



THE LAW SOCIETY
OF THE NORTHERN PROVINCES

**PRESIDENT'S
REPORT**
AND FINANCIAL STATEMENTS
2016-2017

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THE COUNCIL



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S O Beauchamp (Pretoria)



VICE-PRESIDENT
S W M Gule (Sandton)



D Bennett
(Mbombela)



P M Carter
(Sandton)



P H Cronin
(Sandton)



K M Diale
(Mondeor)



P A Dykes
(Roodepoort)



C P Fourie
(Pretoria)



J C Janse van Rensburg
(Brits)



L Langner
(Pretoria)



S S Madiba
(Temba)



R V Matlhare
(Pretoria)



A P Millar
(Highlands North)



K I Mogale
(Rustenburg)



M M Mokoena
(Kwaggafontein)



G E P Nel
(Pretoria)



M Randra
(Rosebank)



S Rangoanasha
(Polokwane)



N T Sauli-Koren
(Bedfordview)



K P Seabi
(Pretoria)



T M Shabangu
(Centurion)



N R Shabangu-Mndawe
(Mbombela)



J P Stemmett
(Polokwane)

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M J S Grobler (Director)
H A Bezuidenhout (Head: Communication)
M V Ferreira (Head: Professional Affairs)
M M Malatji (Head: Disciplinary Matters)
F Mathe (Head: Human Resources and Corporate Services)
M Piaray (Head: Finances)
J van Staden (Head: Members' Affairs)

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INTRODUCTION

THE LAW SOCIETY OF THE NORTHERN
PROVINCES IS 125 YEARS OLD THIS YEAR.



2017 Marks a monumental year in the legal profession in South Africa. In the Northern Provinces, which make up this Law Society, it marks the completion of 125 years since the Incorporated Law Society of the Transvaal was established. This is probably the final year in which we will congregate in this form as, in terms of the Legal Practice Amendment Bill, 2017, the lifespan of the Law Society is expected to come to an end by not later than 31 July 2018. The new dispensation under the Legal Practice Council will then take effect.

As we prepare ourselves to welcome the new era, we must also reflect on what the Law Society in its current form means to us. It gives us mixed feelings. Some of us see it as a great legacy spreading over a period of more than a century. It has been there since 1892, save for its temporary closure as a result of the 1899 Anglo Boer war. During this period it regulated the affairs of the profession and at the same time protected the interest of the public. On the other hand, it protected and developed the interest of its members, the attorneys. But to some of us, it has been such a monster which terrorised members because of the colour of their skin and gender. It is this Law Society which, in 1909, opposed the admission of Alfred Mangena, the first black South African, to be admitted as an attorney because he was black. It argued that if Mangena was to be admitted as an attorney, he will encourage black people to disregard the law and or to have more legal disputes. Members are, in this regard, referred to *Mangena v Law Society* 1910 TS 649. In 1912, our sister Law Society, the Cape Law Society, successfully opposed the registration of articles of clerkship of Miss Madeline Una Wookey, who would have been the first female attorney (lawyer) in this country, because it argued that the word “person” contained in the then applicable Admission Act, only meant men and did not include women. In 1978, this Law Society opposed the admission of Dikgang Moseneke (the now recently retired Deputy Chief Justice) as

an attorney on the basis that he was not a South African because, as a result of Bantustans law, he happened to fall under the then Republic of Bophuthatswana.

We should remind each other that when we close this Law Society and usher in the Legal Practice Council, we say goodbye to such an ugly side of the history of our Society. We open doors to the profession which must be free of all forms of prejudice which held us back as a nation for many years. We give new hope to our people that the administration of law in our country is going to be subjected to the Constitution of this country and administration of just laws only and nothing else. The future body responsible for the administration of the legal profession, will be founded on constitutional values such as human dignity, equality, non-racialism and non-sexism. It will protect and promote the supremacy of the Constitution and the rule of law.

As we prepare for the new dispensation as a Council, we have some statutory responsibilities which we are encumbered with. In terms of Section 97(2)(a) of the Legal Practice Act, 28 of 2014, we must negotiate and reach an agreement with the National Forum on the Legal Profession on the transfer of assets, rights, obligations, liabilities and staff to the Legal Practice Council. We are engaged in these negotiations, taking into account the interests of the entire Society and staff. We believe we will achieve the best results possible. It is through these negotiations that we will ensure that the future of our staff members is secure and that the future practice of the law is affordable and accessible to all. The future generations must inherit a profession which accommodates all and reward hard work, irrespective of race and gender. The legal profession will, under such circumstances, play its role of championing the rule of law without hindrances. It will be a perfect feeder to the legitimate and independent Judiciary.

In this regard, we must salute the Kenyan Judiciary, which consciously resolved to be on the side of the people of Kenya. We saw the Kenyan Court standing up for the rule of law and respect of democracy when it pronounced without fear or prejudice that there should be a re-election as the election results in that country had been interfered with. As much as we know that our Judiciary is independent and only answerable to the people of South Africa through the Constitution, we must continue to remind each other that our SADC region will only be stable if we have a stable Judiciary throughout the entire region. We must therefore stand firm for the rule of law and continue to show solidarity with other Law Societies and Judiciaries, which continue to face oppression and discomfort at the hand of their executive authorities.

The Council has continued to attend to issues of social responsibility by assisting those in need. In 2017, we achieved this by hosting the LSNP golf day in order to raise funds for the needy. It is through these initiatives that we strive to have impact on and better the lives of the society we operate in.

The Judges are among the stakeholders with whom we keep close ties. We believe that a healthy relationship between practitioners and the Judiciary is very important to our members. To maintain this good relationship, we once more hosted the Judges' function where Judges within the LSNP jurisdiction spent time with our members. This practice is very important to us because members of the profession come to know and understand their Judges even better.

The Council of the Law Society managed, this year, to finalise some long overdue matters, some of which had the potential of affecting the Law Society adversely. This is very important because we would not want to pass our baggage on to the incoming Legal Practice Council. The one item that stands out is the Competition Commission matter, which has served before the Council since 2008. This matter was referred to the Competition Tribunal by the High Court and the Competition Commission. Central to this matter was a

complaint that some of our old rules and rulings infringed the provisions of the Competition Act, as they were regarded as being anti-competitive. The matter was resolved amicably between the Law Society and the Competition Commission as well as the complainant. The settlement of this matter saved us from a possible fine equivalent to 10% of our annual turnover.

Other matters which occupied our agenda are the following:

The Proxi Smart Services (Pty) Ltd. case

The Law Society is opposing the application because we believe that it has the potential of destabilising the manner in which attorneys practise law, particularly conveyancing. The matter has been set down for hearing from 6 to 8 February 2018. The Law Society was advised that it has good prospects of success. The Proxi Smart case, if successful, could pose a serious threat to the collection of interest from attorneys' trust accounts. That will affect the viability of the Attorneys Fidelity Fund, as one of its main sources of income is the interest collections.

The Council is also giving serious attention to the proposed **Debt Collectors Amendment Bill, 2016** which *inter alia* provides for the inclusion of attorneys, who undertake collections and their staff under the regulatory authority of the Debt Collectors Council, which will have serious financial and other (disciplinary) consequences for our members.

Lonmin Ltd. and Three Others v C G Steyn Attorneys and 16 Others

The application has implications for attorneys who undertake debt collections, in that the declaratory orders sought are intended to prescribe the manner of interpretation and application of certain provision of the National Credit Act, which would have far-reaching consequences for the attorneys' profession and the debt collecting industry in general. The application, which is being opposed, will be heard by the North West Division of the High Court, Mahikeng from 5 to 9 March 2018.

Road Accident Benefit Scheme (RABS) Bill, 2014

Serious attention was given by the Council to

oppose the Road Accident Benefit Scheme (RABS), as instructed by members at a previous general meeting, by way of a media campaign and also to propose amendments to the relevant legislation. We continue to investigate appropriate methods to effectively oppose the coming into operation of RABS in its current form.

Department of Health

There is concern regarding the criticism in the media regarding the rendering of legal services relating to medical negligence cases by attorneys and it was agreed by the LSSA to request an audience with the Minister on behalf of the profession, to put this matter in perspective.

Finances

Members are referred to the information given on the finances of the Law Society by the Director in the report, as well as the *pro bono* activities of the Law Society. It is however worth noting that our finances as the Society, are in good hands and our balance sheet is healthy.

Members who continue to disregard the Rules of the Attorneys' Profession

The new uniform national Rules for the Attorneys' Profession became effective from March 2016 and members are encouraged to read these rules, as many of the old established rules have been amended, such for example: Rule 44 – Sharing of Offices; Rule 46 – Names of Firms; and Rule 2.17 to 2.19 – Life Membership. Compliance with Section 13B of the Attorneys Act remains a serious challenge to the new entrants to the profession. Council is investigating the best method of applying same. In the same breath we urge those affected, to comply in order to avoid disruption of their businesses and embarrassment.

“As we prepare ourselves to welcome the new era, we must also reflect on what the Law Society in its current form means to us. It gives us mixed feelings.”





IN MEMORIAM

WE HONOUR THE MEMORY OF THE
FOLLOWING MEMBERS WHO PASSED
AWAY DURING THE YEAR.

2016

C J Bosch	08/07/2016
J T Maseka	13/07/2016
N L Janse van Rensburg	14/07/2016
M P Coetzer	19/07/2016
C F van der Westhuizen	08/08/2016
M J Smuts	19/08/2016
G J G Ehlers	25/08/2016
A T W de Klerk	27/08/2016
M J Marx	03/09/2016
L W Röntgen	05/09/2016
A Hinds	08/09/2016
I M Zartz	16/09/2016
J F Barnard	29/09/2016
P Meyer	03/10/2016
H L Borach	23/10/2016
J A Kotze	07/11/2016
M S Malope	16/11/2016
S P Mohale	23/11/2016
M A de Villiers (Forrester)	02/12/2016
L E van Zyl	23/12/2016
L M Labuschagne	27/12/2016

2017

D P Derks	01/01/2017
K Gordon	08/01/2017
C Artemides (Georgiladakis)	14/02/2017
J W Mlangeni	19/02/2017
A Louwrens	21/02/2017
E T Schoonees	10/03/2017
A B Burger	18/04/2017
G M Negota	07/05/2017
B J Badal	25/05/2017
D H Botha	22/06/2017



STAFF MANAGEMENT

SERVICE DELIVERY TO BOTH MEMBERS AND THE
PUBLIC WAS THE MAIN FOCUS OF THE COUNCIL

3.1 OFFICE OF THE DIRECTOR

The Council and the Law Society again attended to many problematic issues during the past year, relating to the governance of the profession in the interest of its members and the public. The Disciplinary Department in particular, required attention and the professional staff complement was increased. In addition to the challenges to ensure efficient service delivery to members and the public, the negotiations with the National Forum to finalise the agreement for the transfer of assets, liabilities and staff of the Law Society to the Legal Practice Council, in terms of the Legal Practice Act, 2014 were dealt with as a priority to ensure a smooth transition in the best interest of members and staff. A lot of time was spent by the President, Councillors and the large number of members serving on Committees to ensure that the Law Society functioned efficiently.

Members of the Directorate performed well and a dedicated team of employees assisted to give substance to the core values of the Law Society.

A special word of appreciation is due to our members, who continued to make a substantial contribution to the *pro bono* scheme through participating in various *pro bono* initiatives to promote and provide access to justice and rendered valuable legal services to indigent members of the public. The *pro bono* help desks at the Pretoria and Johannesburg High Courts of the Gauteng Division have interviewed more than 17 000 indigent members of the public for legal advice and assistance in this year, with attorneys staffing these offices throughout the year. The success and impact made by these help desks have led to a further expansion of the *pro bono* office to now include help desks established at the Roodepoort Magistrates Court, the Pretoria Masters office and the Magistrates Court in Mbombela.

The *Pro Bono* Committee of the Council and Coordinator, Mr H Shivamba together with his team, continued to perform well to administer the *pro bono* scheme and they deserve appreciation.

Human Resources and Corporate Services

The implementation and monitoring of human resources, policies and strategies / plans, processes and systems have been the focus of the Human Resources and Corporate Services Department during the past year. The enhancement of human development through supporting and funding NQF aligned qualifications pursued by employees across all occupational levels in the organisation was prioritised during the year. Much attention was given to monitoring and promoting the Employment Equity and Succession Plan, which was successful. The Human Resources and Corporate Services Department was also instrumental in providing functional support to the Audit and Risk Committee of the Council, over and above its general human resources management and administrative functions. Mr F Mathe, the Head of the Human Resources and Corporate Services Department, also served in the role of the Risk Officer, which is responsible for coordinating the audit and risk management function for the Law Society.

The total number of positions in the structure is 144, with an average staff number of 129 employees and a staff turnover rate of 9.27% for the year (more than the past year, which was at 4.09%). Huge improvements in employment equity statistics with regard to the balance of race and gender statistics have been achieved, compared to those of previous years. The year-end statistics indicate that 63.2% of employees are African, 27.8% White, 3.8% Coloured, 3.8% Indian, 1.5% foreign nationals and 0.8% with a disability. This substantive transformation can be attributed to the active approach of Staff Management and the Council, through its Finances and Human Resources Committee, which have been hands-on in ensuring the implementation of the recently revised and approved employment equity and other transformational policies and strategies.

Continued investment in employee wellness programmes and initiatives has also formed part of establishing an effective and sustainable human resource management system and strategy. The department has also shown commitment to maintaining the high standard of compliance with employee safety and security regulations and legislation.

The Human Resources and Corporate Services Department has also spent most of its time working and liaising with the National Forum on matters relating to the transfer of staff to the Legal Practice Council, which process is currently underway.

Finances

Expenses of the Law Society were closely monitored by the Finances and Human Resources Committee in liaison with the Staff Management. A positive variance of R17 259 298 was reflected in respect of the 2016/2017 financial year in respect of the budget.

The Council approved the budget for 2017/2018 with an expected surplus of R8 414 196, after careful consideration of budgeted expenditure.

The Audit and Risk Committee of the Council was actively involved in the monitoring of the financial affairs of the Law Society and risk issues in this regard.

Benevolent Fund

The Benevolent Fund of the Law Society was again, during the financial year, administered by the Council in terms of the provisions of Rule 53 of the rules for the Attorneys' Profession, in accordance with the objectives of the Benevolent Fund. Financial assistance is given to members, former members and indigent dependants of deceased members, who require financial assistance to cover essential living expenses.

The income sources of the Benevolent Fund for 2016/2017 were as follows:

- income derived from fines imposed in disciplinary proceedings, which amounted to R1 660 791;
- interest received on investments, which amounted to R 50 151.

An amount of R1 934 000 was paid to 28 beneficiaries during the financial year and the monthly payments are revised by the Council on a six-monthly basis according to information received from beneficiaries, with reference to their personal circumstances and financial position.

There was concern with the Council with regard to the sustainability of the Benevolent Fund and the Council therefore resolved to make additional funding available to the Benevolent Fund in the Council budget for the 2017/2018 financial year.

Departments

The activities of the various Departments are fully reported on in this report by the various Heads of Department.

The Council

12 Monthly Council meetings, 2 special Council meetings, 4 appearances meetings and 11 meetings of the Management Committee of the Council were held during the period under review.

3.2 PROFESSIONAL AFFAIRS

Profession and Membership	
Membership at 30/06/2017	14 770
Membership per Circle:	
Gauteng	12 256
Limpopo	912
Mpumalanga	774
North West	828
Race and Gender Composition of Membership:	
Black	4 532
Coloured	150
Indian	766
White	8 849
Other	473
Female attorneys	5 762
Male attorneys	9 008

Admissions during the period 1 July to 30 June were as follows:

	2015	2016	2017
Attorneys	1 471	1 366	1 438
Conveyancers	94	96	52
Notaries	140	121	77
Enrolments from other provinces	132	128	138

During the year 2 001 contracts of articles of candidate attorneys were registered, 142 contracts of service in respect of candidate attorneys employed at accredited law clinics, 304 cessions of contracts of articles and 4 cessions of contracts of service. 2 200 Certificates of right of appearance were issued.

Practical Examinations

The Attorneys Practical Examination, the Conveyancing Examination and the Notarial Practice Examination were written twice during the year under review.

The average pass rate for the various sections of the Attorneys

Practical Examination was as follows:

Court Practice	58%
Administration of Estates	57%
Attorneys Practice and Ethics	60%
Attorneys Bookkeeping	56%

The average pass rate for the Conveyancing Examination was 11% and for the Notarial Practice Examination 34%.

The low pass rate in the Conveyancing Examination has been of concern for some time. The examiners are of the view that this is due to the fact that candidates underestimate the volume of work, a lack of preparation and knowledge and a lack of exposure to the practise of conveyancing. It appears that most candidates do not even attempt to gain some practical experience and rely solely on course notes, which is clearly insufficient to pass the examination. What examiners still find alarming is the fact that many of the scripts show a lack of knowledge of the other disciplines, such as for example estates, insolvency, customary marriages, contracts, companies, etc.

More than 60% of candidates failed with a mark less than 30% in the May 2017 conveyancing examination. Discussions with the lecturers revealed that most candidates who attended the LEAD courses do not prepare for the lectures and also do not study the course material with sufficient detail. It is thus not surprising that the conveyancing examination results reflect a lack of thorough preparation for the examination by more than half the candidates.

The detailed results were as follows:

	Written	Passed	Pass Rate
Attorneys Practical Examination:			
August 2016			
Court Practice	1 472	838	56%
Administration of Estates	1 672	1 034	61%
Attorneys Practice and Ethics	1 472	961	65%
Attorneys Bookkeeping	1 483	957	64%
February 2017			
Court Practice	1 298	784	60%
Administration of Estates	1 342	715	53%
Attorneys Practice and Ethics	1 284	716	55%
Attorneys Bookkeeping	1 193	577	48%

	Written	Passed	Pass Rate
Conveyancing Examination:			
September 2016	304	20	6%
May 2017	299	49	16%
Notarial Practice Examination:			
October 2016	200	47	23%
June 2017	163	73	44%

Prizes

The Council resolved that prizes be awarded to the following candidates:

President's Prize

Although nominations were received, the President's Prize was not awarded.

Philip Friedland Prize

This prize is awarded to the most outstanding student in the Practical Examination and was awarded to Ms E M Pabian.

D I Friedland Prize (Conveyancing)

This prize is awarded to the most outstanding student in the Conveyancing Examination and was awarded to Ms L Naudé.

Law Society Prize (Notarial)

This prize is awarded to the most outstanding student in the Notarial Practice Examination and was awarded to Ms E M Pabian.

Bookkeeping Prize

This prize is awarded to the most outstanding student/s in the Attorneys Bookkeeping Examination and was awarded jointly to Ms M-P Hill and Ms E M Pabian.

Prizes to University Students

The Council has once again decided to award a prize to the most outstanding student at each University in a subject which has the closest relation to attorneys practice and pursuant to nominations submitted by the Deans of the various law faculties. Prizes were awarded to the following students:

Ms R D Q Goncalves	University of Johannesburg – "Law of Evidence and Litigation Techniques"
Mr T Maloba	North West University (Mafikeng Campus) – "Law of Evidence"
Ms D Meintjes	North West University (Potchefstroom Campus) – "Legal Practice"
Ms R E Chikuruwo	University of Venda – "Legal Practice"

Unfortunately, nominations were not submitted by the other Universities within the Law Society's jurisdiction.

Holding out referrals

The Law Society only has jurisdiction over admitted attorneys. Instances where persons hold themselves out as attorneys in contravention of Section 83(1) of the Attorneys Act are referred to the prosecuting authorities for investigation and the Law Society is often required to give evidence in these matters in the Criminal Courts. 18 Cases where non-attorneys held themselves out as attorneys were referred for criminal prosecution and of these, 9 emanated from complaints lodged with the Disciplinary Department.

3.3 DISCIPLINARY MATTERS

During the reporting year 8 815 files were opened and investigated concerning alleged unprofessional or dishonourable or unworthy conduct on the part of practitioners. Of the 8 815 files, 5 026 were complaints received from members of the public, attorneys, the Master of the High Court, Judges and Magistrates, 3 789 were files opened at the instance of the Law Society where contraventions were on the basis of failing to comply with the Attorneys Act, the rules and rulings of the Law Society and applications to the High Court for interdicts, suspensions and removal of the names of attorneys from the roll of attorneys and the balance were enquiries received from members of the public.

These complaints and processes were classified as follows:

	Processes	Complaints
Accountant's Report	1 025	
Application for an interdict	1	
Application for striking	42	
Application for suspension	91	
Bringing the profession into disrepute		276
Conflict of interest		39
Delay payment of trust money		291
Enquiries		1 485
Failure to account		371
Failure to appear in Court		8
Failure to conduct him/herself as an officer of the Court		96
Failure to pay correspondent		129
Failure to pay for professional services / subscriptions	1 911	
Failure to pay trust interest	3	
Failing to give proper attention		1 436
Failure to fulfil an undertaking		16
Failure to hand over file		52
Failure to reply to correspondence		304
Failure to tax account		6
Fidelity Fund Certificate	150	
Fines / Disciplinary Department costs and auditors' costs	431	
Inspection of accounting records	117	
Misappropriation of funds		97
Overcharging		308
Overreaching		90
Referral	7	
Sequestration	4	
Touting		22
Uplift suspension order	7	

161 Disciplinary Committee meetings were held. 724 Attorneys and 2 candidate attorneys appeared before the Disciplinary Committees of which 93 members made use of legal representation. 294 Complainants and witnesses attended the Disciplinary Committee meetings. Flowing from these Disciplinary Committee meetings the conduct of 7 attorneys was referred to the Council in terms of Rule 101 of the rules of the Law Society of the Northern Provinces and Rule 50.18.2 of the Rules for the Attorneys' Profession, to consider bringing applications to the High Court for the suspension or removal of the name of the attorney from the roll of attorneys.

86 Investigating Committee meetings were held and 1 328 matters were considered by the Investigating Committees who made recommendations whether charges should be formulated against the attorneys or not.

The names of 33 members were removed from the roll of attorneys by the High Court on application by the Law Society. 29 Attorneys were suspended from practising as attorneys by the High Court and 4 members were interdicted from practising for their own account.

As at 30 June 2017, there were 139 applications pending before the High Court, which applications are not only limited to the reporting year. These are as follows:

- 56 applications for the removal of the names of members from the roll of attorneys;
- 66 applications for the suspension of members on the following basis:
 - 38 for failure to submit a Rule 70 Report in terms of the rules of the Law Society of the Northern Provinces and Rule 35.23 Report in terms of the Rules for the Attorneys' Profession, and practising without Fidelity Fund Certificates;
 - 24 for failure to attend the practice management training course;
 - 4 on the basis of complaints received;
- 7 applications for interdicting members from practising for own account based on them practising without Fidelity Fund Certificates;

During the reporting year, 7 981 files were closed, of which 4 634 were opened during the reporting year. The balance of 3 347 were files opened prior to the reporting year.

In total there are 7 681 files pending and of these, 4 181 files relate to the reporting year.

3.4 MEMBERS' AFFAIRS

Monitoring Unit

It is the goal of this Unit to extend the regulatory powers of the Law Society and to act pro-actively to limit the risk of losses that might be suffered by the Attorneys Fidelity Fund. The Unit undertakes visits to attorneys firms with a view to assessing the position and, if necessary, to conduct financial investigations. These activities are performed by fulltime employees and external consultants.

In identifying firms to which visits are undertaken to conduct inspections, reference is made to complaint profiles and information obtained from other sources such as the Attorneys Fidelity Fund, auditors, colleagues, employees, financial institutions and investigation units. The system also provides for anonymous information, which is verified and a profile on the firm established. Before an inspection is conducted, the Council is requested to formally authorise the Monitoring Unit to proceed if it is satisfied that the information indicates a risk to the profession.

Investigations into accounting records and documents were undertaken at 189 firms. The investigations resulted in 46 striking and suspension applications to the High Court in light of alleged misappropriation of trust funds. 86% Of the investigations conducted resulted in disciplinary enquiries. It is our experience that investigations became more involved and on average requires significant more time to collate evidence and to report on our findings.

The Unit also attended to 198 qualified auditors' reports of which 114 reflected trust shortages. In the majority of these matters, the shortage was created through administrative errors or incorrect accounting procedures.

When conducting an investigation of an attorney's accounting records and certain discrepancies are discovered in these accounting records, the Law Society, through its inspectors, considers if the discrepancies discovered should not also have been discovered and noted by the firm's auditors and reported to the Law Society in their accountants' reports. If the Law Society is of the opinion that the auditors could have been negligent in the performance of their duties as auditors of the attorneys' accounting records, the matter is reported as a complaint to the Independent Regulatory Board for Auditors (IRBA).

Investigations of the accounting records of 6 firms of attorneys resulted in complaints for alleged negligence by the auditors having been submitted to the IRBA. In one matter the auditor was found guilty of unprofessional conduct and a fine of R60 000 was imposed, of which R30 000 was suspended for 3 years on condition that he is not found guilty of unprofessional conduct related to work done during this period.

The Law Society received 2 accountants' reports which were purportedly signed by accountants, however upon enquiry it was established that the reports were forged and that proper audits were not conducted. These matters were referred to the SAPS for further investigation.

We have received a number of requests from the Prosecuting Authority to assist with follow-up forensic investigations with a view to assisting the State to formulate charges and to serve as evidence before Court in matters where former attorneys were charged with theft of trust funds.

Practice Support Unit

This Unit's objective is to offer remedial support to practitioners with the emphasis on the management of trust accounts and to the practice in general. The business development function, with the emphasis on maximising interest on trust accounts, was also rendered, however has since been reallocated as a service to be rendered by the AFF. In rendering remedial support and assistance to attorneys, reference is still being made to interest and thus the maximising thereof.

The activities performed by the Unit can be broadly categorised as follows:

Visits to newly established firms to establish and give guidance on the following:

- general state of the accounting records;
- receipt and banking procedures;
- bank reconciliations;
- fees and transfer procedures;
- internal controls;
- custodian of securities;
- interest and bank charges levied on banking accounts;
- FICA compliance.

Calculation and authorisation of interest refunds when requested by firms

In many instances the interest and bank charges particulars to be disclosed in the audit report are not properly calculated, which results in an over payment of interest to the Law Society. When a firm requests a refund, an internal calculation is made before a refund is made.

Collection of outstanding interest

In instances where we calculate outstanding interest by comparing the particulars reflected in the Law Society's records with the audit reports filed, internal steps are taken to demand payment. Depending on the circumstances, it may also result in a visit to the firm to confirm such liability and if relevant, to quantify the interest payable to the Law Society.

Authorising the acceptance of bank statements in lieu of an audit report as provided for in terms of Rule 35.25 of the Rules for the Attorneys' Profession

Attorneys' firms are allowed to apply in terms of this rule, to submit alternative proof of the status of the trust account in those instances where an auditors' report is not required. Such applications are typically considered where the trust account is dormant or reflect a small number of transactions. The circumstances of such a trust account as well as the nature of the practice are considered and accepted in lieu of an audit report. A total of 758 firms were assisted in this manner, which is regarded as a significant benefit to attorneys who do not have to incur unnecessary audit costs.

Assistance to attorneys in relation to tax related aspects

In conducting their practices a number of tax related enquiries are received and attorneys are advised as to the manner it will impact on their practices and for them to comply with the requirements. The Unit also assists attorneys where SARS includes all interest to be reflected as if it is practitioners' taxable income and provide a letter explaining the position to SARS and that the capital amount does not form part of the practitioner's estate.

Visits to attorneys' firms whose auditors submitted qualified reports

In some instances qualified reports are received which, due to the nature of the qualification, indicates a possible lack of knowledge and/or internal controls which will then result in a visit to a firm in order to give such a firm the necessary advice and assistance to ensure that the accounting records comply with the rules of the Law Society and furthermore that the firm adopts the necessary internal controls and procedures.

Telephonic enquiries and/or consultation in respect of:

- interest payments to the Law Society;
- opening of investment accounts;
- retention of accounting records and documents;
- effective management of trust banking accounts;
- advise on the correct banking products and opening of trust accounts;
- the debiting and transfer of fees and disbursements;
- location of offices;
- FICA requirements;
- payments from trust accounts;
- dissolution and/or winding-up of practices;
- styling of practices;
- the requirements in relation to investment practices;
- styling of practice names and other operations related aspects;
- other related statutory requirements such as VAT, registration for provisional tax, Workmen's Compensation Commissioner, etc.;
- forms of business enterprise;
- electronic banking procedures and its risks;
- professional / ethical conduct related enquiries.

Curators Unit

In circumstances where an attorney is suspended in his/her practice or where his/her name has been removed from the roll of attorneys, the High Court will appoint a curator bonis over the practice. Where a sole practitioner passes away consideration will also be given to bring an application to the High Court to be appointed as the curator bonis over the practice.

The Curators Unit is responsible to give effect to the duties, rights and obligations imposed upon the curator bonis in accordance with the provisions of the Court Order. The Curators Unit will attend to the winding down of the practice once the curator bonis has been appointed in terms of a Court Order. The winding down of a practice includes, inter alia, taking into possession all the client files of the practice. The former clients will be advised of the status of the suspended or struck member and will be requested to furnish the Unit with instructions as to how to deal with and release the files.

Steps are taken to ensure that the correct procedure is followed to release the client files into the possession of the client or his/her new attorney of record. In certain circumstances the services of panel attorneys will be used to assist the curator bonis in his duties. The Unit will also take control over the trust account of the practice. Accordingly, the accounting records will also be taken into possession to enable the curator bonis to identify the trust creditors to the trust account of the practice and to proceed with the liquidation of the trust account. If the claims against the trust account of the practice exceed the available trust funds, the claims will be referred to the Attorneys Fidelity Fund, whereafter the trust account will be closed and the available balance paid over to the Attorneys Fidelity Fund.

For the period 1 July 2016 to 30 June 2017 the Curators Unit was involved in:

- 30 instances where suspension orders were granted against members;
- 26 instances where striking off orders were granted against members;
- 8 instances where interdicts were granted against members;
- 10 instances where sole practitioners passed away;
- 56 instances where a curator bonis was appointed over a practice;
- 4 instances where appeals are pending against orders granted;
- one application for leave to appeal was dismissed by the Supreme Court of Appeal;

Presently there are 830 practices over which a curator bonis has been appointed.

Assessment Unit

During the report period 865 requests (an increase of 6.35%) were received to determine fees in terms of Rule 28, of which 521 applied to litigious matters and therefore fell outside the jurisdiction of the Law Society. 602 Assessments were finalised (an increase of 7.3%) of which 348 were settled. 2 Requests for review before the High Court have been received. 3 Matters were referred to the Disciplinary Department to investigate possible overreaching or overcharging by the attorney concerned.

3.5 COMMUNICATION

Communication with members remains one of the focus areas of the Council. The main aim is to ensure that members remain informed of the latest developments relating to legislation and other factors affecting the profession, as well as the activities of the Council. The Council is continuously improving communication with members, supported by projects aimed at assisting members to market their services to members of the public. All communication therefore projects the focus on not only promoting the image of the profession but also promoting members' interests by way of presenting seminars on topics of practical value to members.

Special Projects

Advanced Judicial Skills Training Course - 2017

The Advanced Judicial Skills Training Course was presented at the Sheraton Hotel, Pretoria on Saturday 13 May 2017. The Honourable Deputy Judge President P Mojapelo and 4 other Judges, namely: Justice Tsoka, Madam Justice Victor, Justice Matojane and Madam Justice Mphahlele were the facilitators of this course. All the delegates who attended the 2016 courses (Gauteng, Mpumalanga and Limpopo) attended the advanced course.

Judicial Skills Training Courses - 2017

The Honourable Judge President, Justice D Mlambo, the Honourable Judge President of the Limpopo Division of the High Court, Justice E Makgoba and the newly appointed Honourable Judge President of the Mpumalanga Division of the High Court, Justice F Legodi, in cooperation with the Honourable Deputy Judge President Mojapelo (Gauteng Division of the High Court, Johannesburg) and the Honourable Deputy Judge President Ledwaba (Gauteng Division of the High Court, Pretoria), made Judges available to present the courses in Mpumalanga, Gauteng and the Limpopo Province.

Members immensely benefited through the training offered by the Judiciary for the past few years and for that we are thankful to the Judiciary.

Mpumalanga Course (2 to 6 July 2017):

The Honourable Judge President of the Mpumalanga Division of the High Court, Justice F Legodi was the facilitator of the training course in Mpumalanga.

The following Judges were invited to assist with the course:

- The Honourable Judge President, Justice D Mlambo,
- The Honourable former Judge President, Justice B Ngoepe,
- The Honourable Madam Justice Z Carelse,
- The Honourable Madam Justice S Mphahlele,
- The Honourable Madam Justice N Nthandla
- The Honourable Justice T Makgoka

Gauteng Course (16 to 20 July 2017):

The Honourable Deputy Judge President, Justice A P Ledwaba was the facilitator of the training course. The course was presented at De Hoek Hotel, Magaliesburg in North West.

Justice Ledwaba was assisted to present the course by:

- The Honourable Justice T M Makgoka
- The Honourable Madam Justice L Windell
- The Honourable Justice L Bosielo
- The Honourable Justice J Kollapen
- The Honourable Justice R Mothopo

Limpopo Course (23 to 27 July 2017):

The Honourable Judge President, Justice E Mokgoba was the facilitator of the training course presented at the Ranch Hotel, Polokwane in the Limpopo Province.

The following Judges assisted to present the course to delegates.

- The Honourable Deputy Judge President, Justice M P Mojapelo
- The Honourable Justice T M Makgoka
- The Honourable Justice L Bosielo
- The Honourable Justice A M L Phatudi (Acting Deputy Judge President of the Limpopo Division of the High Court of South Africa)
- The Honourable Justice C Lamont
- The Honourable Madam Justice M Victor

An overwhelming number of applications were received and the task of the Judicial Training Screening Committee to select the successful candidates was not easy as the criteria for the election of candidates was determined by the Judiciary. 85 Delegates were selected to attend the courses. Some members who attended the courses during 2016 have already been invited to acting positions. The response and the expression of interest were overwhelming to the extent that the Law Society was not in a position to accommodate all members who met the selection criteria.

Charity Golf

The annual charity golf day took place on 2 June 2017 at the Pretoria Country Club, 176 golfers played in the golf tournament and 14 holes were sponsored.

The President also extended an invitation to Judges to participate in the tournament and the following Honourable Justices, Deputy Chief Justice D Moseneke, Madam Justice N Khumalo, Justice N Mavundla, Justice W Seriti and Justice J Shongwe played in the tournament

Society News

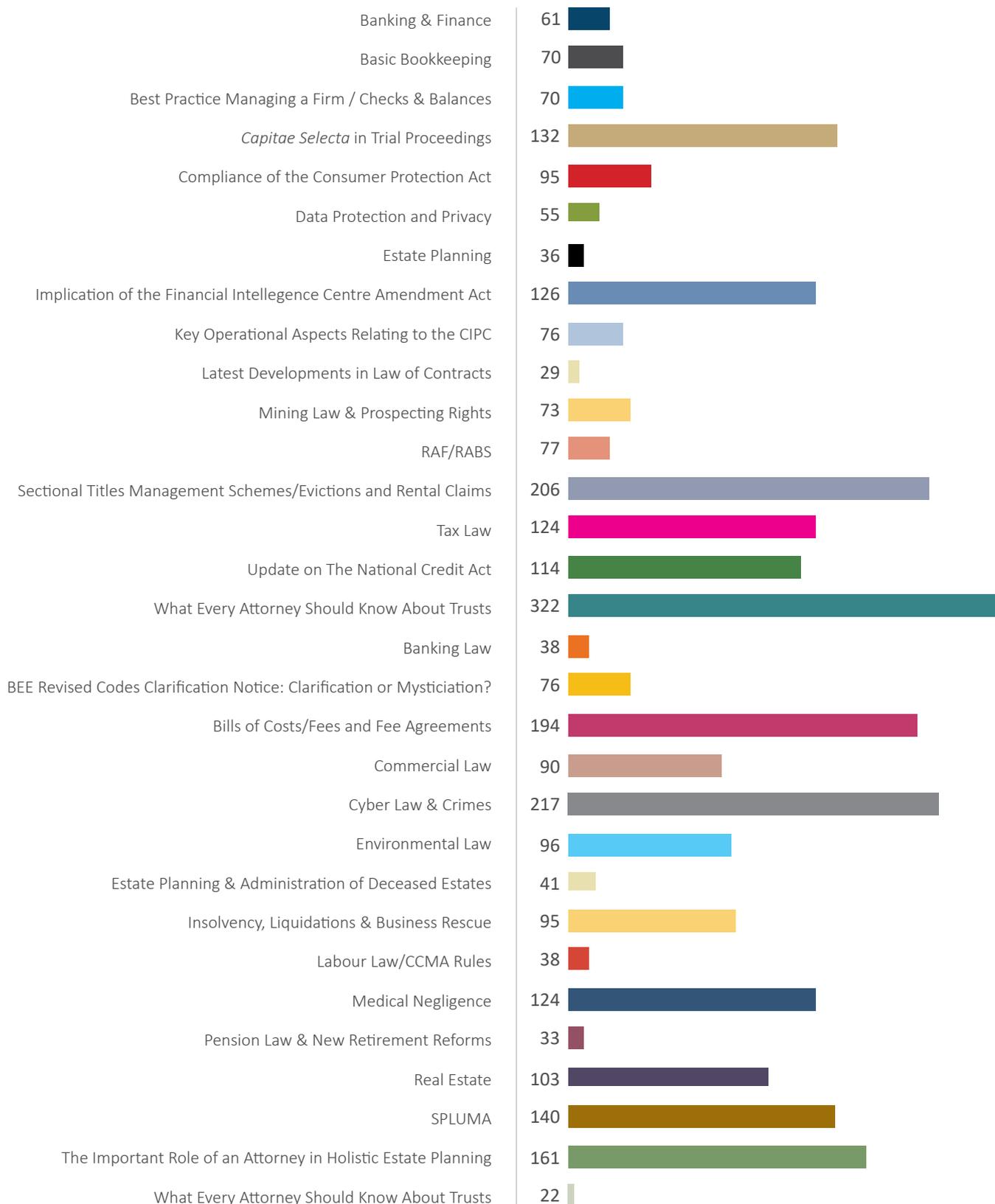
One issue of Society News was published during the year under review. Society News was distributed to members electronically. Previous copies of the newsletter are available on the website of the Law Society.

Seminars

The presentation of seminars by the Law Society and the provincial Circle Councils not only serves to inform and educate members of the attorneys' profession but also fulfils the trade union function of the Law Society. Members are informed of the most recent developments in the various fields of the law as well as of ways of effectively managing their practices. A total of 30 seminars were presented by the Law Society and the provincial Circle Councils during the period from July 2016 to June 2017 and 3 134 members attended the seminars. A breakdown of the number of seminars presented by each structure is provided below.

Presented by	Number of seminars presented	Total number of delegates
LSNP	24	2 349
Gauteng Law Council	0	0
Limpopo Law Council	2	116
Mpumalanga Attorneys Council	3	87
North West Attorneys Council	0	0
TOTAL	29	3 134

The graph below provides a summary of the attendance of the seminars presented during the year under review.



Attorneys Week

An Attorneys Week was presented by the Mpumalanga Attorneys Council, the North West Attorneys Council and the Limpopo Law Council during the week of 24 to 28 July 2017. The Attorneys Week was hosted over and above a Wills Week which was presented by the Law Society of South Africa. A total of 92 firms participated in the project which was widely marketed in the local media of the Mpumalanga, North West and Limpopo Provinces.

Advertisements were placed in the following local newspapers:

Mpumalanga:

Lowvelder/Laevelder, Middelburg Observer, Ridge Times, Standerton Advertiser, Witbank News.

North West:

Rustenburg Herald, Brits Pos, NoordWester, Stellalander, Klerksdorp Record, The Mail .

Limpopo:

Bonus Review, Capricorn Voice.

Various Government institutions, including police stations, hospitals and clinics were requested to publicise the project by displaying the marketing material at their offices. Wide media coverage was provided for the project in the print and electronic media.

Law Society of South Africa Wills Week Project

The Law Society of South Africa presented a National Wills Week during the week of 11 to 15 September 2016. A total of 480 firms under the jurisdiction of the LSNP participated in the project.

Participation by firms was as follows:

○ Gauteng	310
○ Mpumalanga	33
○ North West	42
○ Limpopo	36

Marketing material was distributed to the firms who registered to participate in the project and a national marketing campaign was executed by the Law Society of South Africa.

Judges Function

The Judges Function was hosted at the Pretoria Country Club, Waterkloof, Pretoria on 25 August 2016. 27 Judges confirmed their attendance and 312 members registered to attend the function while 281 actually attended the function.

Law Society Website

The Law Society's website was completely redesigned with the aim of ensuring that it becomes a valuable tool and source of information for members.

The Council is confident that communication with members was successfully maintained and improved during the year under review.



4

EXPERT
COMMITTEES

4.1 COMPANY LAW COMMITTEE

In addition to the meetings of the Committee held on 12 August 2016 and 1 June 2017, a lengthy meeting was held with the Commissioner of the Company and Intellectual Properties Commission (CIPC) and several senior officials, which certain members of the Committee attended.

Submissions to the Specialist Committee on Company Law (SCCL)

In conjunction with the Company Law Committee of the Law Society of South Africa, on which two members of the Committee also serve, namely the chairperson and Mr Daya, (the LSSA Committee) a submission was made during 2015 to the SCCL of proposed changes to the Companies Act, 2008. As averted to in last year's report, the SCCL advised previously that it had considered the submissions and in turn made submissions to the Department of Trade and Industry (DTI) regarding those amendments which the SCCL considered appropriate. The SCCL has not disclosed to the Committee which amendments it has proposed to the DTI. The SCCL has since notified the Committee that the DTI is now dealing with proposed changes to the legislation and that the SCCL is unable to give any timetable in that regard.

Company and Intellectual Properties Commission (CIPC)

In advance of the meeting, requests were made to attorneys to submit examples of problems that they were experiencing at CIPC. Submissions were received from a number of attorneys. The problems being experienced, based on the submissions received, as well as various other issues were discussed in detail with the Commissioner and senior officials. The Committee will endeavour to meet again with CIPC officials towards the end of 2017 to raise issues of concern to attorneys in the Northern Provinces.

In conjunction with the LSSA Committee, the Committee made submissions on the CIPC practice note regarding mergers and amalgamations. To date the Committee has not had any response from CIPC.

CIPC Seminar

A very successful, well attended seminar was hosted by the Law Society at the beginning of 2017 at which senior CIPC officials explained the workings of CIPC and common problems which arose in practice. The Committee is of the view that a further similar seminar would be of use to the profession and will arrange it in due course with the DTI.

Company Law Symposium

A Company Law Symposium was not convened by the DTI and the SCCL during 2016.

The Takeover Regulation Panel (TRP)

No secondees approved by the Committee, took up their secondments at the TRP during the first 11 months of the period in question despite having indicated that they would, which was disappointing. The Committee surmises that the reason might be that having to be away from the office for a 3 month period, without any financial backing, is too problematic. However, two secondees commenced their secondments in June 2017. Both are black women. The Committee is determined to again approach the Attorneys Fidelity Fund, as many years had passed since it last indicated that it could not give any financial assistance to secondees during their secondments. That approach has been made and a response is awaited.

4.2 COURT PRACTICE COMMITTEE

The Court Practice Committee was yet again very busy during the year under review. Some of the matters attended to by the Committee, are the following:

- considering and commenting on numerous proposed new legislation and amendments to existing legislation. For example, the effect of the Debt Collectors Amendment Bill on the attorneys' profession, is a matter of great concern and has for this reason been elevated to Council level;
- dealing with queries and problems experienced by members as to service delivery in the various Courts within the jurisdiction of the LSNP. Service delivery is rapidly continuing to deteriorate in most Courts and continues to be a matter of great concern;
- dealing with ongoing service delivery difficulties by the Sheriffs. Yet again service delivery is rapidly continuing to deteriorate and remains a matter of great concern. A Sub Committee of the Committee endeavours to have regular meetings with representatives of the Board for Sheriffs to address the matters of concern;
- considering and commenting on proposed rule changes, both in respect of the High Court and Magistrates' Court. For example, members have been requested to comment on the proposed amendments to certain uniform rules and new rules submitted by the Judicial Case Flow Management Committee of the Office of the Chief Justice. The comments received from members were collated by the Committee and submitted to the Rules Board within the time period allowed for comments. The matter is currently under consideration by the Rules Board. The amendments as proposed, if accepted, will no doubt have a dramatic effect on the way trial matters are to be conducted going forward;
- the Contingency Fees Act, 66 of 1997. Matters of interpretation, possible amendments to the Act and the issuing of guidelines are still being considered and debated on an ongoing basis.

To endeavour for purposes hereof to deal with any specifics in more detail, will just not be practical. Members are again encouraged to continue to bring queries, as well as problems experienced as to service delivery in the various Courts, as well as by the Sheriffs, to the attention of the Committee, for possible solution thereof and/or assistance in respect thereof. Members of the Committee yet again deserve a sincere word of thanks for their commitment and effort in dealing with difficult, complex and voluminous issues, which issues are not only taxing, but also time consuming.

4.3 CRIMINAL LAW COMMITTEE

During the past year the Criminal Law Committee has been active on all fronts and the Committee continued the liaison and good working relationship which it enjoyed with the Courts. On a quarterly basis, the Committee conducts joint working group meetings with the Department of Justice and Constitutional Development, the offices of the National Director of Public Prosecutions, the Magistrates, colleagues from the Bar and other stakeholders to address issues of concern to legal practitioners. These meetings also serve as a channel of communication for members relating to complaints or concerns which they may have and *vice versa*.

A lot of debate took place regarding the place of the Committee and its role in the future dispensation under the new Legal Practice Act. The Committee continued with its endeavours to engage with the SAPS in an effort to curtail the unnecessary arrests of clients, especially over weekends and related issues.

4.4 ETHICS, GUIDANCE AND RULES COMMITTEE

The Committee met 3 times during the year. Meetings of the Committee generally deal with matters which cannot be handled by the Directorate or, in appropriate cases, by individual members of the Committee on an ad hoc basis. It frequently happens that questions by members on ethical issues arise which require urgent attention, and in those cases the Committee attempts to provide guidance to the members concerned.

The Committee is sometimes approached for a ruling on ethical issues, or is asked to provide an opinion on legal or ethical issues. The Committee is not authorised to do so: all it can do is provide guidance to practitioners.

The uniform rules have been in force since 1 March 2016 and they appear to have been adopted by practitioners without giving rise to any significant issues. The uniform rules form the basis of the Attorneys' Code of Conduct published by the National Forum on the Legal Profession in the Government Gazette on 10 February 2017. The Code of Conduct will come into force when Chapter 2 of the Legal Practice Act, 2014 comes into operation and when the South African Legal Practice Council assumes jurisdiction over all legal practitioners and candidate legal practitioners, which is expected to take place during the first half of 2018.

An issue with which the Council is now frequently being confronted is that of the sharing of offices. In terms of the uniform rules the Council is permitted to authorise the sharing of offices in appropriate circumstances. Because of the number of applications the Council requested the Committee to prepare guidelines to assist the Council in deciding whether or not to grant approval, and these guidelines were prepared by the Committee and were adopted by the Council.

A variation on the sharing of offices is the use of so called "virtual offices", where practitioners make use of facilities provided by entities such as *Regus*. The Committee has pointed out to members requesting guidance that the uniform rules require a practitioner to have an address at which he or she conducts his or her practice. Practising from a virtual office contravenes this rule and also the rule against sharing of offices and the principle of preserving confidentiality of communications.

During the course of the year it became apparent that incidents of serious misconduct were more and more frequently being reported. The misconduct manifested itself in gross cases of touting, amounting in some cases to corruption. The Committee assisted the Council in preparing a circular to members drawing attention to the malpractices and indicating that the Council would view conduct of this nature in the most serious light.

An approach was made to the Council by the Department of Justice and Correctional Services concerning its views on allowing candidate attorneys to be appointed as Commissioners of Oaths. The Council requested the Committee to provide a view on whether this should be permitted, and the Committee provided an opinion to the Council to the effect that this was not desirable.

A relatively new issue confronting the profession is that of funding of litigation by third parties for commercial purposes. This followed the decision in *PricewaterhouseCoopers Inc and Others versus National Potato Cooperative Limited* 2004(6) that such funding, although champertous, is not contrary to public policy. The effect has been the emergence of a number of commercial organisations which effectively take over the control of the litigation, take statements from witnesses, decide on the choice of attorneys and Counsel, and generally call the shots in the litigation. This has given rise to undesirable consequences, with persons who are not attorneys in effect performing the duties of attorneys. The Committee is keeping a watch on these trends.

Issues relating to advertising, marketing and publicity continue to take up much of the time of the Committee, which continues to receive many requests from members for guidance.

Other issues dealt with by the Committee on more than one occasion during the year related to the following issues:

- the exercise of liens over documents;
- the duty to obey a client's lawful instructions;
- the termination of mandates by attorneys;
- many questions in relation to conflicts of interest;
- the outsourcing of work to other firms;
- the procedure to be adopted when an attorney is requested to take over a mandate from another attorney;
- the retention of files.

4.5 EXEMPTIONS COMMITTEE

This Committee of the Council, which has been established pursuant to the provisions of Section 13B of the Attorneys Act, is delegated by the Council to consider applications for an exemption from completing the mandatory practice management training course and to consider applications for the extension of the time period within which a practitioner is required to complete such a course.

The Committee sits for approximately 5 separate meetings per year and at its sittings deals with an agenda that on average spans 500 pages long. In preparation for the meetings, it is required of the members of the Committee to assess and evaluate all the documents supplied in support of the applications.

Applications for exemptions are firstly measured against the academic qualifications that an applicant has obtained (as to whether or not they have more or less the same outcomes as the practice management training course) and secondly, an evaluation of the practical experience gained by the applicant. The real litmus test for such an exemption application is whether or not the applicant has the knowledge to adequately and appropriately run an attorney's office.

Applications for extensions are assessed on the basis as to whether or not there are circumstances that impeded or prevented the applicant from completing the course within the prescribed period. Generally, a practitioner MUST complete the mandatory practice management training course by the end of the year following the year in which they were first required to apply for a Fidelity Fund certificate. If an extension is granted on application, an applicant will be afforded a further period of one year to complete the course.

Practitioners who commence practising for their own account or become partners / directors are required to adhere to the provisions of Section 13B of the Attorneys Act. A practitioner to whom Section 13B applies who fails or neglects to complete the course within the stipulated time period or within the time granted for an extension, faces the daunting prospect of being forced to step down as a partner / director of a firm or, in the case of sole practitioners, to close his / her legal practice. It is best that affected practitioners acquaint themselves with the provisions of the law and the rules in order to avoid this very unpleasant outcome.

4.6 IMMIGRATION, NATIONALITY AND REFUGEE LAW COMMITTEE

The period 2016 / 2017 has been a particularly trying time for immigration, nationality and refugee law attorneys. The year under review has been characterised by falling levels of communication and service delivery from within the Department of Home Affairs. The amount of incorrect and blatantly unreasonable and unfair, and even sometimes unconstitutional, decisions emanating from the adjudication hub of the Department of Home Affairs Head Office has been quite simply unacceptable. This has regrettably led to situations where some of our members have had to approach the High Courts for assistance and where inevitably the applications succeed together with costs. Members only need to look at the Minister of Home Affairs budget tabled in Parliament to see the rising costs of litigation. This begs the question as to why this continues.

In meeting with the Department of Home Affairs sometime back we drew their attention to the fact, when, perhaps in jest, our members were accused of always litigating with the Department. We drew to the attention of the relevant officials that it is only after all other avenues have been exhausted that our members can proceed on behalf of clients to approach the High Courts. A solution was proposed by us that perhaps an avenue should be created within the Department of Home Affairs to deal with these matters. To illustrate this point, a recent event would probably be best to re-collect. The Minister of Home Affairs recently announced and the Director-General of Home Affairs published a directive indicating and ultimately admitting that permanent residence applications lodged prior to 2 June 2014 and which had been taken up in the much published “track and trace” system of the Department of Home Affairs had been “lost”, not only in terms of the paper content but also on the system of the Department of Home Affairs. An indulgence was given up to the end of July 2017 to qualifying applicants to re-submit, at no charge by the Department of Home Affairs, their permanent residence applications and prove that they had indeed been lodged prior to 2 June 2014 and an undertaking was given that these would be finalised by 30 December 2017. Whether this will happen remains to be seen.

Unfortunately, the latter Departmental Directive does not cover persons whose permanent residence visa applications were lodged after the date and these still remain very much in unacceptable backlog. To complicate the matter most applications involving foreign nationals who are married to and / or in permanent co-habitative spousal relationships with / or traditional marriages with South African citizens have suffered a similar backlog situation and it appears that these matters are not being effectively adjudicated alternatively are being in many instances refused on futile grounds.

During the year under review the Green Paper on International Migration was published for comment and this resulted ultimately in the white paper being published for comment and by the time of writing of this report it is conservable that the white paper has been finalised and the process moving forwarding of amendments to the Act, or possibly even replacement thereof are possible which will also result in new immigration regulations. Similarly, in the period under review, the draft Refugee’s Amendment Bill was also published.

Another significant item to mention in this report is that the Zimbabwe special dispensation comes to an end at the end of December 2017 and at this time the Ministry of Home Affairs has not yet announced what it intends doing with the very large number of persons on Zimbabwe special dispensation visas.

The year under review has also been a particularly difficult one in terms of trying to attain some consistency in terms of the visa requirements. Visa Facilitation Services (VFS) are bringing about their own interpretations in many instances and are refusing to take in applications that do not comply with their check lists. The check lists referred to are not in respect of matters that are regulated in the Immigration Act or its regulations and when confronted on these issues, which actually should not be necessary, the authorities then accommodate us, but only after exchanges of words and e-mails. A rising concern to our members also presents itself in the many very “ridiculous” decisions emanating from the adjudication hub, which result in the applicants having little alternative but to follow the processes in terms of Section 8(4) and 6 of the Immigration Act by applying for reviews and ultimately appeals against those decisions. The resultant problem is that the backlog situation with reviews and appeals has become untenable and it is almost impossible to predict how long it will take for review and appeal processes to actually be finalised.

A further tendency which has become more aggravated in the year under review is the unwillingness of embassy officials and Department of Home Affairs officials, predominantly at the Head Office of the Department, to take telephone calls and in many instances to even respond to e-mails. This has been rather disconcerting and attempts by the Committee to arrange meetings with the relevant officials have proved unsuccessful.

On a civic affairs level i.e. dealing with citizenship matters, most offices of the Department of Home Affairs refuse to deal with “third party” interventions such as from attorneys, advocates and consultants. This has been particularly disconcerting as it does infringe on the rights of clients to have attorneys represent them through these hazardous processes.

The Committee expresses its gratitude to the Vice-Chairperson at the time, Chris Watters, who resigned during the period under review and although he remains actively connected to the Committee, no longer serves on it. We thank him for his excellent input during the year.

4.7 PRO BONO COMMITTEE

The *pro bono* office has been attending to various initiatives to promote and provide access to justice to indigent members of the public since inception and the year 2016 to 2017 has been no exception as its work continues to make an impact and effect change in the legal profession as a whole, the justice system and the lives of indigent people in communities. The *Pro Bono* Committee of the Council and the *pro bono* office has engaged in the following:

- as previously reported, *pro bono* help desks were established in the Gauteng Division of the High Court, at both the Johannesburg and Pretoria High Courts respectively. These offices are successfully operating and making a substantial impact in promoting and providing access to justice for indigent members of the public. Due to the easy accessibility at the Courts, the help desks are now considered to be the most effective method used by the profession to make a meaningful contribution to access to justice. The help desks continue to create an additional way in which attorneys can do their *pro bono* hours by staffing these offices, an option that is flexible, meaningful, enjoyable and which never existed before. Throughout the year, attorneys from various firms attended at these offices and offered their time for the benefit of indigent members of society by giving legal advice, attending to legal drafting, Court appearances and the like. The help desks have also created an opportunity for attorneys and advocates to work together in attending to *pro bono* matters, which resulted in a situation where the profession as a whole is working together to provide and promote access to justice. The presiding officers in these Courts have also been instrumental in the operation and progress made by these offices as they continue to work hand in hand with the office when presiding over matters. Where there are gaps, they have made recommendations through the Steering Committee to improve the current structure, for instance, the offices currently have legal practitioners who are appointed by Legal Aid South Africa, mandated to attend to matters referred from the urgent Courts. This initiative came about after a recommendation by presiding officers through the office of Deputy Judge President Mojapelo. The operation of the help desks requires resources throughout the year and during the launch thereof, the *pro bono* office called on members to support the offices with resources to enable it to operate effectively. It was humbling to see members who have answered the call and donated key resources for the operation of these offices. The help desks have received donations ranging from furniture, printers, laptops, stationery supply, books etcetera. The Johannesburg High Court offices received a complete makeover from one of our member firms and the office was repainted and partitioned to create enough consultation cubicles. All members and firms who contributed, deserve appreciation;
- the continuous success of the help desks in Gauteng resulted in a decision in 2017 to expand the *pro bono* office to more areas within the jurisdiction of the Law Society in order to create accessibility of the scheme and give members an opportunity to do more in various ways. The office was expanded to the following areas:
 - Pretoria Masters Office *pro bono* help desk – The newly appointed Master in Pretoria requested that this help desk be established. The aim thereof is to assist and guide indigent members of the public with the problems encountered with the administration of estates. We continue to call on members specialising in this area of the law in the Pretoria area, together with the local attorneys association, to avail themselves to participate in this great initiative;
 - Roodepoort Magistrates Court *pro bono* help desk – This help desk was established after a request to do so was submitted by the local attorneys association in the area. The aim thereof is to assist indigent members of the public appearing in that Court and members of the local association are attending to the matters and remain committed;

- Mpumalanga *pro bono* help desk – This initiative has started in Nelspruit and the help desk will be situated in Middelburg. New joint venture agreements were entered into with the Masters Offices, University Law Clinic (NWU Law Clinic, Mpumalanga Access to Justice Centre), community advice offices and law firms in Mpumalanga, in order to effectively offer *pro bono* services in the region. The endorsement and support by the local associations (Nelspruit Attorneys Association and Middelburg Attorneys Association), the Office of the Chief Justice and the Department of Justice is a key factor for the success in the area.

- legal education remains an important focus of the *pro bono* office as it is one of the key factors of preventing most of the legal disputes and raise awareness of certain aspects in law. We have presented 22 information sessions in Gauteng through our working relationship with advice offices and community radio stations. These sessions were conducted by attorneys who voluntarily offered their time;
- we continue to conduct legal clinics staffed by the *Pro Bono* Coordinator and members in community advice offices in and around Gauteng, focusing on various areas of specialisations of law;
- we have established and continue to work together with various institutions, in particular with the Association of Community Advice Office South Africa, Legal Aid South Africa, the South African Society for Labour Law, University Law Clinics, the Department of Justice and Correctional services and the Office of the Chief Justice;
- many attorneys went beyond what is required of them in terms of the *pro bono* rule (Rule 25) as is evidenced by the success of the various projects undertaken by the *pro bono* office.

	2010	2011	2012	2013	2014	2015	2016
Pro Bono applications received	1419	1613	1855	1734	2395	7 755	10 275
Applications referred to attorneys	541	750	783	744	1028	4 967	7 535
First interview referrals	252	401	370	327	263	551	575
Contingency fee referrals	289	381	429	262	377	361	412

Other statistics:

Black	80.51%
White	10.70%
Indian	4.00%
Coloured	4.43%
Other	0.36%

Gender:

Male	44.42%
Female	55.58%

The achievements of the year would not have been possible without members who are playing their role in providing *pro bono* legal services and in doing so are giving indigent members of the public access to the justice system. Our deepest gratitude goes out to all members. In the year 2016 to 2017, we continued to note a great increase in the number of practitioners who comply with the *pro bono* rule and take the initiative to voluntarily participate in various *pro bono* projects, which is appreciated. A special word of appreciation is due to the Registrars, Court Managers and staff of the Gauteng Division of the High Court (Pretoria and Johannesburg), the Judge President of the Gauteng Division of the High Court, the Honourable Judge D Mlambo, Bowmans Attorneys, Baker & McKenzie Attorneys, the Attorneys Associations in Pretoria, Roodepoort, Johannesburg, Nelspruit and Middelburg, the Pretoria Masters Office, the community advice offices in Orange Farm, Mabopane, Soweto and the East Rand, the *pro bono* office of the Law Society and all other stakeholders. These great *pro bono* initiatives would not have been possible without your support and efforts, which are highly appreciated. The Law Society can proudly state that its members continue to positively respond to the call to render *pro bono* services to the indigent.

4.8 PROPERTY LAW COMMITTEE

The Committee met twice during the year under review, with 2 further meetings scheduled for the rest of 2017. The Committee lost its long serving Chairperson, Ms Selemeng Mokose, just after the conclusion of the August 2016 meeting, as she resigned to allow herself to pursue a different career path in her practice of law. The Committee is indebted to her for all the years of service to the profession and to the Committee in particular.

Matters pertaining to difficulties and delays in obtaining clearance certificates in various municipalities, problems at SARS regarding transfer duty certificates, the standard of performance of the various Deeds Offices within the jurisdiction of the LSNP, the implementation of the Spatial Planning and Land Use Management Act (SPLUMA), the ProxiSmart (Pty) Ltd. matter and the Payment Exchange of South Africa (PEXSA) payment system were some of the issues which the Committee dealt with during the year. Specific queries regarding ethical issues in conveyancing practice are referred to the Committee by members and these are responded to as and when received.

A member of the Committee, Mr Jodie van Broekhuizen, represented the Law Society at the 2016 Chief Registrar's Conference (Cadastral Conference) and was able to provide valuable input with regard to the resolutions passed at the conference. The Committee has also received an invitation from the Chief Registrar to again send a representative to the conference at the end of October 2017.



5

ACKNOWLEDGEMENTS

It has been a pleasure on my part to work with this Council. These are men and women of integrity and high ethics. These people have dedicated their time and skills in serving their colleagues. They sacrificed a lot of valuable time which they could have spent with their families, but they chose to serve you. If it was not for their dedication, I would not have accomplished a quarter of what I managed to. I thank them from the bottom of my heart for the continued and valuable support they gave me. My heartfelt appreciation goes to the Management Committee (MANCO) which has always been available to offer me their much needed assistance. Their experience with the issues of Council has been my guiding light, without which I would have struggled to find my way. I am truly honoured to count you among the people who made it your mission to see that the Council carries its mandate with determination under my presidency.

My deepest appreciation goes to the Director and his Staff Management, who always worked as one dedicated team. Your efforts and hard work have been the pillar of the Council. The manner in which you timeously implemented the decisions of the Council, is the reason why this Council found it easy to give strategic direction to the Law Society as well as to continuously regulate the profession in terms of the Attorneys Act and the profession's rules.

The entire staff of the LSNP has been such a welcoming team of hard workers. They gave me all their support without reservation. It is for this unrestricted support that I thank each one of them for always having been there for me and the entire Council.

I have received many e-mails and telephone calls from members of the profession throughout my term. Your calls and e-mails gave me reason to keep believing that my acceptance of this position was indeed a correct decision. I found myself attending to real problems and challenges of the real people, my colleagues. To lead this type of institution, is meant to serve real people only and nothing else. We derive our contentment and fulfilment on realisation that our service has impact on the lives of our members. The fact that you always kept me and my fellow Council members on our toes at all times, is an indication that you understood our mandate and you wanted us to keep you in service and thereby make a difference in your practices and lives. I therefore thank all members of the Law Society, you who are in attendance in particular, for your continued support and always working with us in order to serve our communities with determination. My special word of appreciation goes to all members who dedicated their time to serve in a number of our specialised Committees, for without such sacrifices, we would not have succeeded in our mandate as the Council. I thank you and encourage you to continue to be of service to the profession.

My organisation, the Black Lawyers Association, has been my source of consciousness and it gave me unwavering support throughout my term. I thank the BLA for having confidence and entrusting me with the responsibility to lead the biggest Law Society in the country. The lessons which I have learnt when leading the LSNP, will also be beneficial to the BLA going forward. The BLA NEC, NWC, BLA stalwarts as well as the entire BLA membership, supported my course and as such, I hereby thank them for the much valued support.

I have been an absent husband to my wife, Confidence and hard to see father to my daughters, Tshisaphungo, Dakalo, Lutendo and Azania during the term of my presidency of this Law Society. The support and understanding I received from my family has been the pillar of my strength. Without your support, I would not have made it as the President of this Law Society. Your dependability and encouragement kept me going even when the task at hand was proving to be overwhelming. I really appreciate your support and I love you.





COMMITTEES

AS AT 30 JUNE 2017

COMMITTEES OF THE COUNCIL OF THE LAW SOCIETY

Admissions and Articles Committee

S O Beauchamp (Vice-President)
D Bennett (Chairperson)
J C Janse van Rensburg
K I Mogale
G E P Nel (alternate)
S Rangoanasha (alternate)

Audit and Risk Committee

P M Carter
H C Jacobs (Chairperson)
J Mabena
H N Ramoshu (independent)
T M Shabangu
D Swart (independent)

Company Law Committee

K R Cron
P H Cronin
P M Daya
M J Feinstein (Chairperson)
H C Jacobs
L M Malatsi-Teffo
D N Mculu
President, L B Sigogo

Competition Law Committee

C W J Charter
P P J Coetser (Chairperson)
L M Malatsi-Teffo
S S Mampuru
J Y Meijer
G K Mohosh
L A Morphet
M J Ramathe

Court Practice Committee

C P Fourie (Chairperson)
J C Janse van Rensburg
T S M Mkhonto
K I Mogale
P C Mogale
M M Mokoena
G D Painter
J Tarica

Criminal Law Committee

P v R Coetzee
L G Curlewis (Chairperson)
M V Gwala
M M Mokoena
M J Moloto
R N Suttner
D S Thinane
F J van Tonder

Ethics Guidance and Rules Committee

D Bennett
S W M Gule (Vice-President)
H C Jacobs
A C Osman
B Shabangu
E M Southey (Chairperson)

Examinations Committee

E Boshoff
M Kutama
S Rangoanasha
S van Dalsen

Exemptions Committee

P M Carter
P A Dykes
M M Mokoena
K P Seabi (Chairperson)
J van Staden

Finances and Human Resources Committee

P H Cronin
K M Diale
I Klynsmith (independent)
S S Madiba (Chairperson)
M Mokoka (independent)
H M S Msimang (independent)
President, L B Sigogo (*ex officio*)
J P Stemmett

Gender Committee

P A Dykes
L Langner
R V Matlhare (Chairperson)
N R Shabangu-Mndawe

Immigration Nationality and Refugee Committee

M A O Essop
N E Kubayi
N Maharaj
J E Pokroy (Chairperson)

Judicial Appointments Committee

P H Cronin
S O Beauchamp (Vice-President)
S W M Gule (Vice-President)
P C Mogale

Legal Education Committee

D Bennett
E Boshoff (Chairperson)
D I Matlapeng
M C Maubane

Management Committee

President, L B Sigogo
(Chairperson)
S O Beauchamp (Vice-President)
S W M Gule (Vice-President)
A P Millar (Past President)

Personal Injury Law Committee

T M Chauke
L Langner (Chairperson)
T Mapheto
N C Morobane
G E P Nel
B Shabangu

Pro Bono Committee

T J Chiloane
E A Erasmus
M Rander (Chairperson)
N R Shabangu-Mndawe
J Tarica

Property Law Committee

D Bennett (Chairperson)
A de Klerk
M I Mangena
N T Sauli-Koren
S E Silent
J D van Broekhuizen
Z E Wadee

Transformation Committee

P A Dykes
R V Matlhare (Chairperson)
A P Millar
K P Seabi

SUB COMMITTEES OF THE COUNCIL OF THE LAW SOCIETY

Court Practice – Attorneys' Fees and Taxations

J C Janse van Rensburg
G E P Nel
M Rander
K P Seabi

AD HOC COMMITTEES OF THE COUNCIL OF THE LAW SOCIETY

Competition Commission: Exemption Application Committee

J C Janse van Rensburg
L Langner
C P Phefadu
M Randerá

Consumer Commission: Exemption Application Committee

S O Beauchamp (Vice-President)
H C Jacobs
J C Janse van Rensburg
M J Motshabi

Deceased and Insolvent Estates Committee

L M Malatsi-Teffo
K La M Manamela
K van Niekerk (Chairperson)
C Wilsnach

Disciplinary Procedure

P M Carter
J C Janse van Rensburg
R V Matlhare
K P Seabi (Chairperson)

Family Law Committee

A M Costa
B Gundelfinger (Chairperson)
N Maharaj
P M K Tladi

Financial Intelligence Centre Committee

S O Beauchamp (Vice-President)
D Bennett
P A Dykes
T M Shabangu

Legal Aid Committee

E Boshoff
D I Matlapeng
T S M Mkhonto
M J Moloto
G D Painter
N R Shabangu-Mndawe
R N Suttner

Legal Practice Act Committee

P B Mabunda
J P Stemmett

Media and Communication Committee

S O Beauchamp (Vice-President)
P M Carter
N R Shabangu-Mndawe
J P Stemmett

Practice Support Function of the Law Societies/ AFF Committee

D Bennett
P C Mogale

Tax Law Committee

J Faber (Chairperson)
T M Shabangu
I L Tshinangwe
H V Vorster

OTHER COUNCILS / BOARDS

Board of Control of the Attorneys Fidelity Fund

C P Fourie
Vice-President, S W M Gule (alternate)
S S Madiba
A P Millar
K I Mogale
P C Mogale (alternate)

Council of the Law Society of South Africa

D Bennett
J C Janse van Rensburg
E N B Khwinana (alternate)
M M D Lenyai
A P Millar
T S M Mkhonto
N M F Mvundlela
L B Sigogo (President)
J P Stemmett

CIRCLE COUNCILS

Gauteng Law Council

A M Theron (Chairperson)
A Y Bhayat (Vice-Chairperson)
K A Gascoigne (Vice-Chairperson)
S H Mogase (Vice-Chairperson)
P F Burger
T J Chiloane
P M Daya
J D S de Bruyn
E A de Klerk
S W M Gule
C G Joubert
N E Kubayi
L M Malatsi-Teffo
R D Mfulwane
T S M Mkhonto
M I Mkwazazi
S S Mofokeng
L M Monyane
H E Sader
J Tarica
A M M van der Merwe
M F Venter
Z E Wadee

Limpopo Law Council

M C Mahlatji (Chairperson)
M J Beatson (Vice-Chairperson)
S Rangoanasha (Vice-Chairperson)
P F Botha
S D P Makhafola
M J Mamabolo
E Olivier
A C Osman
D E Semanya
J P Stemmett
D E Williams

Mpumalanga Attorneys Council

T M N Kgomo (Chairperson)
S Townsend (Vice-Chairperson)
D Bennett
H du Preez
H J Langeveldt
J Mabena
M M Mokoena
B J Mtshali
G F T Pistorius
B M Singwane
S Tshehla
E van der Walt

North West Attorneys Council

A van Eck (Chairperson)
S S Madiba (Vice-Chairperson)
A de Klerk
A W Jacobsz
J C Janse van Rensburg
D T Matlapeng
K I Mogale
G K Mohosh
M J Moloto
S E Silent
F J van Tonder

ASSESSMENT COMMITTEES

C Addendorf
C B Artemides
A Y Bhayat
M B Berman
P C Beukes
J Boshoff
G Bowen
H Chait
M P B Chuene
D M Civin
A J M M Crichton
T Cloete
B S Coetzee
W A L Coetzee
C S Coetzer
A J M M Crichton
T Davis

P de Lorenzo
H du Preez
P J du Preez
P C du Pré Le Roux
I J du Preez van den Berg
L M Erasmus
J G P Fourie
K L Gawith
M Hatting
S Janse Van Rensburg
M Jassat
M F Kganyago
T H Kneen
L Kieser
E J Leonard
W Liebenberg
M Louw

K I Mahon
K La M Manamela
E Maré
R B Mashazi
D M P Mazaham
M P N Mbongwe
F Meintjies
L J Z Moalusi
L S Modise
K Mogale
J E Nagel
J H V D U Nel
K Nemaname
H P North
J Oosthuizen
P W Oosthuizen
A C Osman

G F T Pistorius
T F Pretorius
H Sader
B Shabangu
A M G Suliman
R N Suttner
P M K Tladi
S Tshehla
A J van Coller
S van Dalsen
C R van der Wal
M van der Merwe
J Venter
A J von Berg
H A Wadiwala

EXAMINERS

Attorneys Admission

Specialist Examiners

S O Beauchamp
A Y Bhayat
J P Blignaut
W F Bouwer
T M Chauke
A J Crous
B J de Klerk
T J P T Hlapolosa
P M Keetse
P B Mabunda
Z M P Majavu
L M Malatsi-Teffo
D N Mculu
T S M Mkhonto
M B Mohlahledi
M Mohlala
K E Moloto-Stofile
L M Monyane
M M Mphela
Z K Mqingwana
H Nossel
E Olivier
C P Phefadu
N E Ramapuputla
F- F V Sepamla
D Storm
M Swarts
H J van Eck

Attorneys Admission

Senior Examiners

E Boshoff
A M H A Carrim
J Coetzee
J C Janse van Rensburg
S T Kekana
I Klynsmith
C J B Laubscher
J Loots
L M Mabotja
R B Mashazi
N A Matlala
T Mohope
H M S Msimang (Convenor)
J B Oosthuizen
G D Painter
D J Potgieter
M J Ramagaga
M P Ramotsehoa
S van Dalsen (Convenor)
A B T van der Hoven
F P Visser
C von Ludwig

Conveyancing Practice

A J Booysen
E Chan
B Chunilal
A de Klerk
P S de Lorenzo
C H Dietzsch
L J Gouws
K I Mahon (Convenor)
H K Matolo
S N I Mokose
N D Mthonti
B H Niemann
S S Omar
N G Patel
N T Sauli-Koren
T B Selebogo
A M Theron (Convenor)
F B van Biljon
Z M Wadiwala

Notarial Practice

C K S Matshitse (Convenor)
S B Ncala
A M Schreiber
S W van der Merwe

DISCIPLINARY COMMITTEES

Gauteng – East Rand

D Dahya
K A Gascoigne
J G Joubert
H E Mabasa
R B Mashazi
J Matthee
N E Nkosi
S K Pillay
J J G Yende

Gauteng – Johannesburg

L R Adams
N M Barling
T Bedhesi
A Y Bhayat
G L Bhikha
C H Cambanis
R Cassim
A Chagan
M P Coetzer
J L L Cuzen
M R Dansky
E E Dasoo
C R du Plessis
L A Ettliger
Y Govender
P R Jordi
F Kajee
J Katzel
A Kontos
H Y Laher
D B Le Roux
S D Logan
P Mabaso
Z M P Majavu
I D Makau
Y Mayet
M P N Mbongwe
A K Mia
M Mia
L J Z Moalusi
T M Mohope
M S Moodliyar
T Moosa
M P Motha
M R Ndlovu
G Nochumsohn
D Oshry
C P Phefadu
K Ramsurjoo
S M Rothbart
M S Rusa
J S Salant
A Saloojee
F V Sepamla
M E Speier

Gauteng – Johannesburg

(continued)
R N Suttner
J Tarica
Y A Tayob
G G Twala
S M Vakalisa
I Vally
E P J van den Berg
W P S van Wyk
H Wadee
Y A Wadee
H A Wadiwala
Z Walele

Gauteng – Pretoria

H M Airey
A A Ayob
N H Boezaart
D Boshoff
E Boshoff
A M A Bosman
I D P Burger
S J Chuene
W C Cilliers
T Conradie
M I Cronje
J C M da Silva
J F de Beer
J D S de Bruyn
O A de Meyer
F B de Vos
A de Vries
C H Dietzsch
E S Dockrat
A G W du Plooy
A C Gani
P D S Goosen
J W Grosskopf
E R Johnson
G Kilian
E Kruger
R F Kruse
A L C M Lephoko
J E Le Roux
M I Y Mahomed
K La M Manamela
M C Maubane
N M M Moduka
N L M Ngwenya
S S Omar
J B Oosthuizen
N Pather
N N Phago
M B Potgieter
R Rahman
N E Ramapuputla

Gauteng – Pretoria

(continued)
K M Röntgen
D J Schoeman
M E Seedat
B Shabangu
A Shapiro
D K Siwela
H C Smalberger
C G Stolp
A M G Suliman
S van Dalsen
F van den Berg
S W van der Merwe
B J van der Westhuizen
C van Eetveldt
J W Wessels
K Wolvaardt

Gauteng – South

J H Bezuidenhout
W J J Jansen van Vuuren
M D Katrakilis
W P Pretorius
H van Wyk

Gauteng – West Rand

G Bowen
T H Kneen
L Looock
K I Mahon
D J Potgieter
W P Venter

Limpopo

M C Lebea
M M Makgaleng
M L Mashego
H N Matsepe
M G Phatudi
S S Senwamadi
P M K Tladi

Mpumalanga

G Becker
H du Preez
O P Makobe
M M Mphela
B E Mthimunye
B J Mtshali
V R S Nkosi
N M Phosa
S J Rakwena
R Spoor
S Tshela
C J van der Merwe
E van der Walt

North West

J P G Fourie
J F Grobler
I Klynsmith
E J Leonard
F C H Pretorius
S E Silent
J A van Aswegen
J D van der Merwe
A F van Wyk
J T van Wyk
C P Zietsman

LSSA COMMITTEES

Alternative Dispute Resolution Committee

C H Cohen
M J Mamabolo
E Patelia (Chairperson)
S S Mampuru (alternate)

Audit and Remuneration Committee

J C Janse van Rensburg
S T Kekana
I Klynsmith
L Langner (alternate)

Committee on Gender Equality

L G Curlewis (Deputy Chairperson)
L Langner
M A Mphahlele

Committee on High Court Matters

A Y Bhayat
A Bloem
C P Fourie (alternate)
D I Matlapeng
D P Mthimunya-Hluyo

Company Matters Committee

P M Daya
M J Feinstein (Chairperson)
N A Matlala

Competition Commission Task Team

P P J Coetser
J C Janse van Rensburg
N A Matlala
M Randerera
S E van der Meulen

Competition Committee

P P J Coetser (Chairperson)
J C Janse van Rensburg (alternate)
M J Ramagaga
P M K Tladi

Constitutional Affairs and Human Rights Committee

P B Mabunda (Chairperson)

Contingency Fees Committee

M H Maimela
A P Millar
M S Putuka
Y Wadee

Costs Committee

J C Janse van Rensburg (Deputy Chairperson)
G L Mathobo

Criminal Law Committee

E Clarke (alternate)
L G Curlewis (Deputy Chairperson)
A L Vilakazi

Deceased Estates, Trusts and Planning Committee

D E Rebus
E Law
M Davel
M R Messias
L B Sigogo
K van Niekerk (alternate)

De Rebus Editorial Committee

G Harper
M M D Lenyai
M Randerera (Chairperson)
L B Sigogo

E-Law Committee

R C Maphalla (alternate)
I D McLaren
S L Snail

Environmental Affairs Committee

H B Kara
C L Warburton

Ethics and Rules Committee

D Bennett (alternate)
M C Mahlatji
N T Sauli-Koren (alternate)
E M Southey

Examinations Committee

E N B Khwinana
A M Theron
S van Dalsen

Family Law Committee

R Masilo
N M F Mvundlela (alternate)
N R Shabangu-Mndawe
K R van Eck

Financial Intelligence Centre Act Committee

A J Itzikowitz
M I Mangena
A Patel

Immigration and Refugee Law Committee

M A O Essop
J E Pokroy (Chairperson)
C M Manzini (alternate)
I M M Maubane
C Watters

Insolvency and Liquidation Matters Committee

M L Ledwaba
M R Malefo
C Wilsnach

Intellectual Property Law Committee

E D du Plessis (Chairperson)
J A Fiandeiro (alternate)
M V Gwala
P P Ramara
B R Rangata
A K van der Merwe

International Affiliation and Foreign Travel Committee

H M S Msimang

Joint AFF / LSSA 46(b) Committee

S S Madiba
E M Southey

Joint Committee of Attorneys and Accountants

J C Janse van Rensburg
S T Kekana
N M F Mvundlela (alternate)

Joint LSSA / AFF GATS (incl. Foreign Qualifications Committee)

E D du Plessis (Chairperson)
S Mahomed
T M Shabangu

Labour Law Committee

L G Curlewis (alternate)
A H Dekker
M S Ramushu (Deputy Chairperson)
J P Stemmett

Legal Aid Committee

K A Gascoigne
J C Janse van Rensburg (alternate)
P J A Kruger
M M Makgale (alternate)
M M Mokoena

Legal Practice Act Committee (Liaison with GCB) – Ad Hoc Task Team

J C Janse van Rensburg

Legal Provident Fund Committee

Z P Nkosi
A M J Pinnock (trustee)

Liquor Matters Committee

E Kruger
M Kutama

Magistrates Court Committee

J C Janse van Rensburg
N Mabuse (alternate)
G D Painter (alternate)
J Tarica

Management Committee

J C Janse van Rensburg
N M F Mvundlela

National Operations Committee (Working Committee of National Efficiency Enhancement Committee)

J C Janse van Rensburg

Paralegals Bill Task Team

N M F Mvundlela

Personal Injury Committee

L Langner
A Matodzi (alternate)
G E P Nel
B Shabangu
I M C Shirilele

Practice Development Committee

M J Beatson (alternate)
L G Curlewis
T M N Kgomo

Pro Bono Committee

B P Mpitso
M Randerera (Chairperson)
L E Williams

Professional Interest body (Association) Task Team

P B Mabunda

Property Law Committee

D Bennett
N T Sauli-Koren
A M Theron (alternate)

Proxi Smart Task Team

J C Janse van Rensburg
A M Theron

Small Claims Court Committee

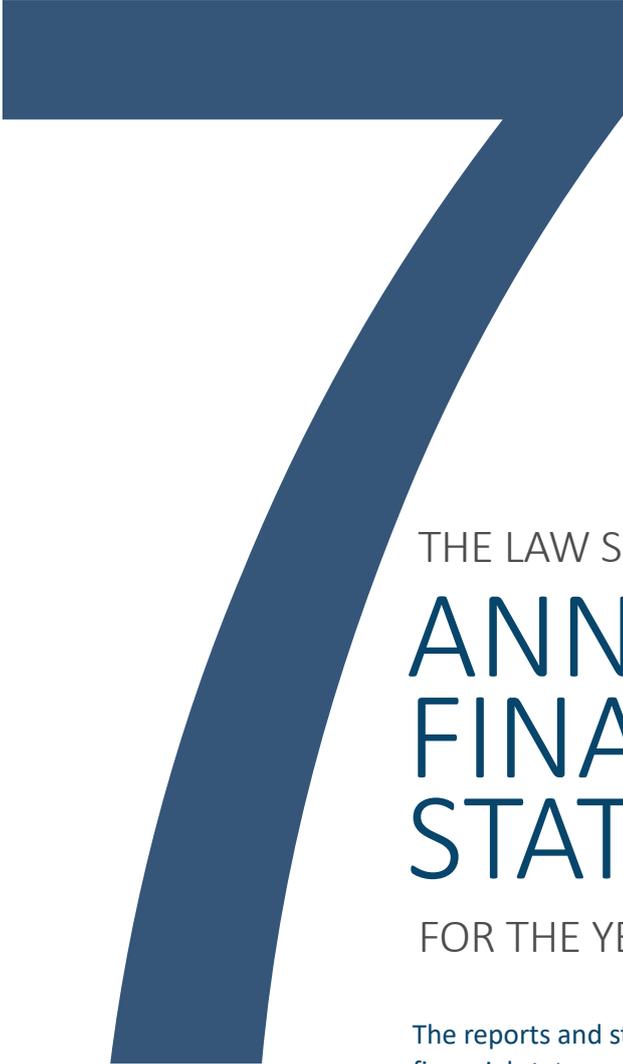
C H Cambanis (Chairperson)
L G Curlewis (alternate)
J Levitz
M J Ramathe (Deputy Chairperson)

Standing Committee on Legal Education

D Bennett
T J P T Hlapolosa

Tax Matters and Exchange Control Committee

C P Ancer
N A Matlala
M H Phaleng-Podile



THE LAW SOCIETY OF THE NORTHERN PROVINCES

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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

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STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE COUNCIL

The Council is required in terms of the Attorney's Act, No. 53 of 1979 to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the Council's responsibility to ensure that the annual financial statements fairly present the state of affairs of the Law Society of the Northern Provinces (the "Law Society") as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Law Society and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Law Society and all employees are required to maintain the highest ethical standards in ensuring the Law Society's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Law Society is on identifying, assessing, managing and monitoring all known forms of risk across the Law Society. While operating risk cannot be fully eliminated, the Law Society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council has reviewed the Law Society's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, it is satisfied that the Law Society has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Law Society's financial statements. The financial statements have been examined by the Law Society's external auditors and their report presented on pages 48 to 49.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the Council and committees of the Council. The Council believes that all representations made to independent auditors during the audit are valid and appropriate.

The financial statements and additional schedules set out on pages 67 and 68, which have been prepared on the non-going concern basis, were approved by the Council on 6 October 2017 and were signed on their behalf by:



DIRECTOR



PRESIDENT

INDEPENDENT AUDITOR'S REPORT

To the Members of The Law Society of the Northern Provinces



Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Law Society of the Northern Provinces ("the Society") as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Law Society of the Northern Provinces' financial statements set out on pages 50 to 66 comprise:

- the statement of financial position as at 30 June 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Emphasis of matter

We draw attention to Note 20 to these financial statements, which refers to the expected cessation of the Council subsequent to the reporting date, subject to the coming into operation of the Legal Practice Act, no. 28 of 2014 in its entirety. These financial statements have therefore been prepared using a non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The Councillors are responsible for the other information. The other information comprises the President's Report, the Statement of responsibility and approval by the Council and the detailed Income Statement. 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 identified above 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.

Responsibilities of the Councillors for the financial statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the councillors are responsible for assessing the Society'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 Councillors either intend to liquidate the Society 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 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors' 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 Society'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 Society 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 Councillors 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.



PricewaterhouseCoopers Inc.

Director: Roshan Ramdhany

Registered Auditor

Sunninghill

18 October 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	-	26,086,502
Current Assets			
Property, plant and equipment	4	25,870,501	-
Trade and other receivables	4	28,173,088	28,136,206
Cash and cash equivalents	5	61,797,204	36,711,433
		115,840,793	64,847,639
Total Assets		115,840,793	90,934,141
Equity and Liabilities			
Equity			
Benevolent Fund reserve	6	1,509,130	1,730,529
Revaluation reserve	14	18,377,192	18,377,192
RABS Project reserve	14	5,705,428	5,705,427
Retained surplus		80,497,640	57,329,243
Total Equity		106,089,390	83,142,392
Liabilities			
Current Liabilities			
Trade and other payables	7	9,751,403	7,791,751
Total Liabilities		9,751,403	7,791,751
Total Equity and Liabilities		115,840,792	90,934,141

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	8	89,920,628	78,488,185
Other income	9	12,466,620	11,061,299
Operating expenses	13	(84,156,354)	(74,531,036)
Operating surplus		18,230,894	15,018,447
Investment Revenue	11	4,716,107	3,025,093
Surplus for the year before taxation		22,947,000	18,043,543
Taxation	12	-	-
Surplus for the year		22,947,000	18,043,543
Other Comprehensive income for the year			
Revaluation of Building	3	-	14,877,714
Total Comprehensive income for the year		22,947,000	32,921,257

Statement of Changes in Equity

Figures in Rand	Benevolent Fund	Revaluation Reserve	RABS Project Reserve	Retained Surplus	Total Equity
Balance as at July 2015	2,930,529	3,499,478	-	43,791,128	50,221,135
Surplus for the year	-	-	-	18,043,540	18,043,540
Other Comprehensive income	-	14,877,714	-	-	14,877,714
Total comprehensive income	-	14,877,714	-	18,043,540	32,921,254
Transfer between reserves	(1,199,999)	-	-	(4,505,428)	-
Balance as at July 2016	1,730,530	18,377,192	5,705,428	57,329,240	83,142,389
Surplus for the year	-	-	-	22,947,000	22,947,000
Other Comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	22,947,000	22,947,000
Transfer between reserves	(221,400)	-	-	221,400	-
Balance as at July 2017	1,509,130	-	5,705,428	80,497,640	106,089,390
Notes	6/14	14	7/14		

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash Flows from operating activities			
Cash generated from operations	8	89,920,628	78,488,185
Investment Revenue	16	12,466,620	11,061,299
Net cash from operating activities		25,928,096	8,569,246
Cash flows from investing activities			
Purchase of property, plant and equipment	8	89,920,628	78,488,185
Sale of property, plant and equipment	3	12,466,620	11,061,299
Net cash from investing activities		(1,052,825)	(757,561)
Total cash movement for the year		25,085,771	7,811,685
Cash at the beginning of the year		36,711,433	28,899,748
Total cash at end of the year	5	61,797,204	36,711,433

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Law Society of the Northern Provinces is a regulatory body established in terms of the Attorneys Act, No. 53 of 1979 having its principle place of business at 123 Paul Kruger Street, Pretoria, South Africa. The primary activity of The Law Society of the Northern Provinces is to serve the interests of attorneys' profession and society, by upholding professional standards and integrity and, the pre eminence of attorneys of The Law Society of the Northern Provinces.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Attorneys Act, No. 53 of 1979. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The Law Society assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Law Society makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the Law Society; and
- The cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

Costs include 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 are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Useful life
Buildings	50 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	3 years
Computer equipment	3 years
Computer software	2 years
Libraries	3 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The revaluation model is applied to fixed property. After recognition as an asset, fixed property whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

1.3 Financial instruments

Loans and receivables

The Law Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re evaluates this designation at every reporting date.

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. Assets with such maturities are classified as non current assets on the statement of financial position. Loans and receivables are classified as 'trade and other receivables' in the statement of financial position.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Should a member be struck, suspended or become an inactive member, are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

1.5 Revenue

Income comprises of membership fees, collection commission received from the Fidelity Fund, admission fees, registration fees for articles, investment revenue, seminar fee income and other income. Income is recognised as it accrues unless collectability is in doubt. Interest income is recognised on a time proportion basis using the effective interest rate method. Income from fines are recorded on a receipts basis as it is not probable to record the income when the invoice is raised.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The Council has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Law Society's accounting periods beginning on or after 01 July 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
IAS 1 – Amendments to IAS 1, Presentation of financial statements disclosure	01 January 2017
IFRS 15 – Revenue from contracts with customers	01 January 2017
IFRS 9 – Financial Instruments	01 January 2018
IAS 12 – Income Taxes	01 January 2017
IAS7 – Amendment to IAS 7, Cash flow statements	01 January 2018
IFRS 2 – Amendments Share based payments	01 January 2018
IFRS 16 – Leases	01 January 2019
IFRS9 – Amendments to IFRS9, Financial instruments on General Hedge Accounting	01 January 2018

2.2 Standards and interpretations not relevant

The following standards and interpretations have been published and are mandatory for the Law Society's accounting periods beginning on or after 01 July 2017 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
IFRS 14 – Regulatory deferral accounts	01 January 2016
IFRS 11 – Amendment to IFRS 11, joint arrangements on acquisition of an interest in a joint operation	01 January 2016
IAS 16 & IAS 38 – Amendments to IAS 16, Property, plant and equipment and IAS 38, Intangible assets on depreciation and amortisation	01 January 2018
IFRS 10 & IAS 28 – Amendments to IFRS 10, Consolidated financial statements and IAS 28, Investments in associates and joint ventures on sale or contribution of asset	01 January 2016
IFRS 10 & IAS 28 – Amendments to IFRS 10, Consolidated financial statements and IAS 28, Investments in associates and joint ventures on applying the consolidated exemption	01 January 2019
IAS 16 & IAS 41 – Amendments to IAS 16, Property, plant and equipment IAS 41, Agriculture on bearer plants	01 January 2016
IAS 27 – Amendments to IAS 27, separate financial statements on equity accounting	01 January 2016
IFRS 5 – Amendments to IFRS 5, Non-current assets held for sale and discontinued operations	01 January 2016
IFRS 7 – Amendments to IFRS 7, Financial instruments - Disclosure	01 January 2016
IAS 19 – Amendments to IAS 19, Employee benefits	01 January 2016
IAS 34 – Amendments to IAS 34, Interim Financial Reporting	01 January 2016
IFRS 4 – Insurance Contracts	01 January 2016

3. PROPERTY, PLANT AND EQUIPMENT

	Cost / Valuation	2017 Accumulated depreciation	Carrying value	Cost / Valuation	2016 Accumulated depreciation	Carrying value
Land and Buildings	27,397,286	(2,925,609)	24,471,677	27,397,286	(2,319,736)	25,077,550
Furniture & fixtures	1,773,052	(1,326,463)	446,589	1,593,438	(1,212,460)	380,978
Motor vehicles	1,187,199	(940,410)	246,789	962,953	(851,043)	111,910
Office equipment	891,604	(666,087)	225,517	720,340	(613,337)	107,003
Computer equipment	2,407,528	(2,003,361)	404,167	1,996,189	(1,693,035)	303,154
Computer software	970,434	(894,674)	75,760	904,075	(798,170)	105,905
Library	26,455	(26,453)	2	26,455	(26,453)	2
Total	34,653,558	8,783,057	25,870,501	33,600,736	(7,514,234)	26,086,502

Reconciliation of property and equipment - 2017

	Opening balance	Additions	Disposals / adjustment	Revaluation	Depreciation	Total
Land and Buildings	25,077,550	-	-	-	(605,874)	24,471,677
Furniture & fixtures	380,978	179,615	-	-	(114,004)	446,589
Motor vehicles	111,910	224,246	-	-	(89,367)	246,789
Office equipment	107,003	171,264	-	-	(52,750)	225,517
Computer equipment	303,154	411,340	-	-	(310,327)	404,167
Computer software	105,905	66,360	-	-	(96,504)	75,760
Library	2	-	-	-	2	2
Total	26,086,502	1,052,825	-	-	(1,268,826)	25,870,501

Reconciliation of property and equipment - 2016

	Opening balance	Additions	Disposals / adjustment	Revaluation	Depreciation	Total
Land and Buildings	10,407,095	143,538	-	14,877,714	(350,797)	25,077,550
Furniture and fixtures	245,136	235,342	-	-	(99,500)	380,978
Motor vehicles	249,969	-	-	-	(138,057)	111,910
Office equipment	134,223	20,153	-	-	(47,374)	107,003
Computer equipment	279,367	295,721	(41,234)	-	(230,701)	303,154
Computer software	89,544	103,489	-	-	(87,128)	105,905
Library	552	-	(550)	-	-	2
Total	11,405,886	798,243	(41,784)	14,877,714	(953,557)	26,086,502

No revaluation of the building was carried out in the 2017 financial year.

The building situated at 123 Paul Kruger Street, Pretoria was however revalued by an independent and professional valuer during the previous financial year. The surplus on the revaluation has been recognised in the non-distributable Revaluation Reserve.

The residual value of the building is estimated at R 9,788,670 at 30 June 2017.

4. TRADE AND OTHER RECEIVABLES

Figures in Rand	2017	2016
Trade receivables	12,716,253	11,335,829
Impairment of accounts receivable	(3,526,541)	(2,626,272)
Net trade receivable	9,189,713	8,709,557
Prepayments	4,931,474	3,502,848
Disciplinary accounts due from Fidelity Fund	8,569,125	10,641,342
Other receivables	494,829	1,447,225
Collection commission receivables from Fidelity Fund	1,874,847	1,741,829
Benevolent Fund receivable	1,660,791	721,615
VAT receivable	1,452,309	1,371,789
	28,173,088	28,136,206

The Council believe that no additional credit risks exist beyond amounts recognised as receivables and other receivables.

All receivables are due within one year from the statement of financial position reporting date.

Fair value of trade and other receivables

Trade receivables	9,189,713	8,709,557
Prepayments	4,931,474	3,502,848
Disciplinary accounts recoverable from Fidelity Fund	8,569,125	10,641,342
Other receivables	494,829	1,447,225
Collection commission receivable	1,874,847	1,741,829
Benevolent Fund receivable	1,660,791	721,615
VAT receivable	1,452,309	1,371,789
	28,173,088	28,136,206

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired.

At 30 June 2017, R 4,576,678 (2016: R 3,070,740) were past due but not impaired. These relate to a number of independent attorneys for whom there is no recent history of default.

The ageing of amounts past due but not impaired is as follows:

1 month past due	403,453	224,086
2 months past due	239,005	2,688,884
3 months and greater past due	3,936,219	157,770
	4,576,678	3,070,740

4. TRADE AND OTHER RECEIVABLES (continued)

Figures in Rand	2017	2016
Trade and other receivables impaired		
As of 30 June 2017, trade and other receivables of R3,526,541 (2016: R 2,626,272) were impaired and provided for.		
The ageing of amounts past due but not impaired is as follows:		
1 – 3 months	-	37,867
Over 3 months	3,526,541	2,588,405
	3,526,541	2,626,272

The individually impaired amounts relate mainly to attorneys who are in unexpected economic difficulty or who are no longer active members of the Law Society of the Northern Provinces.

Movements on the provision for impairment of receivables are as follows:

Provision as at 1 July	2,626,272	1,458,275
Bad debts written off	(301,757)	-
Increase in provision	1,202,026	1,167,997
	3,526,541	2,626,272

The creation and release of the provision for impaired receivables have been included in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of receiving additional cash.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of:

Cash on hand	7,150	6,122
Bank balances	7,249,523	3,112,043
Fixed deposits	54,540,232	33,519,431
Benevolent Fund	299	73,837
	61,797,204	36,711,733

The effective interest rate on short term fixed deposits is 8% (2016: 7.2%) and these deposits have an average maturity of 7 months.

The Law Society does not have any securities, guarantees, derivatives, pledge balances, letters of credit or contingent liabilities linked to any of their bank accounts at year-end.

The fair value of the bank balances, cash on hand and short-term fixed deposits are equal to their book value.

6. BENEVOLENT FUND RESERVE MOVEMENT

Figures in Rand	2017	2016
Fines levied	1,660,791	721,615
Interest received and accrued	54,369	108,942
Bank charges	(2,560)	(1,815)
Grants	(1,934,000)	(2,028,741)
	(221,400)	(1,199,999)

7. TRADE AND OTHER PAYABLES

Trade payables	2,669,995	1,184,173
Amounts received in advance	2,211,197	2,226,967
Other payables	1,830,985	1,538,145
Payroll accruals	593 999	552,214
Limpopo Law Council creditor	784,876	790,409
Accrued leave pay	1,660,350	1,499,842
	9,751,403	7,791,751

Fair value of trade and other payables

Trade payables	2,669,995	1,184,173
Amounts received in advance	2,211,197	2,226,967
Other payables	1,830,985	1,538,145
Payroll accruals	593 999	552,214
Limpopo Law Council creditor	784,876	790,409
Accrued leave pay	1,660,350	1,499,842
	9,751,403	7,791,751

8. REVENUE

Revenue for the year consists of the following:

Membership fees	39,750,813	38,016,743
Fines Levied - Benevolent Fund income	1,660,790	721,615
Collection Commission - Fidelity Fund	46,741,260	37,897,966
Admissions, articles and other	1,767,763	1,851,861
	89,920,628	78,488,185

9. OTHER INCOME

Other income for the year consists of the following:

Members affairs income	9,774,563	8,812,544
Loss on disposal of fixed assets	-	(68,184)
Seminar income	1,538,568	1,304,678
Examination income	1,063,767	940,982
Sundry income	89,722	71,269
	12,466,620	11,061,299

10. COMMITMENTS

Figures in Rand	2017	2016
Operating leases - as lessee (expenses)		
Minimum lease payments due:		
No later than one year	220,583	867,905
Later than one year not later than five years	-	220,583
Later than five years	-	-
	220,583	1,088,488

Operating lease payments represent rentals payable by the Law Society for certain of its office properties.

Lease notice are negotiated for an average term of three years and rentals are agreed with inflation increases over the term.

No contingent rent is payable.

11. INVESTMENT REVENUE

Interest received	4,716,107	3,025,092
	4,716,107	3,025,092

12. TAXATION

The Law Society is exempt of tax in terms of Section 10(l) (cA) (l) of the Income Tax Act.

13. OPERATING EXPENDITURE

Figures in Rand	2017	2016
Annual general meetings	1 260 111	1 183 768
Auditors' remuneration	528 405	456 250
Bad debts	1 474 492	1 167 997
Bank charges	310 694	276 962
Benevolent Fund grants	1 934 000	2 028 741
Black Lawyers Association Meetings	323 864	264 649
Compensation Commissioner	64 806	40 993
Council, LLSA, special meetings and Circle visits	2 765 620	2 246 740
Curator expenses	855 874	665 335
Depreciation	1 268 826	953 557
Donations	500 000	-
Electricity	488 995	416 322
Examinations	3 203 080	1 523 501
Hire of office machinery and offices	1 361 558	1 226 696
Honoraria - Council and Committee members	4 479 144	4 172 941
Insurance	409 188	371 175
International conferences	1 083 313	743 578
Judges Function	85 995	158 056
Legal and professional expenses	1 869 185	290 036
Maintenance	748 674	984 951
Motor expenses	165 529	187 272
National Association of Democratic Lawyers Meetings	175 363	148 883
Newspaper subscriptions	24 116	27 835
Office expenses	592 387	554 067
Photos	8 316	6 326
Printing, postages and stationery	3 564 352	3 751 856
Pro Bono	109 308	-800
Rates and Taxes	527 060	608 707
Road Accident Benefit Scheme Project	-	1 326 462
Salaries and benefit contributions	42 368 223	37 214 682
Seminar expenses	1 691 215	1 469 542
Society News publications	47 989	6 905
Statutory Meetings	-	45 680
Subscriptions	300 703	213 754
Subsidies	3 139 031	3 184 240
Sundry income	-	-1 083
Telephone and fax	1 406 969	1 476 052
The Law Society of South Africa	4 837 723	5 083 796
Website maintenance	182 245	54 613
Total expenditure	84,156,354	74,532,120

14. RESERVES

The following reserves are included in the reserves of the Law Society of the Northern Provinces:

Benevolent Fund Reserve - This reserve relates to the Benevolent Fund which is administered by the Council in terms of Rule 53.1 to 53.6.2 of the Rules for the Attorneys Profession. This reserve is to be utilised to pay out grants by beneficiaries approved by the Council. On an annual basis the fines received by the Law Society from members are transferred to the reserve. Other expenses incurred include bank charges.

Revaluation Reserve - The revaluation reserve is used to record increments and decrements on the revaluation of land and buildings. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained surplus.

RABS Project Reserve - This reserves related to the amount approved by members of the Law Society of the Northern Provinces to be used in a media campaign in respect of the Road Accident Benefit Scheme. The balance of this reserve is the amount available to be used for the project.

15. AUDITORS' REMUNERATION

Figures in Rand	2017	2016
Audit Services	453,40	411,250
Non-audit Services	79 000	45 000
	532,405	456,250

16. CASH GENERATED FROM OPERATIONS

Surplus before taxation	22,947,000	18,043,540
Adjustments for:		
Depreciation and amortisation	1,268,826	953,557
Interest received – investment	(4,716,107)	(3,025,092)
Movements in provisions	-	(2,968,111)
Changes in working capital:		
Trade and other receivables	(36,882)	(7,072,362)
Trade and other payables	1,959,652	(387,378)
	21,422,489	5,544,154

17. RELATED PARTIES

The following are considered to be related parties of the Law Society of the Northern Provinces:

Fidelity Fund

This represents any agency relationship between the Attorneys Fidelity Fund and the Law Society of the Northern Provinces. The Law Society collects the interest earned by the attorney's on their trust accounts. The interest is then paid over to the Attorneys Fidelity Fund, for which they receive the Collection Commission revenue.

Receivable from Fidelity Fund

Figures in Rand	Note(s)	2017	2016
Disciplinary accounts due from Fidelity Fund	4	8,569,125	10,641,342
Collection commission receivables from Fidelity Fund	4	1,874,847	1,741,829

Revenue from Fidelity Fund

Fidelity fund income	8	46 741 261	37 897 966
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Benevolent Fund

This represents an administrative relationship as the Law Society simply manages the fund in relation to making payments to the beneficiaries of the fund on a monthly basis and maintaining the accounting records of the fund.

Other Law Councils

The Law Society is also related to the following Councils:

- North West Attorneys Council
- Mpumalanga Attorneys Council
- Gauteng Law Council
- Limpopo Law Council

Subsidies are paid by the LSNP to all the Law Councils of each province. However Gauteng, North West and Mpumalanga maintain their own accounting records and hence the subsidy is paid to them and shown as an expense in the records of the Law Society of the Northern Provinces.

The Limpopo Law Council's accounting records are maintained by the Law Society of the Northern Provinces and hence the amount of the subsidy still owed and not claimed by the Limpopo Law Council by 30 June 2017 is recorded in the records of the Law Society of the Northern Provinces. Any grant payments made by the Law Society on behalf of the Limpopo Law Council are deducted from the subsidy amount owed to the Limpopo Law Council.

Related party transactions

No transactions other than the subsidy and related grant payments in respect of the Limpopo Law Council have taken place between the Law Society and its related parties during the year.

Circles meetings

North West Attorneys Council	123,059	44,986
Mpumalanga Attorneys Council	94,106	73,452
Gauteng Law Council	4,727	7,528
Limpopo Law Council	38,691	41,074

Subsidies

North West Attorneys Council	592,596	574,387
Mpumalanga Attorneys Council	714,546	692,590
Gauteng Law Council	1,263,499	1,224,674
Limpopo Law Council	714,546	692,590

17. RELATED PARTIES (continued)

Key management personnel

The following are considered to be related parties of the Law Society of the Northern Provinces:

Council members:

L B Sigogo (President)	S S Madiba
S O Beauchamp (Vice President)	R V Mathare
S W M Gule (Vice President)	A P Millar
D Bennett	K I Mogale
P M Carter	P C Mogale (Resigned with effect from 24/10/2016)
P H Cronin	M M Mokoena (Appointed with effect from 26/08/2016)
K M Diale (Appointed with effect from 25/11/2016)	G E P Nel
P A Dykes	M Rander
C P Fourie	S Rangoanasha (Appointed with effect from 26/05/2017)
H C Jacobs (Resigned with effect from 19/09/2016)	N T Sauli-Koren (Appointed with effect from 25/11/2016)
J C Janse van Rensburg	K P Seabi
M F Kganyago (Resigned with effect from 25/11/2016)	T M Shabangu (Appointed with effect from 25/04/2017)
L Langner	N R Shabangu-Mndawe
D Mabasa (Resigned with effect from 03/01/2017)	J P Stemmett
P B Mabunda (Resigned with effect from 24/11/2016)	

- Management comprises the Finance and HR Committee and the Management Committee.
- Compensation paid to members of Council comprises Honoraria and Travel.

Figures in Rand	2017	2016
Related party transactions		
The related party transactions pertains to the payment of honoraria and advances to the various Circle Councillors.		
Compensation paid to members of Council comprises Honoraria and Travel		
Honoraria	2,874,639	2,636,387
Travel	807,390	715,175
Other Committees	1,604,504	1,536,553
Balances due to related parties		
Limpopo Law Council	(784,876)	(790,409)
Gauteng Law Council	(11,707)	(5,175)
Mpumalanga Attorneys Council	(82,114)	(1,600)
Balances receivable from related parties		
Seminar profit payable to Circles	-	16,269
North West Attorneys Council	19,127	-

18. FINANCIAL RISK MANAGEMENT

The Law Society's activities expose it to a variety of financial risks: market risk, liquidity risk and cash flow interest rate risk.

The Law Society's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payables.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

The Law Society has minimal liquidity risk due to the high value of cash available to meet expected expenditure.

The table below analyses the law Society's financial liabilities that will be settled on a net basis into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2017	Less than 1 year
Trade and other payables	7,095,677
At 30 June 2016	Less than 1 year
Trade and other payables	5,501,501

Interest rate risk

The Law Society's income collection commission and operating cash flows are substantially dependent on changes in market interest rates. Interest-bearing assets consist mainly of short-term fixed deposits and the Law Society has no interest bearing borrowings

Capital Management

The Law Society's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide continuous operations of the Society, and maintain an optimal capital structure to reduce the cost of capital and the need for funding through debt.

Credit risk

Financial assets that potentially increase the Law Society's exposure to credit risk are cash deposits, cash equivalents and accounts receivables. The Law Society's cash deposits and cash equivalents are invested in high quality financial institutions. The Law Society only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Debtors are shown net of provision for impairment and bad debts. The accounts receivables consist of large numbers of debtors with small outstanding balances for membership fees, and there are no material trade debtors to disclose.

Financial Instruments	2017	2016
Cash and cash equivalents	61,586,704	36,711,433
Trade and other receivables	25,116,406	24,633,358

19. THE LEGAL PRACTICE ACT, Act 28 of 2014

It should be noted that the financial administration of the Law Society was dealt with, having regard to the implications and proposed implementation of the Legal Practice Act, No. 28 of 2014, which was promulgated in Government Gazette no. 38022, dated 22 September 2014. There was a statutory obligation on the Law Society to consult and disclose some items of expenditure to the National Forum on Legal Profession in terms of Section 97(1) of the Act, in terms of which the Law Society was accountable to do so.

Part 1 and 2 of Chapter 10 of the Act (Transitional Provisions) came into operation on 1 February 2015 and Chapter 2 in terms of Section 120(3), which will establish the Legal Practice Council and Provincial Councils under the Act is expected to become operational on 1 April 2018 with the rest of the Legal Practice Act to be implemented under Section 120(4) on 1 August 2018.

20. GOING CONCERN

The Law Society will cease to exist upon the coming into operation of the Legal Practice Act, no. 28 of 2014 in its entirety, in terms of Section 120(4), when all the assets, rights, liabilities, obligations and staff will be transferred to the Legal Practice Council. This will occur by way of a statutory intervention on the date to be proclaimed and which is anticipated to be 1 August 2018. Accordingly the financial statements have been prepared on a non-going concern basis of accounting.

21. EVENTS AFTER THE REPORTING PERIOD

The Council members are not aware of any other matter or circumstance arising since the end of the financial year, other than those disclosed in note 20, that could materially affect the financial statements.

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2017	2016
REVENUE		89,920,628	78,488,185
Membership fees	8	39 750 813	38 016 743
Fines Levied - Benevolent Fund income	8	1 660 791	721 615
Fidelity Fund	8	46 741 261	37 897 966
Admission, articles and other	8	1 767 763	1 851 861
OTHER INCOME		17,182,726	14,087,474
Members' Affairs income	9	9 774 563	8 812 544
Loss on disposal of fixed assets	9	-	-68 184
Seminar income	9	1 538 568	1 304 678
Examination income	9	1 063 767	940 982
Sundry income	9	89 722	72 362
Investment revenue	11	4 716 107	3 025 092
TOTAL INCOME FOR THE YEAR		107,103,354	92,575,659
ADMINISTRATIVE EXPENDITURE	13	55 910 749	48 982 338
Hire of office machinery and offices		1 361 558	1 226 696
Salaries and benefit contributions		42 368 223	37 214 682
Printing, postages and stationery		3 564 352	3 751 856
Bank charges		310 694	276 962
Telephone and fax		1 406 969	1 476 052
Office expenses		592 387	554 067
Electricity		488 995	416 322
Rates and Taxes		527 060	608 707
Motor expenses		165 529	187 272
Maintenance		748 674	984 951
Depreciation		1 268 826	953 557
Insurance		409 188	371 175
Auditors' remuneration		453 405	456 250
Legal and professional expenses		1 944 185	290 036
Subscriptions		300 703	213 754
PROJECTS	13	-	1,326,462
Road Accident Benefit Scheme Project		-	1,326,462
GRANTS AND ANNUAL CONTRIBUTIONS	13	7,381,031	7,111,736
The Law Society of South Africa		4,837,723	5,083,796
Benevolent Fund grants		1,934,000	2,028,741
Pro Bono		109,308	(800)
Donations		500,000	-

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2017	2016
TRAVELLING, SUBSISTENCE AND MEETING EXPENSES	13	11 864 625	10 433 838
International conferences		1 083 313	743 578
Council, LSSA, special meetings and Circle visits		2 765 620	2 246 740
Annual general meetings		1 260 111	1 183 768
Black Lawyers Association Meetings		323 864	264 649
National Association of Democratic Lawyers Meetings		175 363	148 883
Statutory Meetings		-	45 680
Judges' Function		85 995	158 056
Honoraria - Council and Committee members		4 479 144	4 172 941
Seminar expenses		1 691 215	1 469 542
COMMUNICATIONS	13	262,666	95 679
Website maintenance		182 245	54 613
Society News publications		47 989	6 905
Newspaper subscriptions		24 116	27 835
Photos		8 316	6 326
EDUCATIONAL	13	3,203,080	1,523,501
Examinations		3,203,080	1,523,501
CIRCLES	13	3,139,031	3,184,240
Subsidies		3,139,031	3,184,240
OTHER EXPENSES	13	1,474,492	1,012,080
Bad Debts		1 474 492	1 167 997
Curator Expenses		855 874	665 335
Compensation Commissioner		64 806	40 993
TOTAL EXPENDITURE		84,156,354	74,532,119
Surplus for the year		22,947,000	18,043,543

CIRCLE FINANCIAL RESULTS

The following information is an extract from the individual financial statements of the respective Circles:

	Mpumalanga Attorneys Council	Gauteng Law Council	Limpopo Law Council	North West Attorneys Council
Cash and cash equivalents / LSNP Receivable	1,019,842	3,238,269	678,691	401,512
Capital and Reserves	862,998	3,261,131	689,612	448,413
(Deficit) / Surplus for the year	(90,159)	(168,240)	146,156	121,950



THE LAW SOCIETY
OF THE NORTHERN PROVINCES