



# LIONHEART FINANCIAL SERVICES (PTY) LTD

ACCOUNTING | TAX | PAYROLL | SECRETARIAL SERVICES

CK: 2019/289296/07

TEL NO: 012 035 0414

WWW.LIONHEARTFS.CO.ZA

## **Standard Terms and Conditions of Service:**

### **1. Terms and conditions**

- 1.1 The terms and conditions set out below are accepted by any client once services have been agreed upon by Lionheart Financial Services (Pty) Ltd (hereafter "the company") and the client.
- 1.2 These are subject to change without prior notice.
- 1.3 The terms and conditions will be available on the Lionheart Financial Services (Pty) Ltd website and will be updated from time to time, and emailed additionally for ease of reference.  
These terms and conditions are considered read by the client without confirmation of such.
- 1.4 Connected person(s) is a person(s) or company acting on behalf of the company under direct instructions from the company's management
- 1.5 The company includes any management, employee or connected person.

### **2. Payment**

- 2.1 Payment of all invoices is due within 7 days from the date of the invoice, unless otherwise agreed.
  - 2.1.1 The due date for monthly retainer payments is on the 7<sup>th</sup> day of the month. The company reserves the right to cease work with the client if payment is not received within a specific amount of time as set out in 2.4, until payment is received.
  - 2.1.2 The client will be informed in writing when services are suspended due to non-payment.
  - 2.1.3 All invoices are payable in advance. Excluded from 2.1 above are 'once-off' invoices.
  - 2.1.4 These invoices are not excluded from 1.2 above.
- 2.2 Payment is due as per 2.1 above. Payments that are 30 days in arrears will result in a suspension of service, until the account has been brought up to date or arrangements have been made with the management of the company.
  - 2.2.1 Payment is considered complete when it reflects in the company's bank account or proof of payment has been received.
- 2.3 Payment is only accepted in South African Rands.
  - 2.3.1 This may be cash or by EFT. No cheques, cryptocurrency or any other form of payment will be accepted.
- 2.4 Collection of bad debts
  - 2.4.1 If there are outstanding amounts that are considered bad debts by the directors, legal action will be take
  - 2.4.2 The legal fees attached to such action are payable by the client with the outstanding debt.
  - 2.4.3 The client will be notified in writing of such charges.
- 2.5 Any discount given on invoices will be reversed if the payment is late.



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### 3. Scope of work

- 3.1 All services to be performed by the company will be contained in a Retainer Proposal (Annexure A) sent to the client. If no retainer is set between the client and the company, any and all services will be performed on the request of the client, and will be billed according to the companies standard billing procedures.
- 3.2 The letter in 2.1 will be signed by the company and sent to the client.
- 3.3 The client is required to sign this document and return it to the company, either in hard copy or digital copy (email).
- 3.4 Should the client not sign and return this letter, it will be taken that it has been accepted without prejudice.
- 3.5 Any work performed in addition to the scope contains in the Retainer Proposal (Annexure A) will be charged at either an hourly rate or at a predetermined fee. Management will notify the client if services need to be performed that are outside the scope of the Retainer Proposal (Annexure A).
- 3.5 At any stage, if another accountant / professional is consulted regarding the work performed by the company, resulting in requests made to the company to perform the tasks in such a manner, provided that they are within the bounds of the law of the land, the company will perform these tasks.
- 3.6 In the situation mentioned in clause 3.6 above, the company will relinquish all responsibility for such actions.
- 3.7 This is considered to be legal action in terms of the company and is covered in Clause 11 of these terms and conditions

### 4. Fees

- 4.1 All fees are determined by the company, and revised annually. These are set before any work is accepted by the company and the client.
- 4.2 Fee increase.
  - 4.2.1 If a there is a drastic change in the client's situation resulting in noticeably more time required to perform our duties, the retainer amount may be increased. This will be communicated with the client, and put in writing before the increase takes effect.
  - 4.2.2 There may be an annual fee increase.
  - 4.2.3 This increase will be levied on 1<sup>st</sup> of March each year.
  - 4.2.4 The increasing percentage will be determined by the company and will be guided by the inflation rate as indicated by the South African Reserve Bank.
  - 4.2.5 A letter notifying the client about the amount and date of increase will be sent to the client 1 month in advance.

### 5. Responsibility

- 5.1 The company can only perform the agreed-upon services with the information given to the company by the client.
- 5.2 It is the responsibility of the client to provide the company with the necessary information in order for the company to do the work as per agreed with the client.
- 5.3 If this information is not received by the company within 6 (six) months of the initial agreed date.

The company will not continue with the work. This may result in a resignation of service.
- 5.4 The accuracy of this information is the client's responsibility as per legislative regulations.
  - 5.4.1 The information received will be assessed by the company, and if found to be inaccurate, the company will NOT use the information in the performing of our duties.



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- 5.4.2 This is due to the honesty and ethical standards of the accounting industry as regulated by law in South Africa and the international accounting standards.
- 5.5 The company will perform certain tasks to ensure the accuracy of the information.
- 5.5.1 Any delay in the services performed as a result of the client's failure to provide information, will not result in non-payment of fees.
- 5.6 The company will not be held responsible for any fines, penalties or interest levied due to any late submissions to authorities, due to the client's failure to provide information in a timeous manner or release payments before the specified deadline, as indicate by said authorities.
- 5.6.1 This includes, but is not limited to the South African Revenue Services (SARS) and other professional bodies.
- 5.6.2 The company endeavours to assist our clients with compliance by reminding of impending submissions and payment deadlines. However, the responsibility ultimately lies with the client regarding the correct and timeous submission of any kind.
- 5.7 In the case of 5.3 above, the company has the right to keep all money (whether a deposit or paid in full) to defray expenses.
- 5.8 The client must furnish any changes in the nature of the business, the structure of the business within 1 (one) month.

### 6. Law of the Land

- 6.1 The company will perform all services by abiding by the law of the land. The company operates in South Africa but if necessary, it may extend this border into other countries. In this case, the law of both countries will provide guidance as to how the company will act. No services will be performed if it in contravention of these laws. Services to be ceased if:
- 6.1.1 The company is required to contravene any law of the land. Following certain criteria, the company will report such activities to the relevant authorities.

### 7. Electronic communication

- 7.1 Written communications are Emails and letters.
- 7.2 The company endeavours to return communication within 48 hours after initial contact has been made. However, the company is not obligated to answer any written communication from any client or person(s) in a specific time frame.
- 7.3 All other forms of communications including and not limited to WhatsApp, or any other messaging service will not be considered as official communication.
- 7.4 Where the company has stated that they are to do something, an email will be sent to confirm such actions.
- 7.5 All communication is assumed to be read by the client.

### 8. Abuse

- 8.1 Any abusive language, accusation or such speech against the company, their employees and any connected persons, shall be taken seriously and will not be answered via any other means apart from a letter (on a company letterhead) or by an appropriate professional on behalf of the company.
- 8.2 This is including but not limited to: false information (with or without proof), any derogatory comment against any action of the company, their employees or connected person and work performed by the company.
- 8.3 Special attention will be paid to such actions against the company with regard to the character of an individual. This will be dealt with swiftly and directly and such action will attract legal advice.

DIRECTOR: W.J.K. FERREIRA (B.COM)  
PROFESSIONAL ACCOUNTANT (SA) – 26855  
TAX PRACTITIONER – PR-0004344



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8.4 Any such abuse or defamation of any character will result in the immediate ceasing of services by the company.

### 9. Confidential and Personal Information

9.1 In keeping with the Protection Of Personal Information Act 4 of 2013, the company will not keep any paper copies of any of their clients. All necessary documents will be scanned and the paper documents will be returned to the client.

9.2 It is the clients' responsibility to request any paper copies to be returned.

9.3 Close-out process

9.3.1 If a client is no longer using the company's services, the company will return the documents within 3 months.

9.3.2 An electronic copy will be kept in archive folders backed up regularly, to comply with retention of records regulations.

9.4 Working paper files prepared by the company will be kept but not available to any clients as this is property of the company. These papers are used by the company alone.

9.5 Any information that is said to any other person or company, is a breach of confidentiality and may result in the services being ceased.

9.5.1 This includes verbal and non-verbal. Non-verbal includes but not limited to, emails, all instant messaging service on any electronic device and social media (all social media services).

### 10. Legal Action

10.1 If there is any legal action brought against the company, this will result in the immediate ceasing of any work and communication between the client and the company.

10.2 It will be confirmed with a resignation letter from the company stating such decision.

### 11. Payroll terms and conditions

11.1 The client must inform the company of any employee starting employment within 14 days of this happening.

11.2 ALL details must be sent through. these details are:

- Full Names – As per ID
- Surname – As per ID
- Other names – “also known as”
- ID Number and copy of ID Book / Passport
- Date employed
- Tax Number
- Physical Address
- Postal Address
- Banking details (Bank Name, Account Number, Branch Number, Account type: Savings / Cheque)
- Cell phone number
- Email Address
- Another contact person:
  - Name and Surname
  - Contact number

11.3 If any information in 11.2 above is not given, an employee cannot be loaded on the payroll system and therefore cannot be included in the Payroll calculation.



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11.3.1 Even though the company will inform the client if the information is not complete, it is not the responsibility of the company to remind the client to send this (or any) information more than once.

11.3.2 The company cannot be held responsible for any incorrect information given.

11.3.3 The company will not be responsible for any fines and penalties resulting from incorrect information or late submissions due to failure on the client's part to submit the required in a timeous manner.

11.4 Payroll taxes (PAYE, SDL, and UIF) are due on the 7th of the following month or last working day before.

11.5 All payroll information is required 2 working days before the date in 12.4 in order accurate submission and to ensure the deadline is met.

11.6 For any employee leaving the company:

The company must be informed within 14 days with the following details

- Reason for termination
- Date of termination
- Date of last payment
- Any adjustments to the final payment
- It is the responsibility of the employer to give the employee the required documentation.
- The company may help if specifically requested in writing.

### 12.7 Payslips

12.7.1 All employees will receive a payslip

12.7.2 All payslips will be sent to the director of the company, or any one person as indicated by the director, to be distributed among the employees.

12.7.3 This is to minimise the risk of employees not receiving their payslips.

12.7.4 The company cannot be held responsible if the director, or individual indicated by the director, fails to distribute payslips.

### 12.8 Salaries

12.8.1 ALL salaries must be given to the company in Gross amount (total amount) unless specifically requested in writing.

12.8.2 Payroll deductions will be levied at the applicable rate as prescribed by the Finance Minister of South Africa

12.8.3 This will not be altered in any circumstances unless the Finance Minister of South Africa prescribes this change.

### 12.9 Payroll taxes: (these are subject to change without notice).

12.9.1 Pay as you earn (PAYE) will be levied as per 12.8.1 above according to the statutory tables provided by SARS.

12.9.1.1 If there is a tax directive or any other approved way of calculating the PAYE deduction, it is the responsibility of the client to provide this information timeously. (see clause 12 above). If not received within this time frame, the normal deduction formula will be used as per 12.9.1.

12.9.2 Unemployment Insurance Fund (UIF) is levied at 1% (or as per 12.8.1) of gross income.

12.9.2.1 UIF is deducted for ALL employees as per 12.8.1 above.

12.9.2.2 As per the laws of UIF calculations, directors are not included in the UIF calculation unless otherwise requested in writing.

12.9.2.3 UIF is paid by both employee (1%) and employer (1%) totalling 2%.



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12.9.3 Skills Development Levy (SDL) is a company expense and is levied at 1% of gross income

12.9.3.1 SDL is not required to be paid until the annual salary cost exceeds R 500 000.

12.9.3.2 The company will inform the client of this and will automatically deduct SDL from the payroll, without any confirmation from the client.

### **13. Tax disputes, verifications, audits and queries**

#### 13.1 Disputes and queries

13.1.1 The company can and will lodge disputes on behalf of a client.

13.1.2 The company has no involvement in the taxpayer lodging the dispute, we act on behalf of the taxpayer.

13.1.3 Results of the dispute are not guaranteed to be decided in favour of the taxpayer. The company cannot predict or influence the decision of the dispute outcome.

13.1.4 The length of time taken to complete a dispute or query is not dependent on the company in any way, these time frames are decided by SARS.

13.1.5 Additional costs may be incurred and the company reserves the right to charge the client for this extra work.

13.1.6 All responsibility is with the taxpayer with regard to following up and finalising of disputes or queries.

#### 13.2 Verifications and Audits

13.2.1 The company has in no way of predicting whether a tax payer gets a verification or audit. This is decided by SARS ONLY.

13.2.2 The company can and will help with this process if necessary.

13.2.3 Results of this process are not guaranteed to be decided in favour of the taxpayer. The company cannot predict or influence the decision of the dispute outcome.

13.2.4 All responsibility is with the taxpayer with regard to following up and finalising of verifications or audits.

13.2.5 Additional costs may be incurred and the company reserves the right to charge the client for this extra work.