



Russell & Co.

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Our Ref: AR/ME/LiseP

13 May 2009

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

Dear Paul

ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2009

I have pleasure in enclosing your accounts for the year ended as mentioned above. Please would you be kind enough to look through these accounts and let me know whether you have any queries or questions.

In particular, if I could draw your attention to page 8 of the accounts you will find a detailed breakdown of your income and expenditure for the year. Hopefully this is fairly self-explanatory, and in line with your expectations.

I am sure that it will come as no surprise to you that the company has made a significant loss for the year due to your reduction in turnover. We will of course carry back these losses against future years' profits, which will in turn reduce your Corporation Tax liability.

One other point to note in the accounts is that during the year, the combination of a loss being made and significant dividends being paid, resulted in the company reserves falling into deficit. This is a situation that cannot occur within a limited company structure, and I have therefore included a provision within these accounts to reduce your dividends for the year to prevent the reserves falling into deficit. In order to do this, I have created a debtor to the company, which effectively relates to amounts owed by you to the company. In future periods when the company returns to profitability we will reverse this entry and increase dividends in the appropriate year.

If you have any queries or questions regarding any items within these accounts, please do not hesitate to contact me. Provided you are happy with the accounts, please could you sign all copies, returning the two unbound copies to me. The bound copy is for your own retention.



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You will see that I have also enclosed a set of abbreviated accounts in the package, for filing at Companies House. On the assumption that you would prefer to file abbreviated accounts, please could you sign these where indicated and return them to me.

I am enclosing the Corporation Tax annual return form CT600. Please could I ask you to sign this where indicated and again return it to me. As I mentioned, we will make a claim for the losses in the year, and set them against future Corporation Tax liabilities. I can confirm that as a result of the company loss for the year, we are able to reduce your Corporation Tax liabilities by £2,332. Unfortunately this does mean that you do still have a significant liability to pay and no doubt HM Revenue & Customs will send you an up to date statement of account shortly after this CT600 is filed.

TAX RETURN FOR 2009

I am enclosing a personal tax return form for the year. Once again, please could you look through this return and let me know whether you have any queries or questions. It contains details of your employed earnings as well as the dividends taken from the company.

As far as the tax position is concerned, I have calculated the amount payable for the year is £338.05. As you are aware, HM Revenue & Customs will have expected you to make payments on account this year in the normal way. I believe each of these payments were £6,348.93. These payments are used as credit and used against the tax year's liability that is due. As we have now calculated that your tax liability is £338.05, should you make both of these payments on account you will significantly overpay the tax for the year. I believe that you have made your first payment on account in January of this year and therefore I have calculated that you have effectively overpaid tax already by £6010.88. HM Revenue & Customs will issue you a refund for this amount shortly after the tax return form is filed. You will also not be required to make this second payment on account on 31 July 2009.

As your tax liability for the year is under £1000, you will not be asked to make payment on account for the 2009/2010 tax year.

If you are happy with the return, please would you be kind enough to sign where indicated and return this to me. It will be filed electronically and I will let you have a separate note of confirmation once the Inland Revenue acknowledges safe receipt.

Finally, I am returning your books and records to you. I am also enclosing a note of our firm's fees for your records.

Yours sincerely

Andy Russell