

NEWSLETTER

MAY 2022

EDITION 7



INTERNATIONAL
GROUP

**“Success in business is
measured by the trust
of your clients”**

Trust is the Foundation of Leadership



The Foundation of Leadership

In this edition I decided to give a little advice, as well as leaving a reference where you can go read further on this topic. This will most definitely change your life for the better if you truly commit to it.

The Law of Solid Ground:

Trust is the foundation of leadership. This might be the greatest challenge we face in 21st century. Your trust might have been abused or broken or whatever the situation might have been. This does not change the fact that trust is the most important element of leadership. If you do not have trust, you actually have nothing to offer.

We build trust by consistently exemplifying competence, connection and character. We absolutely must treat "trust" as our most precious and most valuable asset.

So, the question you have might sound something like this, "How do leaders earn trust"?

Whether you are a leader or just a human being trying to earn trust of friends, family, colleagues, etc. you earn that trust by making sound decisions, admitting if you make a mistake, and by putting what is best for your followers and your organization ahead of your own personal agenda.

No leader can expect to keep influencing his people when trust has been broken. And as we all know leadership is influence, nothing more. It is not something you inherit, you learn it.

If you want to read more like this, do yourself the favour and read the book by John Maxwell, The 21 Irrefutable Laws of Leadership.

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Payroll

by Engela Mills

South African workers and employers enjoy many rights, thanks to the Basic Conditions of Employment Act. From leave days to the termination of your employment and more, the following few weeks we will show you all you need to know about this Act.

The Act applies to all workers and employers except members of the National Defence Force, National Intelligence Agency, South African Secret Service and unpaid volunteers working for charities.

Averaging: A collective agreement may allow your working hours to be averaged over a period of up to 4 months. Agreeing to this, a worker can't work more than an average of 45 ordinary hours a week and 5 hours of overtime a week. A collective agreement for averaging must be re-negotiated each year.

Part 2

OVERTIME

Overtime hours

- If overtime is needed, you must agree to it and may not work for more than 12 hours a day or more than 10 hours overtime a week.
- Please note that a collective agreement can be made to increase this to 15 hours a week, but only for up to 2 months a year.

Pay for overtime

- Overtime must be paid at one-and-a-half (1.5) times of your normal hourly pay rate.

- You and your employer may also agree to paid time off instead of extra pay or a combination of time off and paid overtime.

Meal breaks and rest periods

- You must have a meal break of 60 minutes after 5 hours' work. A written agreement may lower this to 30 minutes and do away with the meal break if you work less than 6 hours a day.
- You must have a daily rest period of 12 continuous hours and a weekly rest period of 36 continuous hours. Unless otherwise agreed, this must include Sundays.

Sunday work

- If you sometimes work on a Sunday, you must get double pay. If you normally work on a Sunday, you must be paid one-and-a-half (1.5) times the normal wage. There may be an agreement for paid time off instead of overtime pay.

Night work

- Night work is unhealthy and can lead to accidents. If you work between 18:00 and 06:00 you must get extra pay (allowance) or be able to work fewer hours for the same amount of money.
- Transport must be available to the workers.

If you usually work between 11pm and 6am, you must be told of the health and safety risks. You're entitled to regular medical check-ups, paid for by your employer. You must be moved to a day shift if night work develops into a health problem. All medical examinations must be kept confidential.

Public holidays

- You must be paid if you work on a public holiday and you're only allowed to work if you've agreed to. You can either get paid double your normal wage or negotiate time off work.

Laws Governing Employment

by Michell Lukhele

Although not all our businesses have employees, it is usually every entrepreneurs dream to grow their business that's why we start it, and as a company grows, it need to start hiring. In my view, the addition of more staff and needs for more employees is one of the indicators of a growing company... right behind seeing the financial benefits though.

In this edition, I will be naming all Acts of interest, to help future employers as well as current employers stay on the correct side of the law and also protect themselves as well as their staff in order to maintain a legal and healthy work relationship and business environment in the employment relationship sector.

It is important to note that employment in South Africa is regulated by common law, statute and contract. And these should be at list of general knowledge when you start your journey as an employer, these laws are:

- Labour Relations Act, 1995;
- Basic Conditions of Employment Act, 1997;
- Employment Equity Act, 1998;
- Unemployment Insurance Contributions Act, 2002;
- Skills Development Act, 1998;
- Skills Development Levies Act, 1999;
- Unemployment Insurance Act, 2001;
- Compensation for Occupational Injuries and Diseases Act, 1993; and
- Occupational Health and Safety Act, 1993.

With those mentioned, I believe I have just put out a task and challenge for the future millionaires and terminators of unemployment: Are you going to increase your knowledge with these? And if you're a know them already, are you compliant?

STATUTORY DEPARTMENT

by Jodene Mills

Registering and Deregistering Trusts

- Anyone can be a beneficiary as decided by the founder of trust when registering after that the trustees decided.
- Has to have 3 Trustees and 1 has to be an independent trustee not blood related to founder trustee or beneficiaries.
- Trust cannot have an assets and liabilities when begin deregistered and if registered with SARS everything needs to be up to date.
- Can take up to 3 months to be registered of deregistered.

Getting to understand some accounting terms as a non-accounting person.

by Antony Tom

Introduction

Accounting is everywhere and it is a good idea to know some basics about it. If you are a business owner, it is critical to understand some concepts in accounting. This article seeks to introduce some of these concepts and record keeping.

Assets

In simple terms, an asset is a resource that the company has control over and from which the company can use in future to get other resources (income or an exchange with another asset or the payment of a debt). If a company has an asset it has a resource that has potential to bring in other resources. All businesses strive to increase their assets in order to increase the cashflow generation of the business. Examples of assets are: (a building, land, motor vehicles, computers, furniture).

Liabilities

A liability is a current obligation which will result in resources flowing out of the entity in future. Businesses try to minimise their liabilities because at some point they will need to be paid. Examples of liabilities are: (mortgage bond, suppliers whom the company owes, loans from other entities and finance lease obligations).

Income/Revenue

This is money that the business has invoiced its clients excluding VAT which is not for sale of assets. Revenue increases the worthy of the company and all shareholders become happy when revenue is increasing, it means the entity has gotten more clients (assuming its not as a result of inflation price adjustments). Examples of revenue: (consulting fees for a consulting company, sale of farm produce for a farmer and sale of breakfast meals for a coffee shop).

Expenses

Expenses are the flipside of revenue. Other businesses will invoice the company for utilizing their services other than invoices for assets. All businesses strive to minimize their expenses so that the residual of revenue and expenses is larger for the owners of the business. Examples of expenses: (telephone expenses, advertising, salaries and bank charges).

Management accounts

This consists of revenue and expenses of the business normally on a monthly basis with the profit or loss per month at the very least. Management accounts can include far more things like graphs on revenue growth, key performance indicators of the business and trend analysis for expenses.

Statement of financial position (formerly known as balance sheet)

This consist of the assets of the entity, the liabilities of the entity and reserves of the entity (the simplest being profits or losses accumulated over the years). A statement of financial position is like a picture of the state of affairs on a certain date depicting which assets the business has, the liabilities that the company has and the net amount of reserves (what belongs to shareholders).

Statement of profit or loss

This is a statement that displays the incomes of the business, the expenses of the business and the profit/loss of the entity.

Distribution of funds to non-resident trusts by resident trusts

8 April 2022 – It has been the practice of SARS not to approve the release of funds when resident Trusts make distributions to non-resident Trusts. Following numerous queries in this regard, SARS herewith re-iterates its stance on the matter and herewith confirms that it will not approve the release of funds vested and distributed to non-resident Trusts.

SARS is currently investigating other options related to the distribution of funds/amounts to non-residents and is in discussions in this regard. SARS takes note of the fact that the SARB has relaxed certain exchange control requirements but has decided, based on the risks involved, not to approve the release of funds to non-resident Trusts.

This does, however, not preclude a resident Trust from vesting amounts in non-resident individuals and to apply for the relevant approvals, as per the current approved practice.

PAYE Annual Reconciliation 2022 starts 1 April

Annual Reconciliation Declaration (EMP501) submission period opens on 1 April and closes on 31 May. Employers are required to submit their annual reconciliation declarations covering the full tax year from 1 March 2021 to 28 February 2022



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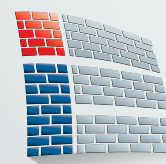
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