



Russell & Co.

Chartered Accountants

Station House
Station Approach
East Horsley
Surrey KT24 6QX
Tel: 0800 9882676
01483 285304
Fax: 01483 281297
E-mail: admin@russellco.co.uk
Web: www.russellco.co.uk

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Mr P Lisewski
Cloudsoft Ltd
2nd Floor
40D Gledstanes Road
Barons Court
London W14 9HU

Dear Paul

**SAILDESIGN LTD / CLOUDSOFT LTD
CHANGES IN PAYROLL ADMINISTRATION – RTI**

As you may or may not be aware, from the 6th April 2013, HMRC are introducing significant changes to the way in which PAYE schemes are operated. From April onwards, all employers will be required to report PAYE information to HMRC in real time, you may see this referred to as Real Time Information or RTI.

Under the current system, it was the responsibility of the employer or payroll administrator to calculate the PAYE and National Insurance deductions on a regular basis and only at the end of the tax year was an annual PAYE Return filed which in turn provided HMRC with all of the information for the complete year. Under the new system HMRC will need to be informed on a more regular basis as Returns will be required to be submitted each time an employee is paid.

Effects of these changes?

The changes referred to above should have no real impact on you as all of the additional filing requirements will be handled by us, the information you receive periodically will remain exactly the same as before.

Given the fact that your payroll remains simple, we do not propose to levy any fee increase in your case, however we may look to adjust the processing period to a quarterly or annual period in order to reduce the reporting requirements. We will contact you directly to confirm if and when any changes to the processing period are made.

If you have any queries regarding the above please do not hesitate to contact me.

Yours sincerely

Andy Russell