

ANNUAL REPORT

FOR THE YEAR

2006 - 2007



South African Board for

SHERIFFS

Upholding the Dignity of Those We Serve



The Service Charter of the Sheriffs Profession

All sheriffs pledge at all times:

- ✚ To maintain the highest standards of honesty and integrity;
- ✚ To share with the client, the level and quality of services they will receive so that they are aware of what to expect;
- ✚ To provide the client access to the services to which they are entitled;
- ✚ To treat clients with fairness, courtesy and consideration;
- ✚ To provide the client with full, accurate information about the services they are entitled to receive;
- ✚ To provide services which are effective and efficient in order to give clients the best possible value for money;
- ✚ To account faithfully, accurately and timeously with regard to trust money;
- ✚ To maintain confidentiality regarding the affairs of the client;
- ✚ To honour any undertaking given in the course of our practice;
- ✚ To maintain the independence necessary to enable us to give our clients unbiased advice;
- ✚ To charge reasonable fees as per the legislated tariff fee structure;
- ✚ To carry out work in a competent and timely manner and to comprehensively report to our clients;
- ✚ To take pride in ourselves, the profession and the people we serve;
- ✚ To change and to meet the challenges of the present and the future and to dedicate our work towards a better civil justice system and; -
- ✚ To refrain from doing anything that may bring the sheriffs profession into disrepute.



FOREWORD

Our challenges seem to grow with each term that we serve as Board members, however, I am confident that we will continue to honour our published vision and mission and in particular our mandate to transform the profession in the same exemplary manner that our government has realised our democracy. We should be vigilant of trivial factors that could deter our successes and focus on the unity that we enjoy as a competent, professional team, supported by a sound management and administrative structure.



Mrs NZ Nduna
Chairperson (2005 to 2008)
Chairperson (2003 to 2005)
Deputy Chair (2000 to 2003)

To change and to meet the challenges of the present and the future and to dedicate our work towards a better civil justice system

SA BOARD FOR SHERIFFS' ANNUAL REPORT

2005 - 2006

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To refrain from doing anything that may bring the sheriffs profession into disrepute

BOARD MEMBERS



Back Row from the Left;

Mr C America – Executive Manager

Mr A Mali

Mr T Seboka

Mrs NZ Nduna - Chairperson of the South African Board for Sheriffs

Mr A Makwetu

Mr JB Skosana

Mr J Fourie

Front Row from the Left;

Mrs F Laing

Mrs V Baduza

Mr P Maluleke - Deputy Chairperson of the South African Board for Sheriffs

Ms PB Mantame

Mrs C Mabuza

To take pride in ourselves, the profession and the people we serve



1. GOVERNANCE & ORGANISATION

The South African Board for Sheriffs (the Board) is a regulatory statutory body appointed by the Minister in terms of section 9 of the Sheriffs Act, 1986 (Act No 90 of 1986) (the Act) and it has, as its objects, the maintenance of the esteem of, the enhancement of the status of, and the improvement of the standard of training of and functions performed by sheriffs.

The primary role of the Board is the issuing of a Fidelity Certificate to any person who is suitable and competent to occupy the office of the sheriff. The appointment period of the current Board is from September 2005 to September 2008 as members are appointed for a period of three years. The SABFS functions in the form of Committees which are constituted as follows:

EXECUTIVE COMMITTEE

Ms. Zodwa Nduna – Chairperson
Mr. Prince Maluleke - Deputy Chairperson
Mr. JB Skosana
Mrs Charmaine Mabuza
Mr. Thaka Seboka
Mr. Anthony Mazwi Makwetu
Mr Johan Fourie

Training Committee

Mr. A.M. Makwetu – Chairperson
Mr. A Mali
Mrs F Laing

Finance, HR & IT Committee

Mrs. C Mabuza – Chairperson
Mr. T Seboka
Mr. A Mali

Legal & Compliance Committee

Mr. J Fourie - Chairperson
Ms. PB Mantame
Mrs. V Baduza

Liaison & Appointment Committee

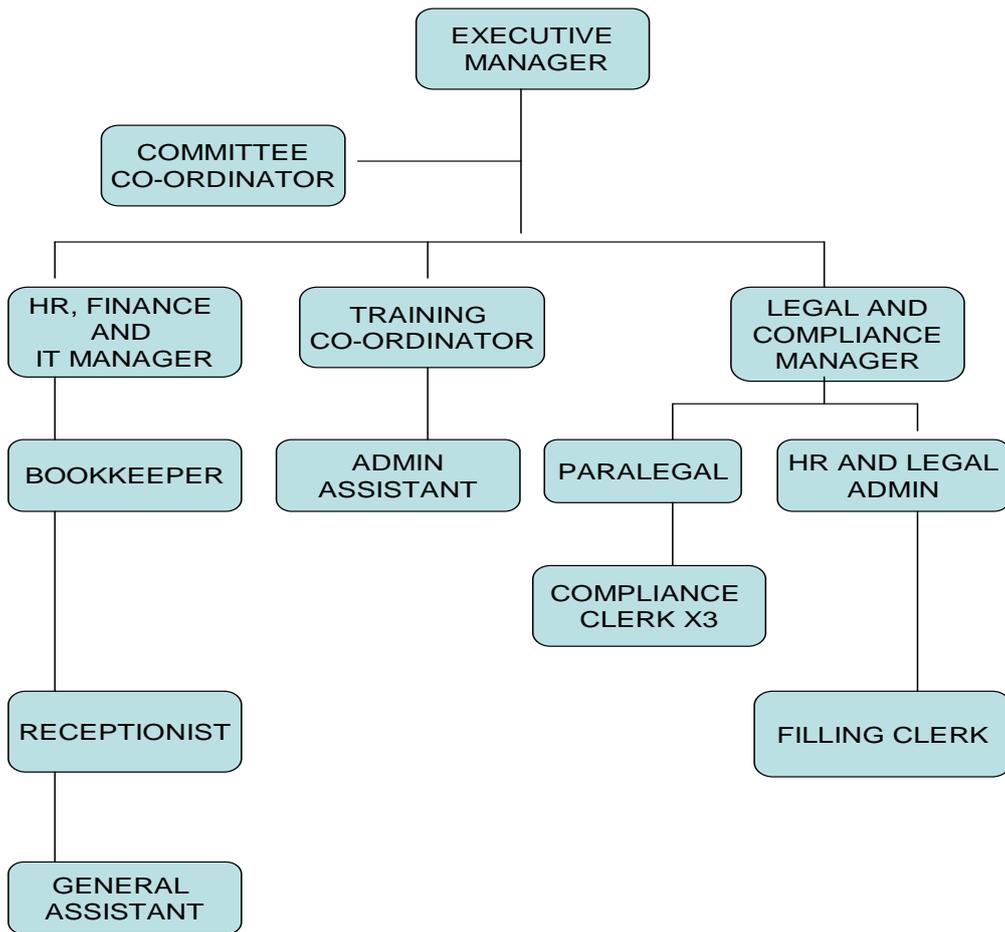
Mr. T Seboka – Chairperson
Mrs. V Baduza
Mr. A Makwetu

To maintain the highest standards of honesty and integrity



The administrative support staff is comprised of 11 females and 3 males who serve under the Executive Manager.

SOUTH AFRICAN BOARD FOR SHERIFFS – CURRENT ORGANOGRAM AUGUST 2007



To share with the client, the level and quality of services they will receive so that they are aware of what to expect



This year the SABFS has taken measures to increase its capacity to deal with complaints. The following matters were dealt with during the period under review:

2006 COMPLAINTS STATISTICS

PROVINCE	NEW COMPLAINTS RECEIVED	COMPLAINTS RESOLVED	COMPLAINTS PENDING
EASTERN CAPE	157	34	123
NORTHERN CAPE	14	4	10
WESTERN CAPE	92	22	70
FREE STATE	48	5	43
NORTH WEST	30	3	27
GAUTENG	195	28	167
LIMPOPO	115	23	92
MPUMALANGA	35	7	28
KWA-ZULU NATAL	61	14	47
TOTAL	747	140	607

To provide the client access to the services to which they are entitled



SUMMARY OF COMPLAINTS PENDING

Outstanding Sheriffs response	415
Outstanding Complainants response	140
SABFS to decide on further steps	52
TOTAL PENDING	607

An analysis of the statistics indicates that we need to ensure that the responses of sheriffs to complaints are forwarded to us timeously. Only in this way will we be able to improve our case cycle times and ultimately our service to the public.

The three most common complaints are:

- a) that sheriffs do not execute process timeously
- b) that trust monies are not paid timeously
- c) Most importantly, members of the public are not explained the content of the legal document in a language that they understand.

To treat clients with fairness, courtesy and consideration



2. TRAINING INITIATIVES

In terms of Section 8 of the Sheriffs Act, one of the objectives of the South African Board for Sheriffs is “the improvement of the standard of training of and the functions performed by sheriffs.”

The notions of a prescribed standard of training are not clearly defined in the Sheriffs Act. Strictly speaking, the appointment of sheriffs never had any criteria relating to formal schooling. This position clearly has its challenges which the SABFS has looked to address in the following way:

The SABFS currently has a two pronged approach to training.

The first is the formal medium of instruction and takes the form of the Learnership for sheriffs and deputy sheriffs as well as the Mentorship training programme for sheriffs. The training is sanctioned and supported by SASSETA and the Durban University of Technology has been appointed to conduct the training programmes.

The second focus area which runs parallel to the formal medium of training seeks to improve service delivery by providing needs based training which is focused on actors within the sheriff’s offices. Here we have one specific goal which is to improve service to the public.

The areas in need of training have been identified by the nature of complaints referred to the Board. In addition hereto, we are also consulting all sheriffs nationwide to have them identify training needs that will inform the programme material for the training sessions.

3.1. The formal medium of training

The SABFS believe that it is of pivotal importance that sheriffs aspire to attain some form of formal qualification as most current sheriffs do not have tertiary education. Although practical experience is critical to the appointment of sheriffs, they also need to grasp deeper theoretical understandings of the law.

The benefits of these training programmes are that qualifying learners will be able to:

- Establish and manage effective workplace relationships utilizing business skills and processes; and communication skills
- Contribute to the development of the workplace environment
- Function as a law enforcement officer by serving and executing all processes in compliance with relevant law

To maintain confidentiality regarding the affairs of the client



- Supervise workplace information, operations and systems to meet organizational requirements
- Manage personal work priorities and professional development
- Manage conflict better

The South African Board for Sheriffs is currently considering the minimum qualification[s] for the appointment of Sheriffs and may be proposing legislative amendments in due course. This will no doubt improve technical skill and improve the standard of service to the public.

3.1.1 Why is there a need for a learning path in the sheriff's profession?

The qualifications focusing on practical aspects of sheriffs, was initiated with the Sheriffs Introductory Course (SIC) leading to the National Certificate at level 5, then onto the Diploma at level 6 and finally to the LLB degree.

These qualifications provide the learner with a path if he/she wished to study further. When completing various unit standards, starting with the National Certificate, the learner will be able to take those earned credits with him/her if they decide to move to any other law enforcement related industry. This SAQA defined principal allows the learner to use that which you have achieved to move vertically or horizontally.

We are also planning to use the SIC to induct all newly appointed Sheriffs and later, Deputies, when entering the profession. We are confident that this approach will enhance service delivery within the civil justice system.

For the Learnership programme, we had hoped to attract 100 learners but had to settle on 73 as an intake for this pilot programme. To date we have trained 44 Mentors who will monitor the progress of their learners and administer a workplace logbook that will be submitted to DUT as part of the learner's portfolio of evidence.

Finding learners in line with the criteria set by the qualification and the Department of Labour has proven to be quite challenging. The National Certificate does not allow access to learners who do not have a senior certificate. When screening applications for the learnership we identified this as a gap/need to be addressed.

Due to selective employment practices, prior to our democracy, the sheriffs profession is predominantly White and we found it difficult to align with the racial criteria set by Department of Labour that our intake should be 70 – 80% black, 50% women, etc. We are however considering ways to overcome this challenge and hope to do so soon.

To maintain the independence necessary to enable us to give our clients unbiased advice



3. AUDIT OF THE SHERIFF'S PROFESSION, VACANCIES & LEGISLATIVE AMENDMENTS

A. AUDIT

- 4.1 As on August 2006 there were 338 permanent sheriffs and 44 acting sheriffs (who had attained retirement age). Of all the sheriffs 74% are White and 26% Black. Women comprised only 13%. Most of the White Sheriffs are concentrated in the economically viable towns and cities while most of the Black Sheriffs are in the non viable offices which formed part of the defunct homelands prior to 1994.
- 4.2 Sheriffs are allowed by law to appoint Deputy Sheriffs. It has become a general practice for sheriffs to appoint their next of kin (spouses, sons, and other family members) to these positions to keep the profession within the family. Of the 834 Deputy Sheriffs, 563 are White and 271 Black. Women comprise 176 of the number. Deputy Sheriffs have legal competence to serve court process and to perform any of the powers and functions of a sheriff. In bigger offices most of the work of the sheriffs is largely performed by Deputy Sheriffs.
- 4.3 From the result of the audit 142 vacancies exist in the various offices of the sheriffs. The vacancies arose as a result of incumbent sheriffs having attained retirement age, resignations, death and removal from office as a result of acts of misconduct. All vacant offices are occupied by acting sheriffs and acting appointments, are, as a practice, made from the same sheriffs who have reached the retirement age, and where they are not unable or unavailable to take the acting position an adjacent sheriff is usually appointed to service the vacant office. The appointment of acting sheriffs from serving sheriffs stems from the requirement that sheriffs must be in possession of a Fidelity Fund Certificate before exercising the powers and functions of a sheriff.

To charge reasonable fees as per the legislated tariff fee structure

NO SERVICE CHARTER “QUOTATION”

Race and gender demographics of the profession:

Province	No. of Magisterial Districts	No of Sheriffs' offices	No. of Sheriffs			No. of Deputies			No of vacancies
			W	B	F	W	B	F	
Eastern Cape	78	91	28	30	13	51	53	23	29
Free State	53	80	39	4	5	62	22	15	26
Gauteng	23	49	32	9	10	158	44	35	12
KwaZulu Natal	51	68	26	15	8	52	29	20	14
Mpumalanga	30	54	19	5	3	44	23	14	10
North West	27	49	21	8	5	48	16	21	10
Northern Cape	42	38	22	0	2	27	0	7	15
Western Cape	26	68	38	11	4	87	59	26	13
Limpopo	36	54	13	10	1	34	25	15	13
TOTAL	366	551	238	92	51	563	271	176	142

B. VACANCIES

- 4.4 Following the analysis of the initial 142 vacancies the following four options are available: firstly, the immediate filling of vacant offices; secondly, combination of offices to form offices that are economically viable; thirdly, the combination of High and Lower courts where the workload justifies such combination; and fourthly, the investigations for sub division or competition in respect of vacant offices.
- 4.5 Section 3(2)(a) of the Sheriff's Act authorizes the Minister of Justice and Constitutional Development to sub divide magisterial districts with a high work volume and high income potential into a number of service areas to allow the appointment of more than one sheriff in such magisterial district.
- 4.6 Although sub divisions are likely to improve the efficiency of the profession as the workload of bigger areas is shared among a number of sheriffs, it also increases the number of sheriffs' offices and provide opportunities for the appointment of more Black sheriffs and women to the vacancies so created.

Introduction of competition to certain sheriffs offices

- 4.7 While section 3(2)(a) allows the Minister to sub divide an area of the jurisdiction of a court to more areas for appointment of sheriffs, section 3(2)(b) provides for the appointment of more than one sheriff in an undivided area which forms an area of jurisdiction of a lower or higher court.

To carry out work in a competent and timely manner and to comprehensively report to our clients



This section introduces competition in that one or more sheriffs are appointed in the same office within the same area of jurisdiction of a lower or high Court. Processes of the court (either lower or high court) are served by any of the sheriffs appointed for the area of jurisdiction of the court. The choice of who among the appointed sheriffs will serve a particular process is largely dependant on the attorney issuing the court process.

- 4.8 To date no appointment has been made in terms of section 3(2)(b) of the Act. In 2003 the Department commissioned an investigation to establish the feasibility of designating certain areas as areas where more than one sheriff could be appointed for purposes of implementing section 3(2)(b). The investigation selected 16 areas in Gauteng for research and this culminated in the submission to the Minister of the report titled “Investigation of the Designation of Particulars Areas in Which More than One Sheriff May Be Appointed”.
- 4.9 In the Report the following areas were recommended for designation for the implementation of section 3(2)(b) and the areas were proclaimed by the Minister by notice in the Government Gazette accordingly: (The number indicated in the brackets reflects the number of sheriffs for each area)
- Alberton (2)
 - Sandton (3)
 - Randburg (3)
 - Krugersdorp (2)
 - Vereeniging (3)
- 4.10 Based on the recommendations contained in the Report, the Department, during 2003, advertised the new vacant offices recommended in the Report. The advertised positions could not be filled because the Rules of Court had not been amended to provide for the execution of processes by more than one sheriff in a particular area; and there was therefore a need to make the necessary Rules to provide for the implementation of section 3(2)(b) of the Act.
- 4.11 There are 10 vacant offices that provide opportunity for sub division (section 3(2)(a)) or competition (section 3(2)(b)) and the decision to subdivide or designate any of these areas as an area where more than one sheriff can be appointed is unlikely to be challenged by any sheriff as the offices are vacant:

To change and to meet the challenges of the present and the future and to dedicate our work towards a better civil justice system



C. LEGISLATIVE REVIEW

- 4.12 The Regulations issued under the Sheriffs Act have been reviewed to accelerate the transformation of the profession and to improve its efficiency. The amendment of Regulations includes the introduction of a new appointment mechanism for sheriffs.

The appointment procedure prescribed in the current Regulations is not consistent with the separation of powers and the independence of the judiciary. In terms of the current dispensation the Advisory Committees, through the Director-General, advise the Minister on the suitable person for appointment to the office of the Sheriff. The Magistrate of the court where a vacancy is, serves as the chairperson of the Advisory Committee and recommends to the Director-General any person found by the Committee to be suitable for appointment.

This procedure makes magistrates accountable to the Director-General and is thus not consistent with the separation of powers principle and undermines the independence of the magistracy. This practice was followed at the time when magistrates performed administrative functions as civil servants.

- 4.13 Appointment of sheriffs is an executive function and the Head of the court where the vacancy occurs may give his or her input on any of the candidates for the vacant position but need not be part of the selection panel. The procedure applicable to the appointment of administrative staff whereby Heads of Courts are allowed to give input on the short listed candidates is also preferred for the appointment of sheriffs.
- 4.14 The Department is considering draft amendments to the Regulations which will, among others, introduce a new appointment mechanism whereby Advisory Committees are established at regional/provincial level.

To refrain from doing anything that may bring the sheriffs profession into disrepute



4. MILESTONES AND CHALLENGES

Last year we reported that we were building an ethos of compliance focusing on the conduct of sheriffs. We also wish to report that we advertised the names of 12 sheriffs that were not issued with Fidelity Fund certificates by way of Notice to the Public in the Sunday Times dated the 11 February 2007 and the Sheriffs website.

We have aligned our information on sheriff's offices with that of the Department of Justice and Constitutional Development and there is now better understanding and cooperation between the SABFS and the department on aspects that are crucial to our functioning efficiently and effectively

The audit of the sheriffs' offices nationwide has resulted in the SABFS now having verified trustworthy information on which reliance can be placed for decision making. Our sincere thanks to the Department for its assistance with this process.

We have also managed to develop a new case-flow management process and appointed new staff to bolster our regulatory capacity. We will continue to strive to improve our internal business processes so that we can benefit the public and enhance our role in the civil justice enforcement arena.

We have looked and will always continue to explore ways to deal with the financial sustainability of the SABFS. We have made significant progress in this regard and hope to have more positive reports and results next year.

We have re-aligned our strategic objectives to focus on increasing our efficiency internally as well as externally concentrating now exclusively on how we are relevant to our stakeholders and seeking to optimize the value that we can add in respect of access to justice.

Our challenges however, remain real. Whilst we have made progress in our handling of complaints, completed the audit with the Department, improved our administration and proposed amendments that will affect financial sustainability, we need to build on our regulatory capacity.

For the first time we will be introducing inspectors that will be in the full time employ of the Board and who will initially focus exclusively on the financial information referred to us by sheriffs.

The re-demarcation process has resulted in us having to assess each magisterial district and this has proved very challenging as reported earlier. The uncertainty in the results and the impact remains a challenge.

To take pride in ourselves, the profession and the people we serve



Our research in respect of complaints has shown that the 3 most common complaints are:

1. that sheriffs do not execute process timeously
2. that trust monies are not paid timeously
3. Most importantly, members of the public are not explained the content of the legal document in a language that they understand.

We need to address this by way of training as well as awareness programmes with communities and this year we plan to focus our resources to addressing this untenable situation.

We plan to explore partnerships with the NGO community as well as the community based structures so that we can give effect to the Service Charter of Sheriffs.

To provide the client with full, accurate information about the services they are entitled to receive



5. ABRIDGED ANNUAL FINANCIAL STATEMENTS – SOUTH AFRICAN BOARD FOR SHERIFFS

REPORT OF THE INDEPENDENT AUDITORS

To the members of South African Board for Sheriffs

We have audited the accompanying annual financial statements of the South African Board for Sheriffs, which comprise the balance sheet as at 28 February 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 15.

The Boards' Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluation the overall presentation of the annual financial statements.

To charge reasonable fees as per the legislated tariff fee structure



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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the South African Board for Sheriffs as of 28 February 2007, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

Supplementary Information

We draw your attention to the fact that with the supplementary information set out on pages 16 to 17 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Ngubane & Co.

Registered Auditors

Cape Town

26 June 2007

*To change and to meet the challenges of the present and the future and to
dedicate our work towards a better civil justice system*



South African Board for Sheriffs

Annual Financial Statements for the year ended 28 February 2007

Statement of Responsibility and Approval

The Board is required 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity 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 South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express and independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Board acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the Board endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board 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.

To provide services which are effective and efficient in order to give clients the best possible value for money



The Board has reviewed the entity's cash flow forecast for the year to 29 February 2008 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Board is primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 1.

The annual financial statements set out on pages 1 to 7, which have been prepared on the going concern basis, were approved by the Board on 26 June 2007 and were signed on its behalf by:

N. Nduna
Chairperson of the Board

C Mabuza
**Chairperson: Finance, HR & IT
Committee**

C. America
Executive Manager

To account faithfully, accurately and timeously with regard to trust money

BALANCE SHEET

	Notes	2007 R	2006 R
ASSETS			
Non-current Assets			
Property, plant and equipment	2	166,784	179,987
Current Assets			
Current account-South African Board for Sheriffs: Fidelity Fund	3	-	7,358
Trade and other receivables	4	13,088	71,656
Cash and cash equivalents	5	1,576,538	1,023,506
		1,589,626	1,102,520
Total Assets		1,756,410	1,282,507
EQUITY AND LIABILITIES			
EQUITY			
Accumulated surplus		1,282,062	1,110,767
LIABILITIES			
Current Liabilities			
Current account-South African Board for Sheriffs: Fidelity Fund	3	244,865	-
Trade and other payables	6	229,483	171,740
		474,348	171,740
Total Equity and Liabilities		1,756,410	1,282,507

To maintain confidentiality regarding the affairs of the client

INCOME STATEMENT

	Notes	2007 R	2006 R
Revenue		1,273,647	1,239,909
Other income		1,953,938	1,428,567
Operating expenses		(3,151,165)	(2,519,542)
Operating surplus	7	76,420	148,934
Investment revenue	8	94,875	53,527
Surplus for the year		171,295	202,361

CASH FLOW STATEMENT

	Notes	2007 R	2006 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	256,366	279,895
Interest income		94,875	53,427
Other non-cash item		6,940	-
Net cash from operation activities		358,181	333,322
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(60,832)	(9,277)
Proceeds on sale of property, plant and equipment	2	3,460	-
Movement in current accounts		252,223	14,954
Net cash from investing activities		194,851	5,677
Total cash movement for the year		553,032	338,999
Cash at the beginning of the year		1,023,506	684,507
Total cash at end of the year		1,576,538	1,023,506

To honour any undertaking given in the course of our practice



ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The annual financial statements have been prepared on the historical cost basis, and incorporated the principle accounting policies set out below.

These accounting policies are consistent with the previous year.

Property, plant and equipment

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

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

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 recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

Item	Average useful life
Electronic equipment	3 years
Furniture and fixtures	4 years
Computer equipment	4 years
Computer software	3 years
Cellular phones	3 years
Burglar alarms	10 years

The residual value and the useful life of each asset are reviewed at each financial period-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciation charge for each period is recognized in profit or loss unless it is used in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition 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.

To maintain the independence necessary to enable us to give our clients unbiased advice



Financial instruments

Initial recognition

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

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 recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized 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.

Trade and other receivables are carried at amortised cost less any accumulated impairment.

Trade and other payables

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

Trade and other payables are carried at amortised cost.

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.

Impairment of assets

The entity assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

To charge reasonable fees as per the legislated tariff fee structure



The recoverable amount of an asset of a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Revenue

Revenue comprises of levies received from the sheriffs and is net of value added taxation.

To carry out work in a competent and timely manner and to comprehensively report to our clients



ABRIDGED ANNUAL FINANCIAL STATEMENTS - FIDELITY FUND

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH AFRICAN BOARD FOR SHERIFFS

To the members of South African Board for Sheriffs – Fidelity Fund

We have audited the accompanying annual financial statements of the South African Board for Sheriffs – Fidelity Fund (“the Fidelity Fund”), which comprise the balance sheet as at 28 February 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 15.

The Boards’ Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

To take pride in ourselves, the profession and the people we serve



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluation the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Fidelity Fund as of 28 February 2007, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

Supplementary Information

We draw your attention to the fact that with the supplementary information set out on pages 16 to 17 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Ngubane & Co.

Registered Auditors

Cape Town

26 June 2007

To refrain from doing anything that may bring the sheriffs profession into disrepute



South African Board for Sheriffs – Fidelity Fund

Annual Financial Statements for the year ended 28 February 2007

Statement of Responsibility and Approval

The Board is required 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity 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 South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Board acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity.

While operating risk cannot be fully eliminated, the Board endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board 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.

To maintain the highest standards of honesty and integrity



The Board has reviewed the Fidelity Fund's cash flow forecast for the year to 29 February 2008 and, in the light of this review and the current financial position, they are satisfied that the Fidelity Fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Board is primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 3 and 4 of the annual financial statements.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the Board on 26 June 2007 and were signed on its behalf by:

N. Nduna
Chairperson of the Board

C Mabuza
**Chairperson: Finance, HR & IT
Committee**

C. America
Executive Manager

To share with the client, the level and quality of services they will receive so that they are aware of what to expect

BALANCE SHEET

	Notes	2007 R	2006 R
ASSETS			
Non-current Assets			
Investment property	2	3,570,000	2,017,246
Listed shares	3	546,575	462,930
		4,116,575	2,480,176
Current Assets			
Current account-South African Board for Sheriffs	4	244,864	-
Trade and other receivables	5	-	349,884
Insurance policy	6	662,785	336,000
Cash and cash equivalents	7	26,871,479	24,998,846
		27,779,128	25,684,730
Total Assets		31,895,703	28,164,906
EQUITY AND LIABILITIES			
EQUITY			
Accumulated surplus		31,838,286	28,100,131
LIABILITIES			
Non-Current Liabilities			
Trust account balances		57,417	57,517
Current Liabilities			
Current account-South African Board for Sheriffs	4	-	7,358
Total Liabilities		57,417	64,775
Total Equity and Liabilities		31,895,703	28,164,906

To provide the client access to the services to which they are entitled

INCOME STATEMENT

	Notes	2007 R	2006 R
Revenue	8	2,759,291	2,989,277
Other income		154,132	-
Operating expenses		(2,461,691)	(2,044,587)
Operating surplus		451,732	944,690
Investment revenue	9	1,903,616	2,104,370
Fair value adjustments		1,382,807	336,717
Surplus for the year		3,738,155	3,385,777

CASH FLOW STATEMENT

	Notes	2007 R	2006 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	11	(564 028)	632,545
Interest income		1,886,743	2,089,948
Other non-cash item		16,873	14,442
Net cash from operating activities		1,339,588	2,736,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to/Purchase of investment property	2	(513,895)	(2,017,246)
Movement in current accounts with the Board for Sheriffs		(252,222)	(14,952)
Realisation of investment		1,299,162	205,673
Net cash from investing activities		533,045	(1,826,525)
Total cash movement for the year		1,872,633	910,390
Cash at the beginning of the year		24,998,846	24,088,456
Total cash at end of the year		26,871,479	24,998,846

To treat clients with fairness, courtesy and consideration



ACCOUNTING POLICIES

2. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The annual financial statements have been prepared on the historical cost basis, and incorporated the principle accounting policies set out below.

These accounting policies are consistent with the previous year.

Investment property

Investment property is recognized as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognized at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognized in the carrying amount of the investment property, the carrying amount of the replaced part is derecognized.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Financial instruments

Initial recognition

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the entity's balance sheet when the entity becomes party to the contractual provisions of the instrument.

To provide the client with full, accurate information about the services they are entitled to receive



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 recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized 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.

Trade and other receivables are carried at amortised cost less any accumulated impairment.

Trade and other payables

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

Trade and other payables are carried at amortised cost.

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.

Impairment of assets

The entity assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Revenue

Revenue consists of interest earned on sheriffs' trust accounts and the issuing of Fidelity Fund Certificates. Revenue is stated net of value added taxation.

To provide services which are effective and efficient in order to give clients the best possible value for money.