

FEES

This document sets out the way our fees are calculated and our terms of payment.

1. Basic method

Fees are basically calculated according to the time spent on a matter and the complexity thereof. Normal expenses incurred by us is added to the final fee. All the rates and fees given below are before a 10% settlement discount for early settlement (see paragraph 11) and VAT.

2. Fixed fees

A lot of work done by us is of a repetitive nature. (e.g. provisional tax returns) In these instances we bill our clients at predetermined rates. A list of these tasks and the applicable rates are attached as annexure A.

3. Rates

A billing rate is calculated for each person. Our rates are adjusted in January each year with a smaller adjustment done in June.

Our rates for 2012 are as follows:

- practitioner R1 500
- managers R750
- tax expert R450
- seniors R440
- junior R300
- bookkeeper R200

(these rates have been kept the same as in 2011)

4. Volume discounts

We offer our clients volume discounts. This is normally in the areas where standard rates are used. The following volume discounts apply:

- more than 5 entities - 10%
- more than 10 entities - 20%

5. Billing intervals

We generally bill clients once work is materially completed. Interim billings (normally 80%) are done on all large jobs. Where the final completion of a large job is delayed, the remaining 20% will be billed after a further 3 month period.

6. Quotes

We normally provide fee estimates before any task is undertaken. These quotes are provided based on OUR UNDERSTANDING of the work. Please provide us with enough information to be able to provide a proper quote.

There are normally three reasons why quoted fees are exceeded.

- accounting errors by client;
- delays by client with completion (normally not providing required information);
- issues relating to presentation of numbers which require a number of versions of the final financial statements.

Clients are entitled to request an explanation when we deviate from the quoted fee.

7. Annual fees

After the introduction of the CIPRO (CIPC) annual returns in 2005, BKV converted the billing cycle for provisional tax returns and CIPC returns to an annual billing cycle. This is in line with the methodology followed by many accounting firms as this procedure hugely reduces our administrative workload.

This billing is done in January and covers the ensuing calendar year.

9. Disputes

Please notify us ASAP if you are unhappy with any billing done on our side. Do not avoid our phone calls and emails for 6 months and then inform us of your unhappiness. Over the years good communication has resolved more than 90% of our fee disputes.

10. Payment – general rule

Our fees are payable on presentation of invoice.

*This is standard in our profession and can be explained as follows:
The average job takes 60 days to complete. Our major expenses are payable monthly (salaries and rent and so on) None of these "suppliers" offer us 30 or 60 day terms.*

Payment terms are specific to each industry. (e.g. - nobody pays a restaurant 60 days after you had your meal)

11. Settlement discount

We offer 10% settlement discount for payment within 7 days. This is conditional that no other fees are outstanding.

(Due to bank cut-off times our Accounts Department often allow up to 10 days.)

12. Late payment

We have a culture in South-Africa of late payment of outstanding monies. At BKV we do not want to be part of that culture. You should not request us to do any work if you cannot pay us on time.

If circumstances change and you cannot pay on time, let us know so that arrangements can be made. It is our general rule to hand delinquent payers over to our attorneys for collection after 90 days from statement.

13. Special arrangements

We will try to accommodate you as far as possible on any of the above. Please discuss any special request. Please also respect our systems.

We do the income taxes of people employed in fulltime community service or pastoral work for free. Likewise we do all professional work for charities at a 50% discount.

STANDARD FEES

Annexure A

COMPANIES

Incorporation of new company / shelf company includes company register, transfer of shares, appointment of new directors (max 2 each) changing of registered address and auditors (excluding year-end and name changes)	R6 500
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NEW MOI

Short form	R1 800
Long form	P.O.A.

SHARE ISSUES

CoR15.2	Increase in authorised share capital (CIPC fee 250)	R2 750
CoR15.2	Allotment of shares, no sub division, including certificates, minutes and update of register	
	1 st shareholder	R1 200
	2 – 4 th shareholders	R800 each
	5 th plus	R400 each
	12 +	POA

NAME CHANGE

CoR9	Reservation	(CIPC fee 50)	R440
CoR15.2	Certificate	(CIPC fee 250)	R1 500
	Including minute and notice to SARS		

CHANGES IN DIRECTORS

CM27	Consent (each)	R275
COR39	Return, minute update of register	
	1 st director	R1 650
	2 – 4 th director	R800 each
	5 th plus	R300 each

TRANSFER OF SHARES

Includes CM42, new certificates, minutes, update register		
	1 st transfer	R900
	2 – 4 th transfer	R600 each
	5 th plus	R300 each
	12 +	POA

(Remember STT if selling price is above R400 000)

STANDARD FEES (continued)**OTHER COMPANY RELATED SERVICES**

CoR21.1	Change of registered address	R600
CoR44	Appointment of auditors	GRATIS
CoR44	Change of year end including minute, update of register and notice to SARS	R990
	Opening new company register	R1 200
	Annual return	R740
	First year	R950
	Deregistration	if dormant - R450
	If trading -	R1 000 + time

CLOSE CORPORATIONS

CK2	Change in members, year end, name	R1 210
	Annual return	R740
	First year	R950
	Deregistration	if dormant - R450
	If trading -	R1 000 + time
	Certificate of member's interest	R150 each

TRUSTS

	Formation	POA
	Changing of a trustee	R950
	Amendment to trust deed	min R1000 + time

OTHER

	Earnings certificate	<600 000 pa - R650 >600 000 pa - R950
	Solvency Certificate	R1 500 / POA
	Conveyancer's Certificate	if correctly provided - R650 if not correctly provided - R850

STANDARD FEES (continued)

BEE Certificate – Turnover < R5m	R750
Conversion of close corporation to company	R2 500
Opening of bank account including copies of all	R1 500
Acting as registered office	no charge
Acting as trustee / company secretary	to be discontinued
Storage of documents	no charge

INCOME TAX

Provisional tax:	
- zero return - no calculation required	R425 each
- zero return - calculation required	R525 (1 st return) R750 (2 nd return)
- with payment	R525 (1 st return) R750 (2 nd return)
- income above R1m	R975 (1 st return) R1 300 (2 nd return)

New legislation has resulted in an increase in the amount of work we have to perform on provisional taxes. The sharp increase in the fees for provisional tax returns was beyond our control.

FEES ESTIMATES

Annexure B

The following list of fee estimates are given as guidelines only and is subject to the calculations explained above.

1. Tax returns (individuals)

▪ Nil return or single IRP5	R950
▪ Normal return. (2 IRP5, medical, travel allowance, RAF)	R1 250
▪ Complicated return (the aforementioned items plus one of rental income, capital gain, small business)	R1 550

These fees include:

- controlled submission with SARS;
- reporting to client thereon;
- monitoring assessment;
- receiving assessment;
- comparing of assessment with return;
- follow up on any minor errors on assessment;
- reporting to client on above result;
- record keeping for 5 years.

2. Tax return (company)

Dormant	R1 100
Small trading	R1 300
Actively trading	R1 600

These fees include:

- controlled submission with SARS;
- reporting to client thereon;
- monitoring assessment;
- receiving assessment;
- comparing of assessment with return;
- follow up on any minor errors on assessment;
- reporting to client on above result;
- record keeping for 5 years.

3. Set of dormant financial statements

Close corporation, trust of company	R1 100
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4.	Set of accounts – small entity	R2 200
5.	Set of accounts – medium entity	R2 500
6.	Set of accounts – special disclosure	R5 000