



BRJ Advisory Services
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Our Ref: T/BRJ/003/ESU1/17

January 10, 2017

The Directors
Engsol Engineering Solutions (U) Limited
Spring Close
P O Box 25349
Kampala, Uganda

Dear Sirs,

LETTER OF ENGAGEMENT – VALUE ADDED TAX REVIEW SERVICES

Thank you for appointing us to provide tax advisory services to Engineering Solutions (U) Limited (the "Company"). This engagement letter, together with the attachments (the 'Engagement'), sets out the basis upon which we are to provide professional services to Engineering Solutions (U) Limited (the 'Engagement') and below is a summary of the scope of our work, our fees and the terms of the engagement.

- 1. Review of the Company's monthly VAT returns for the period from October 1, 2014 to-date**
 - 1.1. Check that the Company's December 2016 Value Added Tax ('VAT') return is correctly prepared with particular reference to exempt supplies in accordance with the provisions of the Value Added Tax Act, Cap 349 prior to its filing on or before January 15, 2017;
 - 1.2. Review the documentation and figures of the VAT returns from October 2014 to-date; identify incorrect classification of supplies (zero rated rather exempt); calculate the possible VAT liability;
 - 1.3. Carry out a complete VAT health check for the October 2014 to date on various other risk areas in VAT and prepare a report to the directors therefrom,
 - 1.4. Prepare a submission to the Uganda Revenue Authority ('URA') requesting the use of the Standard Alternative Method with supporting data showing the level of disadvantage otherwise incurred.

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a combination of letters and a flourish.


2. Professional Fees

- 2.1. Our fees for the VAT review services will be **USD 200 (Two Hundred United States Dollars) per reviewed month** and covers the services enumerated in paragraph 1.
- 2.2. Our fees are exclusive of VAT which is presently charged at 18%.
- 2.3. Our business terms require that we receive 50% of our fees for the VAT review services at the commencement or signing of the engagement, 40% of the balance on the submission of our final report to the management of the Company and the final 10% upon receipt of the URA decision on the application for the standard alternative method of apportioning VAT.
- 2.4. We will present our invoices, which will be due for payment on submission.

3. Terms of business

- 3.1. Any documentation or advice provided to you should not be made available or copied to any other third party without our prior consent. In the event, we neither make any representations, nor shall we have any liability, including claims for damages of any nature to any third parties or to your other advisors to whom it may be shown or into whose hands it may come.
- 3.2. Our business terms as per our previous engagements continue to apply.

Yours faithfully



Robert Busuulwa

Director

For and on behalf of BRJ Advisory Services

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