



ACCOUNTING | TAX | LEGAL

A high-contrast, black and white close-up photograph of an elephant's head, focusing on its eye and the deeply wrinkled texture of its skin. The elephant's trunk is visible in the lower right corner.

**PROGRESSIVE ACCOUNTING**  
ROOTED IN TIMELESS VALUES

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# ACCOUNTING SERVICES

## COMPANY TAX RETURN & SARS COMPLIANCE


We often get enquiries from SME's who have not correctly submitted company tax returns with SARS or have omitted such returns completely. These returns include provisional tax returns not submitted or paid. In most cases, large penalties and interest has been levied against them by SARS.

Our accountants and Master Tax Specialists are able to:

-  Transfer the company E-filing profile to our profile in order to view your standing with SARS
-  Compile Annual Financial Statements for the company and sign these off, in order to submit to SARS as supporting documents for your Income Tax returns
-  Apply for remission of penalties and interest on your behalf

## VAT REGISTRATION

If your business (in your personal capacity or as a registered company) has a gross income of R1 million and over then you are required by law to register for VAT. Voluntary registration can be done if you have a turnover of more than R50 000. We can assist in registering your company for VAT and do the SARS interview for registration on your behalf. The following process is followed when doing so:

-  Send mail to client with requirements



Once all documents are obtained we visit SARS for the registration and interview



SARS official records all documents after interview and provides VAT number



Register client on E-filing for submission purposes

## VAT RETURNS - OUTPUT & INPUT VAT

Our service includes the monthly and bimonthly submission of your VAT. Please note that if you have not done any VAT submissions, we can help with outstanding returns (our longest backdate was over a period of 15 years). Input VAT is claimable for 5 years since date of invoice.

Example of items that can be claimed as VAT input:



Office rent, travel costs, cost of sales and municipality bills



All expenses for which the company have a qualifying invoice that was spent on expenses in order to gain income.

## APPLYING FOR REMISSION OF VAT PENALTIES AND/OR INTEREST

As our firm is backed by Master Tax Specialists with specialist knowledge on VAT and who have extensive experience in negotiating with SARS. If SARS has levied penalties and / or interest against your VAT liability, our team can negotiate with SARS to waive penalties if you have a valid reason for not submitting returns or paying VAT.

We also ensure that ongoing VAT submissions and annual financial statements to SARS will be kept up to date to ensure compliance with SARS going forward.

## NON EXECUTIVE DIRECTORS VAT REGISTRATION, SUBMISSION & INVOICING.

In February 2017, The South African Revenue Service (SARS) confirmed the interpretation of the VAT law that requires NEDs of companies to register for and charge VAT in respect of any director's fees earned for services rendered as a non-executive director. We offer a bespoke accounting service to NEDs that involves the initial VAT registration at SARS and also includes the monthly VAT submission and VAT invoicing on their behalf. We have an extensive experience in this regard and assist many NED clients on a monthly basis.

## FINANCIAL STATEMENTS

Preparation, Review and Compilations of Annual Financial Statements

Annual Financial Statements are prepared and presented in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and the requirements of the Companies Act of South Africa Our Accountants are registered with SAIPA and SAIT and are qualified to sign off on Annual Financial Statements.

## TAXATION

Our aim is to legally minimize the clients tax burden. Proper planning of taxes including are done on an ongoing basis to keep the tax bill to the minimum.

This includes the following tax types:



Income Tax – Company and individual



VAT



CGT



Withholding Tax



Donations



Non Executive Directors – VAT registration and bi - monthly submission to SARS



# SECRETARIAL SERVICES

## COMPANIES & INTELLECTUAL PROPERTY COMMISSION CIPC

### Tax and accounting advice for company structure and company registration

We not only ensure that your company is correctly registered with the CIPC, but our Master Tax Specialists provide pertinent advice as to what type of entity (individual/Trust/PTY LTD) is best suited for your start up and how your accounts should be structured to ensure tax optimisation.

### Reactivation of CIPC membership and yearly submissions

If you have not submitted returns to the CIPC for three years or more, then your company will be deregistered. Our accountants are able to resubmit any outstanding returns and reactivate your CIPC membership thereafter. We also sign off and submit your yearly returns to the CIPC on your behalf.

## PBO'S: ENSURING FULL COMPLIANCE WITH SARS & SECTION 18A

### Is your PBO actively registered at SARS?

If your organisation has not submitted annual financial statements and is found to be non-compliant and not approved by SARS under section 18A, then you will not qualify for tax exempt donations, and neither will the company making such donations. As a result, your organization will be taxed on all income received and the company making said donation will not be able to claim tax back from SARS.

We are able to backdate any outstanding returns, correctly prepare annual financial statements and make sure you are fully compliant with SARS. This includes applying for approval under Section 18A. Thereafter, we can prepare your financial statements and submit them on your behalf on a yearly basis.

# PAYROLL SERVICES

## SARS & COIDA REGISTRATIONS

Our accounting team can absorb the payroll tasks that take up unnecessary time and effort from your business. We do all the registrations with SARS, Department of Labour and COIDA to ensure compliance on behalf of the employer.

By law all employees must have a tax reference number, we do this registration on behalf of the company.

## MONTHLY PAYROLL OBLIGATIONS

This includes all monthly payroll tasks:

- Generating payslips and send to employers
- Submitting EMP 201 returns to SARS monthly
- IRP 5 Reconciliations submission to SARS August and September
- Issue of IRP 5 certificates for the financial year

# ESTATES HANDLING

## DECEASED ESTATES MANAGMENT

As an executor of a deceased estate you are required to have advanced knowledge about a vast spectrum of aspects relating to the estate. Keeping up with the changes in income tax legislation can be very cumbersome. At IBM Accounting we aim to relieve this pressure by taking over the income tax portion of the estate. Our focus is to save the executor the time and effort to complete the SARS update of the estate details. This entails a process where all documentation must be presented to the SARS officials timeously and in order.

The executor provides our tax practitioners with a power of attorney to conduct this process on his or her behalf. We enquire about the current tax status of the deceased and assist the executor in bringing all outstanding tax returns up to date. Where required, we register the deceased estate as a separate tax entity, to declare all taxable post-death income. As a final service, we apply for the letter of compliance from SARS which the executor requires to prove to the Master that all tax affairs are in order. Our team is actively engaged in estates handling for a number of corporate enterprises, banks and attorneys.

### The Process:

-  Request all the information required.
-  Prepare SARS registration documents.
-  Update the Deceased Estates details at SARS (bank account and address).
-  Prepare tax calculations and submit all returns up to date.



SERVICES

SECRETARIAL  
SERVICESPAYROLL  
SERVICESESTATES  
HANDLINGINDEPENDENT  
AUDITINDEPENDENT  
REVIEW

Request finalisation letter.



Engaging with SARS for the update of estate information.



Transfer of deceased filing profile for SARS update.



Carrying out complex computations and tax calculations for the purpose of tax returns/  
submissions on e-filing.



Our relationship with George SARS is impeccable meaning increased effectiveness and  
efficiency.

# INDEPENDENT AUDIT

## WHAT IS AN AUDIT?

Companies appoint an auditor to give reasonable assurance that the Annual Financial Statements are free of material misstatement. This objective review increases the value and credibility of the data and information produced by management and gives users assurance that they can rely on the information presented to them. Reasonable assurance is the confidence the auditor has in their findings, after exercising professional and due care, that the Annual Financial Statements are free of material misstatement.

Material misstatement is any error or omission in the Annual Financial Statements that is material enough to affect the shareholders, investors, or any other user's opinion or action towards the company.

## HOW AUDITS ARE CONDUCTED

We provide a specialist "one-stop shop" service that now includes performing audits for our clients. Our process is simple, whereby follow the guidelines set out by the International Auditing Standards. We make a selection of transactions which we verify through inspection of supporting documentation and ensuring compliance with International Financial Reporting Standards. As a dedicated accounting, tax and legal practice, we have multiple full time professionals including tax attorneys on a JV basis (thus we can offer legal privileged services, not obtainable with normal accountants or tax specialists), chartered accountants, professional accountants and Master Tax Practitioners. This allows us to assist clients from company registrations right through to financial statements and submission of all tax type returns.

## WHO NEEDS TO BE AUDITED?

With the implementation of the new Companies Act, No. 71 in 2008 the requirement that all companies are to be audited changed slightly with Independent Reviews being added to the mix.

Now only Public Interest Companies and State-Owned Companies are required to be audited by the Companies Act, No. 71 of 2008. Companies can also elect to have a voluntary audit carried out on their Annual Financial Statements.

## HOW DO I KNOW IF MY COMPANY NEEDS TO BE AUDITED?

If you are not a State-Owned Company, you will need to determine if you fall into one of these categories:

The company holds assets in a fiduciary capacity for persons who are not related to the company, and the aggregate value of such assets held at any time during the financial year exceeds R5 million;

Your company had the Annual Financial Statements compiled internally (someone employed within the company) and the company's public interest score is over 100; or

Your company had the Annual Financial Statements compiled independently (by an external party to the company) and the company's public interest score is over 350.

## HOW IS THE PUBLIC INTEREST SCORE CALCULATED?

Points are allocated as follows:



A number of points equal to the number of average employees of the company during the financial year



One point for every R1million (or portion thereof) of third-party liability of the company held at financial year end



One point for every R1million (or portion thereof) of turnover of the company during the financial year



One point for every person who has a direct or indirect beneficial interest in the companies issued securities



Once tallied you will be able to determine if your company is liable to an audit should it fall into the categories listed above

## MY COMPANY DOES NOT FALL INTO A CATEGORY ABOVE?

Your company will either be subject to an Independent Review or a Compilation.

# INDEPENDENT REVIEW

## WHAT IS AN INDEPENDENT REVIEW?

An Independent Review was established with the new Companies Act, No. 71 of 2008 in order to keep up with International trends and changes. An Independent Reviewer will give limited assurance that they have no reason to believe that the Annual Financial Statements are not free of material misstatement

Limited assurance is the limited confidence the reviewer has in their findings, after exercising professional and due care, that they have no reason to believe that there are material misstatements in the Annual Financial Statements.

Material misstatement is any error or omission in the Annual Financial Statements that is material enough to affect the shareholders, investors, or any other user's opinion or action towards the company.

## INDEPENDENT REVIEW VS INDEPENDENT AUDIT?

The level of assurance given by the reviewer is lower than that given by an auditor. The amount of work done is less and the cost thereof is also less.

An Independent Review will basically confirm assets and liabilities at year end with supporting documents and do an analytical review of the income statement and following up on any discrepancies or risks of material misstatement.

## IS MY COMPANY REQUIRED TO HAVE AN INDEPENDENT REVIEW DONE?

If your company is not owner managed it will be subject to an Independent Review. A company that is not owner managed is one where the directors of the company are not the shareholders and vice versa.





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## ACCOUNTING | TAX | LEGAL

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*Let one of our highly qualified accountants lighten your workload !*