

SCOTT ATTORNEYS

UNAUDITED Statement of Comprehensive Income (DRAFT)

for the period 1 March 2016 to 31 January

	Notes	11 months	Adjustment	Marks	Annualised for 12 months	Section	Marks
Income		R 1 178 322			R 1 278 322		
Transfer Fees		R 860 980	R 59 000	0.5	R 919 980	Section 1 Gross income definition	0.5
Correspondence Fees		R 96 171	R 16 000	0.5	R 112 171	Section 1 Gross income definition Not gross income as not unconditionally entitled to income. Acting as an agent for the Department Rural Development and Land Reform	0.5
Disbursement Income - Deeds Office Fees		R 105 000	R 15 000	0.5	R 120 000	Section 1 Gross income definition	1
Disbursement Expenses: Other e.g. Cost of Sales		R 116 171	R 10 000	0.5	R 126 171	Section 1 Gross income definition	0.5
Correspondence Fees Paid		R 80 663	R 7 500	0.5	R 88 163	Section 11(a) general deduction	0.5
Disbursement Expenses: Deeds Office Fees	Expense should be the same as deeds office fees income. Accrue for February 2017 expense of R15 000. Deeds Office expense should be equal to deeds office income in order to cancel out	R 85 000	R 35 000	1	R 120 000	Section 11(a) general deduction cannot apply as expense not incurred in the production of income.	1
Disbursements: Levy & Rates Clearance		R 60 236	R 5 000	0.5	R 65 236	Section 11(a) general deduction	0.5
Disbursements: Deeds office search		R 57 169	R 4 500	0.5	R 61 669	Section 11(a) general deduction	0.5
Gross Profit		R 895 254			R 943 254		
Other Income		R 1 420			R 1 549.09		
Interest Received on Business Bank Account	Assumed accrued evenly over 12 months	R 1 420	Annualise amount	0.5	R 1 549.09	Section 1 Gross income definition	0.5
Expenses		R 407 953			R 443 627.09		
Accounting Fees	Fee almost the same per month	R 33 102	Annualise amount	*	R 36 111.27	Section 11(a) general deduction	*
Bank Charges	Fee almost the same per month	R 15 318	Annualise amount	*	R 16 710.55	Section 11(a) general deduction Section 11e - wear and tear allowance. Asset values: (R11034/2 = R)5 517 less than R7000 and therefore may claim full value for tax purposes in terms of Binding General Ruling 7.	*
Computer Expenses	2 Laptops bought 1 August 2016	R 11 034	Annualise amount	0.5	R 11 034	Section 11(a) general deduction General Ruling 7.	1
Courier fees	Fee almost the same per month	R 16 846	Annualise amount	*	R 18 377.45	Section 11(a) general deduction Section 11e - wear and tear allowance in terms of Binding General Ruling 7.	*
Depreciation	For firm vehicle. Uses the same write off period as prescribed by SARS in Binding General Ruling 7	R 31 167	Annualise amount	0.5	R 34 000.00	Deduction disallowed in terms of section 18A as no certificate received	0.5
Donations and Fines	No s18A received	R 2 000	Once off amount	0.5	R 2 000		0.5

Client: Elena Scott
 Income Tax Number: 2017/0727/01
 Provisional tax period: 201702

Provisional Tax Calculation

Description	Section	Calculations	Amount	Marks
Business Estimated Net profit before tax	See Business Inc. Estimate worksheet	See Business Inc. Estimate worksheet	501 176.00	9
<i>Adjustment:</i>				
Interest income from sole proprietor business	See adjustment below		-1 549.09	1
Donations paid			2 000.00	1
Adjusted business estimated income			501 626.91	1
Salary/Fee from ATI		R40000 x 12	480 000.00	1
Interest income		R1 549 +1500	3 049.00	1
Interest exemption		R23 800 for 2017 tax year	-3 049.00	1
Donation received from father		Gross income of a capital nature	-	1
Estimated taxable income before deductions			981 626.91	
<i>Deductions:</i>				
Retirement Annuity Fund contribution		R5000 x 12 = R60 000	-60 000.00	1
<i>Limitation</i>		=R989908.11 x27.5%=R272 225	921 626.91	1
Deduction limited to the lesser of R350 000 or 27.5% of taxable income			-60 000.00	1
Estimated Taxable Income			921 626.91	
Normal tax determined per 2017 tax table			206964	1
		= (929908.11 - 701301) x 41% =	90 334	1
			297 297.62	1
Primary Rebate			80052	1
Medical Aid Tax Credit	Section 6A	= (572 + 192) x 12	-13 500.00	1
Additional medical aid expenses	Section 6B		-9 168.00	1.5
	Contributions	= R6671 x 12 = R80 052	80052	
		Less: 4 x s6A credit	-36 672	1
			43380	
		Additional expenses	0	0.5
		Less: 7.5% of taxable income	-69 122	1
		Limited to Rnil	0	
Tax for the Full Year			274 629.62	

First Provisional tax payment			-65 000,00	1
Employees' Tax Withheld			-120 000,00	1
Second Provisional Tax Payment Due			89 629,62	
Penalties:				
Underestimation penalty	(par 20 of Fourth Schedule)			
- not applicable at this stage: only on assessment of ITR12				
Late payment penalty	(par 27 of Fourth Schedule)	10% of amount not paid	8 962,96	1
Interest:	Section 89bis (2)	=89629,62*3/1365*10,50/100	799,30	1
TOTAL AMOUNT PAYABLE			99 391,88	
		PRESENTATION AND LAYOUT		
		PART B total		32
		Maximum Marks		30

