedalingsverliese.

Waardevermindering word op alle vaste bates bereken, ten einde die koste, min reswaarde, op die reguitlynmetode oor hul verwagte nuttige lewensduur af te skryf soos volg:

| | |
|----------------------|---------|
| - Meubels | 20 jaar |
| - Kantoortoerusting | 6 jaar |
| - Rekenaartoerusting | 6 jaar |
| - Lugversorgers | 6 jaar |

1.3 Handels en ander betaalbare rekeninge

Betalbare handelsrekeninge word aanvanklik teen billike waarde en daarna teen geamortiseerde koste bereken deur die effektiewe rentekoersmetode te gebruik.

1.4 Handels en ander ontvangbare rekeninge

Ontvangbare handelsrekeninge word met aanvanklike erkenning teen billike waarde en daarna teen die geamortiseerde koste bereken deur die effektiewerentekoersmetode te gebruik. Toepaslike voorsiening vir beraamde onverhaalbare bedrae word in wins of verlies erken wanneer daar objektiewe bewys is dat die bate verswak is. Die erkende voorsienings word bereken as die verskil tussen die bate se drabedrag en die huidige waarde van die beraamde toekomstige kontantvloei, verdiskonteer teen die effektiewe rentekoersmetode met aanvanklike erkenning.

Die drabedrag van die bate word verminder deur die gebruik van 'n voorsieningsrekening en die bedrag van die verlies word in die Staat van Wins of Verlies in bedryfskoste erken. Wanneer 'n ontvangbare handelsrekening oninvorderbaar is, word dit afgeskryf teen die voorsieningsrekening vir ontvangbare handelsrekeninge.

Accounting Policies

at 30 June 2020

Presentation of Financial Statements

The financial statements have been prepared in accordance with the accounting policies as set out below.

The financial statements are prepared under the historical cost convention.

These accounting policies are consistent with the previous year.

Revenue recognition

Revenue consists of membership fees, function income and other fees.

Fixed assets

Fixed assets is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all fixed assets, to write down the cost, less residual value, on a straight line basis over their useful lives as follows:

| | |
|----------------------|----------|
| - Furniture | 20 years |
| - Office equipment | 6 years |
| - Computer equipment | 6 years |
| - Air conditioner | 6 years |

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provisions is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Profit or Loss within 'other operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

**Notes to the financial statements
for the year ended 30 June 2020**

**Notas tot die finansiële jaarstate
vir die jaar geëindig 30 Junie 2020**

| 1. Meubels en kantoortoerusting | | | | | | | | | | Furniture and office equipment | |
|---------------------------------|------------------------|--|--------------------------------|-----------------------------------|---|--|-------|---|--|--------------------------------|--------------------|
| | | | | | | | | | | | |
| | Kosprys/ Cost price | Opgelepe waardever- mindering / Accumulated depreciation | Toevoe- gings/ Additions | Vervreem- dings / Disposals | Waardever- mindering / Depreciation | Boek- waarde/ Carrying amount | | | | | |
| | R | R | R | R | R | R | value | R | | | 30 June 2020 |
| 30 Junie 2020 | | | | | | | | | | | |
| Meubels | 288,173 | 100,097 | - | - | 13,929 | 174,147 | | | | | Furniture |
| Kantoortoerusting | 129,218 | 101,545 | 16,995 | - | 9,238 | 35,430 | | | | | Office Equipment |
| Rekenaartoerusting | 183,375 | 144,405 | 18,200 | - | 22,447 | 34,723 | | | | | Computer Equipment |
| | <u>600,765</u> | <u>346,046</u> | <u>35,195</u> | <u>-</u> | <u>45,615</u> | <u>244,299</u> | | | | | |
| 30 Junie 2019 | | | | | | | | | | | |
| Meubels | 288,173 | 84,854 | - | - | 15,242 | 188,077 | | | | | Furniture |
| Kantoortoerusting | 107,793 | 96,093 | 21,425 | - | 5,452 | 27,673 | | | | | Office Equipment |
| Rekenaartoerusting | 183,375 | 124,737 | - | - | 19,666 | 38,972 | | | | | Computer Equipment |
| | <u>579,341</u> | <u>305,684</u> | <u>21,425</u> | <u>-</u> | <u>40,362</u> | <u>254,720</u> | | | | | |

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

Notas tot die finansiële jaarstate

vir die jaar geëindig 30 Junie 2020

Notes to the financial statements

for the year ended 30 June 2020

2. CORRECTION OF PRIOR YEAR FIGURES

SARS has issued an assessment for the 2004 tax year. This tax year relates to the year prior to the Association obtaining tax exemption in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act.

| SARS Tax Assessment | SARS Interest |
|---------------------|---------------|
| 32,090 | 44,704 |

3. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to going concern. The 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.

The Association's operations may be affected by the recent outbreak of COVID-19. The ultimate disruption which may be caused by the outbreak is uncertain, however it may result in a material adverse impact on the Association's financial position, operations and cash flow.

While disruptions are currently expected to be temporary, there is uncertainty around the duration. While it is expected that this matter will negatively impact the business, results of operations and financial position, the related financial impact can not be reasonably estimated yet. The ability of the Association to continue as a going concern is dependent on a number of factors. The most significant of these are that the committee continue to procure funding for the ongoing operations for the Association.

4. SUBSEQUENT EVENT: THE IMPACT OF COVID-19

During March 2020 the South African Government imposed a nation wide lockdown due to the outbreak of COVID-19. The outbreak of the virus is creating a disruption in operations and has an adverse effect on the legal industry.

The Association has taken steps and precautions to strengthen their position and limit the effect of the outbreak. These include to adhere to the restrictions and regulations imposed by the Government in order to ensure a safe environment for employees and customers. The cash flow forecast and budget have been evaluated by the committee and they are satisfied that the association has access to adequate resources to continue in operational existence for the foreseeable future.

As the COVID-19 pandemic is complex and rapidly evolving, the Association's plans may change. At this point, the committee can not reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on the business, results of operations, financial position and cash flow.

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
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Bylaag A
Gedetailleerde Inkomstestaat
vir die jaar geëindig 30 Junie 2020

Annexure A
Detailed Income statement
for the year ended 30 June 2020

| | 2020 R | Nota / Note | 2019 R | |
|--------------------------------|------------------|----------------|------------------|-------------------------------|
| Inkomste | 2,653,051 | | 3,062,277 | Income |
| Ander | 1,958,056 | | 2,065,092 | Other |
| Funksies | 60,557 | | 80,356 | Functions |
| Ledegeld | 413,873 | | 459,827 | Membership fees |
| Rente | 220,566 | | 216,694 | Interest |
| Skenking ontvang | - | | 240,308 | Donation received |
| Uitgawes | 2,784,162 | | 3,022,128 | Expenses |
| Administratiewe fooie | 126,084 | | 117,382 | Administrative fees |
| Bankkoste | 26,099 | | 30,946 | Bank charges |
| Bates onder R 7000 | 6,850 | | - | Assets less than R 7000 |
| Bemarking | 6,127 | | 52,556 | Marketing |
| Beursfonds | 31,410 | | 36,260 | Bursary Fund |
| Diverse uitgawes | 31,854 | | 48,790 | General expenses |
| Huur - kantoorfasjiene | 154,448 | | 141,216 | Leasing charges - office |
| Kantooruitgawes | 32,344 | | 2,268 | Office expenses |
| Regskoste | - | | 477,412 | Legal fees |
| Rekenaar en webruimte uitgawes | 170,138 | | 174,789 | Computer and website expenses |
| Skryfbenodighede en drukwerk | 232,744 | | 271,872 | Stationary and printing |
| Waardevermindering | 45,615 | | 40,360 | Depreciation |
| - oorgedra - | 863,711 | | 1,393,851 | - carried forward - |

**PRETORIASE PROKUREURSVERENIGING/
PRETORIA ATTORNEYS ASSOCIATION/
MOKGATLHO WA BAEMEDI BA PRETORIA**

Bylaag A

Gedetailleerde Inkomstestaat

vir die jaar geëindig 30 Junie 2020 (vervolg)

Annexure A

Detailed Income statement

for the year ended 30 June 2020 (continued)

| | 2020 R | 2019 R | |
|--|------------------|---------------|---|
| - oorgebring - | 863,711 | 1,393,851 | - brought forward - |
| Subskripsies & Advertensies | 18,910 | 12,884 | Subscription & Advertising |
| Funksies | 472,065 | 542,859 | Functions |
| Ouditgelde | 23,400 | 21,319 | Audit fees |
| Telefoon | 37,302 | 33,953 | Telephone |
| Versekering | 37,480 | 34,350 | Insurance |
| SAID Boetes & Rente | 2,353 | 8,684 | SARS Penalties & Interest |
| Skenkings | 368,796 | 13,930 | Donations |
| Slegte skuld | 49,379 | - | Bad debts |
| Werknemer koste | 910,767 | 960,300 | Employee cost |
| Surplus / (tekort) van inkomste bo uitgawes | <u>(131,111)</u> | <u>40,148</u> | Surplus / (deficit) of income over expenditure |