**Legal Accounting**

*By Sheeda Kalideen and Lester Sullivan*

*Cape Town: Juta (2013) 1st edition*

*Price: R 250 (incl VAT)*

*126 pages (soft cover)*

There are not many reference works on the market that deal with professional service entities in general and more so legal practices in particular. For this reason this publication is to be welcomed. The authors have a wealth of academic and practical experience.

**The content**

The first three chapters deal with general and elementary principles of double entry bookkeeping as opposed to accounting, without any focus on those applicable to legal practices. The content deals adequately with debits and credits, transaction recording, the purpose and use of ledgers, journals and cash books in an easy readable form. The content also provides an understanding of debtors, creditors, trial balances, depreciation, assets and liabilities, as well as the bank reconciliation statement.

The basic principles of VAT with its limited application to legal bookkeeping are dealt with in a separate chapter.

The next four chapters focus on the bookkeeping and accounting principles and processes relating to typical transactions in a professional law firm. These chapters deal with the transfer procedure, the trust and business concepts, the statutory requirements, correspondents and conveyancing transactions.

A separate chapter provides a summary of the various forms of business, namely practising as a sole practitioner, in partnership or in incorporated form. The financial statements that usually form part of the financial statements of an incorporated practice are explained and include a discussion on the cash flow statement. The main features of the various types of companies, namely, public, private and personal liability are also explained.

**General comment**

All the chapters contain illustrative examples and exercises, some with answers, for the reader to understand and work through. While the illustrative examples serve a very useful purpose, there are some 86 exercises that prompt the question as to whether or not too much emphasis has been placed on the exercises.

There is very little discussion on disbursement accounting and transaction recording in personal accident, criminal and High Court, collection and commercial matters.

The book certainly will have appeal for those who need a broad understanding, not only of the bookkeeping and recording processes of a typical law firm, but also generally. This will apply particularly to those practitioners commencing practice and those bookkeepers seeking a basic introduction to bookkeeping for law firms. This book is not meant for those readers who require a more advanced discussion.

Vincent Faris CA(SA) is a chartered accountant in Pretoria.