



(Z INTERNATIONAL C.C. REG. No. CK 1990/006996/23 TRADING AS)

## Letter of Engagement

Dear Sirs/Madam,

Z International t/a Professional Financial Consultants (PFC), was incorporated in 1990, and has become a well known and respected company within its field of service. PFC provides Accounting, Tax, Independent Review, Audit and Business services, including Onshore and Offshore Incorporating Services, through its association with ILS International and various other service providers.

Below are listed certain of the services and conditions applicable to them, for your perusal and acceptance:

1. In accordance with the practice advocated by our professional society, as well as to ensure that our understanding agrees with your understanding of the work which we are to perform on your behalf and of our responsibilities in connection therewith, we set out below the duties we are to perform.
2. You have authorized us to act on your behalf in the preparation and submission to the SA Revenue Service of your income returns subject to their prior approval and signature thereof by you. We record that we do not take any responsibility for any consequences which may arise from the information provided by yourself being incorrect or incomplete. We will not be held responsible for any penalties or interest levied by the Revenue Authorities, or any other Authority on your accounts under any circumstances.

The returns to which we refer are:

- i. The annual return of income (ITR12/ITR14)
- ii. The first, second and third and any subsequent returns for payment of provisional tax in each year (IRP 6), if applicable.
- iii. EMP501 reconciliations, IRP5's and IT3a reconciliations and IT3(a) certificates.
- iv. DTR01 and DTR02 dividend tax returns.
- v. Any other returns that may be required from time to time by any statutory authority.

With regard to (i) we shall automatically apply each year for an extension of time within which to lodge the annual return, where this may be required.

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MEMBER: JOHN ZOUMBOULIS B.COM, B. COMPT. ADV. DIP (INTL TAX), MASTERS DIP (INTL TAX) MTP (SA), CFA (SA), FA (SA)  
REGISTERED PROFESSIONAL ACCOUNTANTS (SA) AND TAX PROFESSIONALS SAIPA PR.2702 SAIT PR.14803853 SARS PR.0011131

3. We draw your attention to the fact that although it may be necessary for us to examine to a limited extent certain records and to make enquiries for the above purposes, the information which will be included in your income tax returns will be as obtained from you. In agreeing to assist you in this manner we do not assume any responsibility for the accuracy of the information you provide us with.
4. We record that you have agreed to use our postal address for all communications with the SA Revenue Service and any other statutory department that you have requested that we deal with on your behalf.
5. On your behalf we are to check the assessments, deal with queries raised by the SA Revenue Service and, if necessary, lodge objections, appeals and with your consent approach Legal Council to have a matter resolved.
6. We shall deal with the following, if requested by you:
  - i. Matters connected with employees' tax (PAYE including SITE)
  - ii. Matters connected with value-added tax (VAT)
  - iii. The rendition of returns of salaries, fees, rents, dividends and interest (IT3 or IT 3(a) or IRP 5)
  - iv. The rendition of returns connected with Regional Services Council levies where those are applicable.
  - v. The rendition of returns connected with Unemployment Insurance Fund and Workmen's Compensation (Compensation for Occupational Injuries and Diseases OR COIDA).
7. We draw your attention to the provisions of the Income Tax Act relating to the submission of all Tax returns and the payment of any outstanding taxes. We also draw your attention to the provisions of the Unemployment Insurance Act, the Compensation for Occupational Injuries and Diseases Act, and the Skills Development Act. Should the completion of the above not be done in time, the appropriate SA Revenue Authorities could levy penalties and/or interest. Your co-operation in the timeous preparation and submission of the above would be required. This entails allowing us the appropriate time to complete such work on your behalf. We will not be held responsible for any penalties or interest levied by the Revenue Authorities on your accounts under any circumstances.
8. Should our duties change in the future we shall submit an amended letter to you for approval.

9. Our fees are based upon the degree of skill and responsibility involved and the time necessary required for the work to be performed.
10. Tax services rendered will be billed as and when the work is done, for instance;
  - i. The fees will be billed when the return is completed unless if, in our opinion an interim fee is necessary; and
  - ii. Work of a special nature will be charged separately when completed, unless if, in our opinion, an interim fee is necessary; and
  - iii. No returns will be submitted unless arrangement for the full payment of our fee has been made.
11. Payment of fees is upon presentation of our invoice. We reserve the right to charge interest on amounts at prime overdraft rates prescribed by The Standard Bank Ltd plus 2%. Should we need to incur any legal costs to recover any outstanding amounts, those costs will be added to your bill as and when incurred.
12. You agree that Rules and Regulations (terms and conditions), pertaining to the treatment of your account with PFC regarding New client issues and Annual Financial Statements has been discussed with you and you are in agreement with the procedures that will be followed, and our rights are without prejudice.
13. Should this letter not set out the position as you understand it, we shall be pleased to receive your observations and give you any further information which you may require.
14. We shall be grateful if you sign and return the duplicate copy of this letter as your acknowledgement that its contents are in accordance with your understanding of our agreement.

Yours faithfully

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**Professional Financial Consultants (PFC)**

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**Client Signature**

## **NOTICE TO ALL CLIENTS – STANDARD TERMS AND CONDITIONS**

### ***Attending to New Client Requirements – Rules and Regulations***

1. For all new clients an assessment of the work to be performed will be concluded upon the finalization of the initial meeting.
2. All first meetings are chargeable events, and depending on whether the client becomes a client for future reference or not, will determine whether the client has to settle the first meeting with other requirements, as specified in the procedures below, or settle the amount immediately upon completion of such meeting.
3. A new client form must be completed where all relevant details of such client will be obtained.
4. An Engagement Letter will be provided to the client. This has to be signed by the client for us to commence any work.
5. A copy of the clients Identity Document must be obtained for our files, and where registrations are required, the client must supply the necessary certified copies of his/her Identity Document.
6. The amount that will be charged for the procedures to be undertaken will be established.
7. A deposit of the amount established, inclusive of any VAT, will be required to be paid by the client before commencement of any work.
8. A proper tax invoice will be issued once the work required has been performed by PFC, irrespective of the outcome from any Statutory Department.
9. Where a New Client phones, instead of attending a meeting at the office, they too will have to follow procedures 2 to 7 above.
10. Old clients will be following procedures as set out by management and those will be cleared with management prior to commencement of any further work.

### ***Rules on the Submitting of Annual Financial Statements***

11. For all new clients an estimation of the amount to be charged for such financial statements will be made and 50% of such amount must be paid as a deposit prior to the commencement of the work necessary to produce these statements.
12. Once the work has been completed a final account will be drawn and presented to the client when he comes to sign such financial statements.
13. No financial statements will be released to the client, unless his/her account has been fully settled.
14. Annual Financial Statements/ITR14's and ITR12's will only be submitted to SARS once the full account has been settled and a proper Tax Invoice is issued.
15. Old clients will be following procedures as set out by management and those will be cleared with management prior to commencement of any financial statements for the year ending 2007 and going forward.