

Our Ref://SAILDESIGN

Your Ref:

Saildesign Ltd
2nd Floor
40D Gledstanes Road
Barons Court
London
W14 9HU

1 April 2005

Dear Paul,

The purpose of this letter is to set out the basis on which we are engaged to act for you and our respective areas of responsibility.

Taxation

You have not asked us to help with your taxation affairs. Should you require it, we can offer such assistance.

Audit Exemption

i You are responsible for determining whether, in respect of the year, the company meets the conditions for exemption from an audit set out in section 249A(1) of the Act, namely that:

- a it qualifies as a small company in relation to that year for the purposes of section 247;
- b its turnover in that year is not more than £1,000,000; and
- c its balance sheet total for the year is not more than £1.4 million.

ii You are responsible for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in section 249B of the Act; namely that at no time during the year was the company:

- a a public company;
- b a banking or insurance company;
- c an authorised person or an appointed representative under the Financial Services Act 1986/Financial Services & Markets Act 2000;
- d a special register body as defined in section 117(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 or an employers' association as defined in section 122 of that Act;
- e a member of a group that exceeded the group exemption limits; or
- f a member of an ineligible group.

iii The exemption is available only if you, as directors, sign a declaration on the balance sheet to stating that:

- a for the year in question, the company is eligible to take advantage of the audit exemptions;
- b the members have not required the company to obtain an audit of its financial statements for the year in accordance with section 249B(2) of the Companies Act 1985; and

c you acknowledge your obligations to keep proper accounting records and to prepare financial statements which give a true and fair view of the state of the company's affairs and of its profit or loss for the period.

General Tax Advice

i We will be pleased to assist you generally with any matters relating to the Companies taxation affairs. Please advise us in good time of any proposed transactions. Tax legislation changes frequently and we would recommend that you ask us to review any advice already given if a transaction is delayed, repeated, or if an apparently similar transaction is to be undertaken.

ii We will be pleased also to advise the directors and executives on their personal income tax and capital tax affairs. In such cases we will need to agree separate terms with the individuals concerned.

Accounts Preparation

We shall assist in the preparation of your accounts based on the accounting records maintained by yourselves.

Responsibilities for the Preparation of VAT Returns

i You are legally responsible for making a correct VAT return, and for payment of VAT on time. Our appointment as agents does not absolve you from your statutory obligations.

ii Starting with the return period ending we shall be responsible for preparing your VAT returns from the records of Saildesign Ltd. We shall not audit or otherwise check the underlying records. When the VAT return has been completed from the information supplied, we will send you the return form within 10 days of the receipt of records. If you agree the return you should then sign and submit it to HM Customs and Excise together with the required payment. If you consider the return to be incorrect please consult us immediately.

iii We would draw your attention to the normal time limit of one month from the end of the period covered by the return. By this time, the return must be signed by the appropriate person within and be in possession of HM Customs and Excise. Substantial penalties may arise if this time limit is not observed. It is therefore essential that we, as your agent, are supplied with all the relevant information in good time so that we can complete the return on your behalf.

iv We accept no responsibility for any default surcharge that may arise if the books and records are not available to us within 10 days after the return period ends or the books and records prove to be incomplete or unclear, and in particular are not written up to the end of the period, thereby delaying the preparation and submission of the VAT return, or you fail to submit the return and any required payment to HM Customs and Excise on time after we have sent the return to you for signature.

v In order for us to prepare the VAT Returns, we shall require you to provide us with the following information:

- a all VAT returns submitted to HM Customs and Excise in the current VAT year;
- b blank returns issued by HM Customs and Excise;
- c debit and credit notes received or issued in the relevant period;
- d the purchase day, sales, cash or petty cash books for the relevant period;
- e details of errors for which adjustment is now required;
- f details of all transaction that will not be covered by the above whether trading or otherwise;
- g details of special rulings by HM Customs and Excise;
- h details of any VAT penalty notices with ongoing relevance;

vi Details in respect of all transactions, which have come to light since the last VAT return was prepared, and which require adjustment.

VAT Consultancy

We shall provide consultancy advice on VAT matters (such as specific transactions which are contemplated) as and when requested to do so by yourselves. Please advise us in good time of any proposed transactions. Tax legislation changes frequently and we would recommend that you ask us to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken.

Investment Services

We are not authorised by the Financial Services Authority to conduct Investment Business. If you require investment business services we will refer you to our sister practice Russell & Co Independent Financial Advisers. They are regulated and fully authorised separately.

Excluded Services

You will continue to deal with other matters required by law, such as:

- a Forms CT61;
- b Pay As You Earn including year-end returns and matters relating to your employees;
- c Forms P11D;
- d Obligations under IR35;
- e Returns for sub-contractors.

Professional Rules and Practice Guidelines

We will observe the Bye-laws, regulations and ethical guidelines of our professional institute and accept instructions to act for you on the basis that we will act in accordance with these guidelines. In particular you give us authority to correct Inland Revenue errors. A copy of these guidelines is available for your inspection in our offices.

Commissions or Other Benefits

In some circumstances, commissions or other benefits may become payable to us in respect of transactions which we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. The fees that would otherwise be payable by you as described will not take into account the benefit to us of such amounts. You consent to such commission or other benefits being retained by us without our being liable to account to you for any such amounts.

Clients' Monies

We may, from time to time, hold money on behalf of the company. Such money will be held in trust in a client bank account, which is segregated from the firm's funds.

Quality of Service

- i We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved please let us know by telephoning .
- ii We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- iii Should you at any stage, feel that you have not received an adequate response to a complaint the circumstances should be brought to the attention of the senior partner.
- iv If we do not answer your complaint to your satisfaction you may take up the matter with our professional body.

Fees

i Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved. Wherever possible our fees will be on a set agreed fee between us. These fees will be billed at appropriate intervals during the course of the year and will be due on presentation. If work is required which is outside the scope of this letter, for example dealing with Inland Revenue enquiries into the tax return, then this will be a separate engagement for which additional fees will be chargeable. We will add value added tax, if applicable, at the current rate.

ii Our invoices are payable on presentation. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use these arrangements in a way that is unfair or unreasonable.

Limitation of Liability

i The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it.

ii We will provide the professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

iii You agree to hold harmless and indemnify us against any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services provided to you by the firm against any of our employees on a personal basis.

Electronic Communication

i E-mail may be used to enable us to communicate with you. As with other means of delivery this carries with it the risk of inadvertent misdirection or non-delivery. It is the responsibility of the recipient to carry out a virus check on any attachments received.

ii As Internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their despatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

Applicable Law

This engagement letter shall be governed by, and construed in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

Data Protection Act 1998

To enable us to discharge the services agreed under this engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998.

Contracts (Rights of Third Parties) Act 1999

A person who is not party to this agreement shall have no right under the contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person that exists or is available otherwise than pursuant to that Act.

Money laundering

i We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Criminal Intelligence Service (NCIS) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

ii The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes the acquisition, possession or involvement in arrangements for concealing the benefits of any activity that constitutes a criminal offence in the UK. This definition is very wide and would include:

- a tax evasion through deliberate understatement of income or overstatement of expenses or stocks; or
- b deliberate failure to inform the tax authorities of known underpayments.

iii We are obliged by law to report to NCIS without your knowledge and consent and in fact we would commit the criminal offence of tipping off under section 333 of the Proceeds of Crime Act were we to inform you of any suspicions or that a report had been made.

iv We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by The Institute of Chartered Accountants in England and Wales.

Agreement of Terms

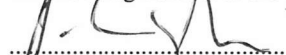
i Once it has been agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.

ii Would you please confirm your agreement to the terms set out by this letter by signing and returning the enclosed copy. Please contact us if they are not in accordance with your understanding of our terms of engagement.

Yours faithfully,


Russell & Co

We are in agreement to the terms of this letter.



Signed for and on behalf of Saildesign Ltd

Name.....PAUL LISOWSKI (DIRECTOR)

Dated 24/5/2015