

## SUBMISSIONS OF REDBUD (LONDON) LIMITED

### Licence for Special Treatment Premises

#### 14<sup>th</sup> March Hearing

##### 1.1 Introduction:

The refusal to renew the Special Treatments Licence would have the gravest financial ramifications for the Applicant. The Applicant Company presently holds a lease over the Shop premises at 1 Whites Row London E1 7NF, the lease has a further five years to run. In the event of refusal, the Applicant would also lose valuable goodwill and in short, a livelihood for the Director and a number of employees.

And it is because of these gravest ramifications that we are deeply concerned that reports have been prepared and put before the Council that are fundamentally flawed. We will do our very best to isolate and identify these flaws and urge upon you eventually that such flaws undermine the credibility and accuracy of the Reports from the Objector before you.

##### 1.2 The Non-Executive Report of the Licensing Committee.:

The Report commences at page 17 of your bundle and we will address each paragraph in due course but to perhaps demonstrate one of the inaccuracies we are deeply concerned about, the Report maintains that the Applicant Company pleaded guilty to one of three charges on the 15<sup>th</sup> November 2018. This is simply

incorrect the Company has not pleaded guilty to any charge, it pleaded not guilty to all charges as did the Director of the Company Ying Zhou.

The trial for the hearing of those matters is fixed for hearing on the 27<sup>th</sup> March 2019.

The error has occurred in two ways:

- The List of Appendices to Appendix 4 the Report of the Licensing and Safety Team refers to CHB.OS 2. There is a Court Attendance Note prepared by the Council Prosecutor Mr Wong. The Attendance Note is simply wrong and in error.
- This was a Case Management Hearing on the 15<sup>th</sup> November 2018 and the taking of pleas proceeded by the Single Justice Procedure Notice. In other words, the parties were required to enter pleas in writing on the Single Justice Procedure Notice itself. There was no provision for taking of pleas in court at such a hearing and indeed no pleas were taken in court. We refer to the Applicants Appendix (A) and the section 9 statement of Mr Charles the solicitor for both her Applicant Company and Ying Zhou.
- The author of the Report of the Licensing and Safety Team Appendix 4) has compounded this error by choosing only to append the first two pages of the Single Justice Procedure Notice CHB.OS.5, quite why this was done we cannot say but we append at Applicants Appendix (B) the full document. At page 6 of the form the box for Not Guilty has been ticked. Whether this page was deliberately omitted because it was inconsistent

with Mr Wong's Attendance Note one does not know but it is as we say concerning.

- At Applicant Appendix (C) we append a copy of the Court Log evidencing the fact that Not Guilty pleas were entered by the Applicant to all charges.

### 1.3 The Non-Executive Report Continued:

The Report relies for its accuracy upon the Report of the Objector Charlotte Basten and this is appended at Appendix 4, and it makes sense we submit for us to deal with that Report then return to the Non-Executive Report if we may.

Appendix 4 – Page 53 of the Council's bundle:

#### Reason 1:

This we have already addressed and registered our greatest concern about the misinformation.

#### Reason 2:

The allegation refers to Condition 7B in fact it ought to read a breach of Regulation 7B. The Company and the Director have entered Not Guilty pleas to this allegation.

### Reasons 3 and 4:

These are not “stand alone” reasons but is evidence relied upon by the Objector to seek to substantiate Reason 2. We address each in turn:

- The Objector claims that towards the end of the massage, the therapist started “grazing his crotch area”. However, when we review the actual evidence the “test purchaser” says nothing of the sort but in fact give a very odd account which raises some concerns which in due course will be tested under cross examination in court.
- His statement is at CHB.OS.3. When we look at paragraph 8 of his statement there is no suggestion at all he was touched or grazed in the crotch area. Quite where the Objector has got this evidence one does not know.
- And when one reads the witnesses account it in fact makes little sense at all He describes a massage to his thighs, yet he is, on his description facing downwards lying on his front. The grazing of his underpants doubtless is a suggestion that there was perhaps a deliberate attempt to arouse him sexually. The difficulty with this assertion is that it must have occurred when he was lying face down as he was told, on his account to “turn over” and lie on his back if he wanted “any extras” which we know from his statement he did not.
- ~~Mr. Group~~ the “test purchaser” was employed by “The Surveillance Group Limited”. Whilst this company does not share the address of the author of the “On-Line Surveillance Report “NetWatch Global Report” referred to in Reason 4, a search of their website shows an obvious affiliation between

the two companies. Given the rather incongruous nature of the “test purchaser’s” account those representing Ying Zhou have sought particulars from the Prosecuting Authority of any previous convictions, complaints and or disciplinary matters against him, (in fact in relation to all prosecution witnesses). Whilst it is a mandatory requirement to disclose such material to the defence the Prosecution have failed to answer this request. Complaint has been made to the Court.

- Reason 4 sets out an On-line Surveillance Report doubtless as evidence purporting to add credence to the Reason 2 allegation. Ying Zhou became a Director of the Applicant Company on the 5<sup>th</sup> December 2017(CHB.OS.8). Prior to this date there is no evidence that she played any role whatsoever in the management of the Company.
- Turning to the said On-Line Report Appendix CHB.OS. 4: (page 101):
  - (i) When this business operated as the “Zen Clinic” and the director of the business is named (and is not Ying Zhou) it is said that in January 2014 there was some deep web information suggesting some offering of sexual services. There is no documentary evidence of this in the report, no screenshots or the like that might give us any clue as to the provenance of this assertion. There is no evidence that this relates in any way to the current business, the Applicant or Ying Zhou.
  - (ii) There is then an apparent posting by a male referring to someone called Stephanie and this is referred to at page 53 – Reason 4 of the Report. In a court of law this is hearsay it is an assertion by some unidentified person – essentially a second-hand assertion. The veracity of the account cannot ever be tested, nor can the motive of

he or she who posted it ever be tested. It could have been posted by a fantasist, a disgruntled customer or a competitor we do not know. Its evidential value is next to zero and it was a posting several months before Ying Zhou became a Director of the Applicant Company.

- (iii) Then there is the “gumtree advertisement (at page 107) it is posted 720 days before the date of this report 27<sup>th</sup> February 2018 – so some time in 2016, certainly well over a year before Ying Zhou became a director of the Applicant Company.

Reason 7:

- Here the Objector is still reliant on the assertion of the unproved “test purchase” and says in essence because this occurred during the period when Ying Zhou was a director of the Applicant Company in terms of section 8(c) she can be “reasonably regarded as not being fit and proper person[s] to hold such a licence.
- With the greatest respect this rather misses out some very important legal steps. Before any liability for the breach of Regulation 7 (B) can be fairly laid at her feet.
- The Prosecution will need to rely on section 25 of the London Local Authorities Act 1991. We set out the relevant section below.

**“25.— Liability of directors, etc.**

(1) Where an offence under this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of the offence.

(2) Where the affairs of a body corporate are managed by its members, subsection (1) above shall apply to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.”

- In respect to each of the three charges section 25 above applies and it makes clear that the burden of proof is upon the Prosecution to prove in respect to each charge:

(a) That the body corporate has committed the offence; and

(b) That the offence was committed with the “consent or connivance of Ying

Zhou or that such offending was “attributable to neglect on her part.

- The wording of section 25 is commonplace as is the interpretation of the same' although the application of the section will vary from case to case. In short, proving “consent” requires direct evidence and frankly there is none in respect to either of the charges. There is no evidence she was on

the premises at the relevant time of the alleged test purchase. At Applicants Appendices (D) is appended the Defence Statement of Ying Zhou filed on her behalf by those representing her in the Magistrates Court. At paragraph 4 of this document the Council as the Prosecuting Authority have been asked to specify and particularise how it is alleged that Ying Zhou (the defendant) “consented” to the alleged offending by the Applicant Company. This request has gone unanswered.

- “Connivance / or neglect” however can be proved by inferences. It is here we submit evidence of safeguarding is relevant. In simple terms if it be proved that there was an offering of sexual service and Ying Zhou is found to have done everything reasonably possible to prevent such an activity by say a “rogue employee” then the law will not lay liability at her feet and in those circumstance we submit it would be wrong to seek to rely on section 8(c) or (e) to refuse renewal.
- We will address that “safeguarding evidence” in a moment. The defence for Ying Zhou have in the Defence Statement (Applicants Appendix (D)) invited the Prosecuting Authority to particularise how it is alleged that Ying Zhou “connived” and or was neglectful in terms of section 25 of the Act. It again is noteworthy that the Prosecuting Authority have failed to answer this request.
- The essence of the defence of Ying Zhou to the “test purchase” charge and that of the Applicant, is we did everything we reasonably could, to prevent such conduct, if it did occur. This, if it occurred was the unauthorised actions of a rogue employee. Evidence that sexual services were not habitually “on offer” would of course tend to support the defence of “rogue employee”. There is of course some evidence that this was so in the



evidence of a test purchase on the 13 April 2018. This we refer to at Applicants Appendix (E). What was described as a “professional massage” was given and no suggestion of sexual services being offered.

- That there may have been further “test purchases” commissioned by the Council that similarly evidence that sexual services were not “generally” on offer, we sadly have our suspicions. If we are right, there has been a marked showing of bad faith in not disclosing them. We append at Applicants Appendix (F) a copy email from Natalie Thompson to the Objector dated 10 May 2018. This suggests another “test purchase” had been commissioned and the Council was awaiting the results of this. Those representing the Applicant and Ying Zhou have requested particulars of this request. This request has gone unanswered. Complaint has been made to the Court.
- The “safe guarding” evidence we summarise as follows, Applicants Appendix (G) Photographs:

#### Bundle 1

Photograph 1 – Shop Front

Photograph 2 – Inside Shop looking out

Photograph 3 – Front reception

Photograph 4 – Front to the right interior

Photograph 5 – Front to right therapy room

Photograph 6 – Fire Extinguisher

Photograph 7 – Treatment room

Photograph 8 – Treatment room (2)

Photograph 9 – Treatment room (3)

Photograph 10 – Notice to Staff – cleaning, maintenance

Photograph 11 – Towel warmer

Photograph 12 – Inside door treatment room.

Bundle 2

Photograph 1 – Weekly Staff meeting Record

Photograph 2 – Customer record – Front desk

Photograph 3 – As above

Photograph 4 – Notice of Change of Management – front desk

Photograph 5 – Notice Forbidding Sexual Services – Treatment Room

Photograph 6 – As above, front desk.

Photograph 7 – Front desk Display (1)

Photograph 8 – Open Door Policy

Photograph 9 – Front Desk Display (2)

Photograph 10 – Change of Management Notice

Photograph 11 – Court Log

- The evidence of Ying Zhou
- The evidence of Accountant
- The Evidence of the Applicants solicitor
- Applicants Appendices:

A. Section 9 Mr C Charles

B. Full single Justice Procedure Notice

C. Court Log

D. Defence Statement of Ying Zhou

E. Log of 13 April 2018

F. Email 10 May 2018

G. See Photographs Bundles 1 & 2

Reason 5:

- This matter is charge 3 against the Applicant Company to be litigated in the Magistrates Court on the 27<sup>th</sup> March 2019.
- This will depend very much on the credibility of the test purchaser.
- Ying Zhou was not on the premises on this occasion and the company has taken every possible steps to ensure the risk of rogue employees acting otherwise than in compliance with the Special Treatments Licence is very much diminished.
- Induction
- Weekly Staff Meetings
- Notices
- In addition to the above the Applicant is currently seeking to employ female masseuses that are registered with a professional body approved by the London Borough of Tower Hamlets, which would provide an exemption to this restriction contained at Condition 12 of their Licence.
- In addition to the above the Applicant has invited the Council to supply them with a list of such professional bodies approved by the London Borough of Tower Hamlets in order that existing employees may become qualified to become registered with such a body.

- Section 4 of the London Local Authorities Act 1991 sets out the requirements for such a body:
  - (i) Has a register of members;
  - (ii) Requires as qualification for membership qualifications by way of training for, and experience of, the therapy concerned;
  - (iii) Requires its members to hold professional indemnity insurance;
  - (iv) Subjects its members to a code of conduct and ethics, including a prohibition of immoral conduct in the course of their practice; and provides procedures for disciplinary proceedings in respect of its members;
  - (v) And has supported that notice with satisfactory documentary evidence, if required by the council; or
- The Applicant invites the Council to make it a precondition of any renewed Licence that at any one time there is on the premises:
  - (i) Either two male masseuse therapists; or
  - (ii) One male masseuse therapist and one female masseuse therapist registered with a Council approved professional body; or
  - (iii) Two female masseuse therapists registered with a Council approved professional body.

Reasons 6 and 8:

- Here the Objector relies on the unproven charges currently before the Courts: See Council's Appendices CHOS.5.
- Charges (1) and (3) have been addressed already above.
- Charge (2) again relates to the alleged "test purchase" of the 27<sup>th</sup> March 2017. The charge requires proof that "**treatment** was given by a person who was not approved by the London Borough of Tower Hamlets.
- The Prosecuting Authority purports to rely on the evidence of the test purchaser: See CHB.OS.3 (page 95). He says he sees two females on the premises and then latterly an Asian male and an Asian female. He describes the person who provided the treatment as "Eastern European female." There simply is no evidence that this person was not an "approved person". For instance, there is no evidence that this alleged person was not ~~Chen~~  
[REDACTED]
- Ying Zhou was not present on the 27<sup>th</sup> March 2018, but believes that this therapist was present and when this allegation came to light, she was dismissed.

Turning to The Non-Executive Report (Page 17):

- We will endeavour not to repeat the submissions already made:


(a) Paragraph 3.1 has been addressed, however we address the allegation of a breach of Condition 6 of the Licence:

- (i) We have made our submission re Ms [REDACTED];
- (ii) However, if the Council seeks to rely on the letter of dated 22 June 2018, then with respect the council is in error. The first and obvious point is the letter refers to therapists present on the 27<sup>th</sup> March, not therapists who provided treatment on this day as the charge requires and indeed the condition.
- (iii) Secondly and more importantly [REDACTED] was indeed a therapist but was a beauty therapist who administered waxing and “make up” services and thus was exempt from approval (see section 4 London Local Authorities Act 1991) and paragraph 3.2 of this report.
- (iv) Ms [REDACTED] was working as a receptionist and as such was also exempt as above.

(b) At paragraph 5.1 of the Report the “Reasons” set out in the Objectors Report at Appendix 4 is summarised. We do not agree the accuracy of the summaries but have already addressed all these “Reasons” in full.

(c) At paragraph 8.1 an alleged test purchase on the 13 April 2018 is relied upon. The Applicant is conducting inquiries and this submission will be addressed.

- (d) At paragraph 8.2, we have already addressed the grave error in suggesting the Applicant Company has pleaded guilty. It has not for all the reasons previously submitted.
- (e) Paragraph 11.4 is with respect speculative and without any evidential basis.
- (f) Paragraph 11.5 we have already addressed the lack of transparency of the Prosecuting Authority.
- (g) Paragraph 13.5 proceeds on a false premise in relation to the alleged guilty plea. The balance of the submissions we have already addressed.
- (h) It is our submission that it has not been proved that on the balance of probabilities that Ying Zhou is not to be a fit and proper person. Under her management everything possible has been done to ensure the risk of breach of licence conditions has been kept to a minimum. And looking ahead the Applicant is committed to the adherence to all conditions and invites the further conditions to be imposed as referred to above.

A handwritten signature in black ink, appearing to read 'David Hislop QC', with a stylized flourish at the end.

David Hislop QC  
Counsel for the Applicant  
11 February 2019

A

**STATEMENT OF WITNESS**

(Criminal Justice Act 1967, s.9)

Magistrates' Court Act 1980, s.102

Magistrates' Courts Rules 1981, r.70)

**STATEMENT OF CHARALAMBOS CHARLES**

**Occupation: Solicitor**

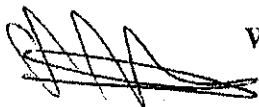
**Age of witness ( over 21)**

**Address: Hussein Solicitors, Suite 2000, 16-18 Woodford Road, London E7 0HA.**

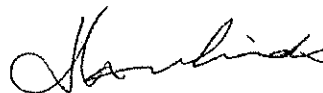
This statement (consisting of 2 pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

Dated the 11th day of March 2019

**Signed:**



**Witnessed**



I am the above named, I am a Solicitor, having qualified to practice in England and Wales as a Solicitor on the 15th September 1994. I have been conducting contested advocacy in the Magistrates Courts since 1994.

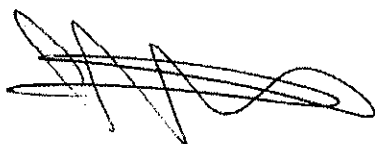
I am the Solicitor at Hussein Solicitors with conduct of the matter relating to Redbud Ltd and Ms. Ying Zhou the Director of the Company.

I was the person who completed the single justice forms on behalf of Redbud Ltd and Ms. Ying Zhou. Both forms clearly indicate the plea of not guilty.

This case was listed before the Thames Magistrates Court for a case management hearing on the 15th November 2018. On the 15th November 2018, I was the advocate who attended Court to represent the interests of Redbud Ltd and Ms. Ying Zhou the Director of the Company. At the hearing Ms. Zhou was assisted by a Mandarin Interpreter.

On attending court I went into the court room and waited in line in front of another lawyer who was speaking to the local authority Prosecutor who was Mr. Wong. I introduced myself explaining who I act for and I explained we are listing for a trial. I enquired as to the papers I had and if there was more to be served, he was unable to tell me as he did not know as it was not his case, I advised him as to the witnesses we require for trial, it then transpired that the file he was looking at was not our case. It is fair to say he had a pile of files and when he picked out the right file confirmed again it was not his case.

**Signed**



**Witnessed**





Continuation Page 1.

We agreed we were merely listing for trial and that we needed to complete a trial form which was done.

When the case was called on it was before District Judge Rose. At no point were any pleas taken as the court had the pleas of not guilty and we were dealing with case management and setting a trial date. Ms. Zhou was assisted by a Mandarin interpreter. At the hearing the district Judge questioned the issue as to the witnesses required. I accepted the witnesses in written form relating to Charlotte Basten and Natalie Thompson but I required the witness [REDACTED]. I was asked why I needed him and advised the Judge that my client was not on the premises at the time of the test purchase by the witness [REDACTED]. The Judge started going through the statement of Mr. [REDACTED] in open Court and asked the prosecutor, Mr. Wong if the prosecution accepted this assertion that my client was not on the premises. The Judge also stated that Ms. Ying Zhou is a Chinese female and the witness [REDACTED] made no mention of such a female in his description of the persons in the premises as being Chinese. The judge asked Mr. Wong if the prosecution accept that Ms. Ying Zhou was not on the premises at the time. Mr. Wong then started going through the statement and stated that the Prosecution did not accept that and hence the witness would be required. The Court allocated 20 minutes in chief for his evidence and also 25 minutes for cross examination. The Prosecution confirmed that they would not be relying on the witness [REDACTED] and this witness would be unused. Mr. Wong confirmed there would be no application for bad character. The Judge gave the date of the 13th December 2018 as to the date for unused material to be served. For the defence case the Judge allocated 1 hour 30 minutes, the trial was listed for 2 hours 30 minutes on the 27th March 2019 at the Thames Magistrates Court at 09.30am. This trial is for all the charges both Redbud Ltd and Ms. Ying Zhou. No pleas were requested and no pleas were entered as the Court had the pleas and we were dealing with case management as to the trial.

I have read the attendance note of Mr. Wong as to the record of the hearing of the 15<sup>th</sup> November 2018 and the attendance note is wrong, firstly no guilty pleas were entered to any charges by either the company or Ms. Ying Zhou and also the witness Crump was allocated a total time for examination in chief and cross examination of 45 minutes, Mr. Wong has no record of this at all and his note is not a correct record of the hearing. As result of the Prosecutions refusal to accept that Ms. Ying Zhou was on the premises at the date and time of the alleged test purchase by Mr Crump the Judge endoresd that the defendant denies presence at the premises on the 27th March 2018.

The attendance note of Mr. Wong is not an accurate record of the proceedings and the orders made in court. I confirm at no point what so ever where any guilty pleas entered by the Company Redbud Ltd or Ms. Ying Zhou.

Signed

Witnessed



## Single Justice Procedure Notice

The Company Secretary  
Redbud (London) Limited  
Registered Office: 1 Whites Row,  
London E1 7NF

Case reference: CEHCRS.2515/VW

Company No. 9636831

Posting Date: 31 August 2018

You have been charged with the offence on the Charge Sheet overleaf

**You now have 21 days to plead either guilty or not guilty to the offence**

### What happens next?

You must plead guilty or not guilty by post to the charge detailed on the Charge Sheet overleaf  
Fill in the forms in this pack, including the Statement of Assets and financial circumstances (MC100)

If you **plead guilty** using one of the options in this notice, you will usually get a 33% reduction on any fine

### Important

**You have 21 days to respond** or the case may proceed without you and you may be found guilty and sentenced in your absence.

If you want to consult a solicitor or advice agency, you must do so immediately.

*Fill in the forms in this pack, including the 'Statement of Financial Circumstances' (Form MC100) and send them to:*

Thames Magistrates Court  
58 Bow Road  
London  
E3 4DJ

To contact Legal Services please write to  
Mulberry Place, 5 Clove Crescent, E14 2BG  
(Tel: 020 7364 4337)  
(Email: [viviene.walker@towerhamlets.gov.uk](mailto:viviene.walker@towerhamlets.gov.uk))

You have been charged with the following offences:

- (1) On 27 March 2018, Oasis Spa at 1 Whites Row, London E1 7NF was used as an establishment for special treatment otherwise than in accordance with the terms, conditions or restrictions to which the licence is held IN THAT the premises were used for the purpose of soliciting services of prostitution in breach of condition 7(B) of the prescribed standard conditions.

**Contrary to section 14(2) of the London Local Authorities Act 1991**

- (2) On 27 March 2018, Oasis Spa at 1 Whites Row, London E1 7NF was used as an establishment for special treatment otherwise than in accordance with the terms, conditions or restrictions to which the licence is held IN THAT treatment was given by a person who was not approved by the London Borough of Tower Hamlets ("the Council").

**Contrary to section 14(2) of the London Local Authorities Act 1991**

- (3) On 27 March 2018, Oasis Spa at 1 Whites Row, London E1 7NF was used as an establishment for special treatment otherwise than in accordance with the terms, conditions or restrictions to which the licence is held IN THAT treatment by way of massage was given below the neck and above the knee to a male client by a female masseuse without prior written consent of the Council.

**Contrary to section 14(2) of the London Local Authorities Act 1991**

### Statement of Fact

1. On 27 March 2018, a test purchase was carried out at Oasis Spa, 1 Whites Row, London E1 7NF ("the premises"). The premises are licensed to provide Massage, Acupuncture, Acupressure, Reflexology, Facials and Shiatsu. The Licence is granted by the London Borough of Tower Hamlets under the London Local Authorities Act 1991.

The Licence Holder is Redbud (London) Limited t/a Oasis Spa.

Redbud (London) Limited were first issued a Special Treatment Licence by London Borough of Tower Hamlets on 23<sup>rd</sup> March 2016, for the provision of massage, acupuncture tui-na, reflexology, aromatherapy and facials at the premises. The licence is renewed annually and the last licence was issued on 16<sup>th</sup> January 2018.

On 27 March 2018, a test purchase was carried out by an employee of the Surveillance Group Limited who was instructed by the London Borough of Tower Hamlets to undertake the test purchase.

On arrival at the premises at approximately 11:30 hours the Test Purchaser was greeted by two females. The first was Asian and appeared to be aged over fifty. The second female appeared to be in her thirties with an Eastern European accent. The second female spoke very basic English. She listed a variety of treatments that were available and confirmed that they accepted payment via card or cash.

The Test Purchaser selected the deep tissue massage for thirty minutes and paid £35.00 in cash.

The Eastern European female then took the Test Purchaser to the rear of the building where there were approximately five treatment rooms as well as a lavatory and a utility room with a washing machine inside. The room to which the Test Purchaser was taken had a sink, a shower, towels and a heater. The Test Purchaser observed that relaxing music was being played in the room.

Once inside the room the female instructed the Test Purchaser to remove his clothes and lay face down on the bed. The Test Purchaser asked the female if she meant that he should remove his top to which she responded "everything". The Test Purchaser took off his clothing and mounted the massage bed leaving his underwear on.

The female proceeded with a thorough massage starting with the Test Purchaser's upper body. She complimented him on his physique.

Towards the end of the massage the female began to service the top of the Test Purchaser's thighs, grazing his underwear as she did so. At this point the female asked the Test Purchaser if he would like any extras to which he responded by asking her what she meant. The female again asked the Test Purchaser if he would like any extras and requested him to turn over and lay on his back if he did.

The female stated at that time that it would cost a further £40.00. The Test Purchaser declined the offer, at which point the female wiped his body down, thanked him and invited him to get dressed.

The Test Purchaser exited the premises at approximately 12.15 hours.

Condition 6 of the Licence states "all treatments shall be given only by persons approved by the Council or, provided that the written consent of the Council has been obtained, under the personal supervision of a person approved by the Council.

Condition 12 of the Licence states "unless otherwise expressly permitted by the Council when treatment is given or is being received to any part of the body other than the neck and head or feet and legs below the knee or hands and arms and is not being so given by a fully qualified physiotherapist or other person entered on the register of the appropriate professional organisation whose qualifications have been approved by the Council, the treatment may be given only to persons of the same sex as the person giving the treatment and persons of the opposite sex shall not be present."

Redbud (London) Limited did not employ any female masseuses that were registered with a professional body approved by the London Borough of Tower Hamlets and therefore were not allowed to massage anyone of the opposite sex below the neck and above the knee unless expressly permitted by the Council in writing. The Council had not granted permission to the company to allow therapists to massage members of the opposite sex below the neck and above the knee.

Senior Council Officers contracted an online research company (NetWatch Global) to assist with the investigation to ascertain whether services of a sexual nature were being offered at the premises. As a result the following were found:

- A gumtree advertisement for the business where the masseuses are described as young, attractive and open minded.
- Deep web searches located a punting forum where on 31<sup>st</sup> March 2017 where it was mentioned that a non-Chinese female therapist called "Stephanie" offers services of sexual nature at Oasis Spa and her prices were £30 for a service called 30 and hand relief for £20.
- Another deep web search located a post from a punter who received services of a sexual nature from the Zen Clinic in May 2017 (old name for Oasis Spa but the same

## Your plea – continued

### Are your details correct?

#### Box A

Defendant's Name: Redbud (London)  
Limited  
Defendant's Address  
1 Whites Row, London E1 7NF

Company No. 9636831

Box B – You only need to enter your details in  
this box if the details in Box A are incorrect

Name:  
Address:

Date of Birth:  
Gender:

Please provide your contact telephone number: 0208-945-7225

Please provide your email address: husseinsolikhass@gmail.com

### Note:

When the court has received your pleas(s), the magistrate makes a decision by considering:

- The charges, the statement of facts and the witness statements (copies included in this pack)
- Anything you write in mitigation
- Your financial circumstances (form MC100)

### Sign

Signature: 

Date: 17.9.18

Return the 'Plead by post' forms to:

Justices' Clerk  
Thames Magistrates Court  
58 Bow Road  
London E3 4DJ

## Not Guilty: Information for the Court

I am pleading Not Guilty because:

NO KNOWLEDGE OF ANY ~~NEW~~ UNLAWFUL BEHAVIOUR BY  
A STAFF MEMBER.

### Defence Witness 1 (optional)

Name:

Address:

Date of Birth (dd/mm/yyyy)

Will this witness require an interpreter? Yes ☐ No ☐ If so, which language \_\_\_\_\_

### Defence Witness 2(optional)

Name:

Address:

Date of Birth: (dd/mm/yyyy)

Will this witness require an interpreter? Yes ☐ No ☐ If so, which language?

***This page to be completed overleaf and returned to the court***

## **Plead by post**

*(Section 12 of the Magistrates' Court Act 1980)*

Name: Redbud (London) Limited

Company No. 9636831

London Borough of Tower Hamlets Council Case Reference number: CEHCES.2515/VW

### **Your plea options**

1. **Plead guilty under the 'Single Justice Procedure' which means a magistrates will make a decision with a formal court hearing:**
  - You do not come to court
  - You'll be sent details of any sentence and fine
  - You will be told if the magistrate decides that you need to come to court
  - You must complete and send the enclosed Statement of Means form (MC100)
2. **Plead guilty in court:**
  - You will be sent a summons giving you a date and time to attend court
  - The hearing is likely to go ahead if do not attend
3. **Plead not guilty:**
  - You will be sent a summons giving you a date and time to attend your trial
  - The trial is likely to go ahead if you do not attend
  - If you plead not guilty, you must fill in a 'Not guilty: information for the courts; form from this pack

Select **ONE** of the following options:

- ☐ **Plead guilty** I do not want to come to court      ☐ **Plead guilty** I want to come to court
- ☒ **Plead not guilty** Send me the date of my trial

Will you require an interpreter if you come to court? Yes ☒ No ☐

If so, which language? MANDARIN

**Mitigating Circumstances** (optional): what you want the Magistrate to consider when making a decision about your case.

**Mitigating Circumstances continued.....**



## Defence Witness 3(optional)

Name:

Address:

Date of Birth (dd/mm/year)

Will this witness require an interpreter? Yes No ☐ If so, which language?

Please continue on separate sheet if necessary

### Prosecution Witness Statements -

(Criminal Procedure Rules 2015, r. 16.4; Criminal Justice Act 1967, s. 9)

The Prosecution will reply on the witness statement(s) sent to you with this notice. Tell us here if you object to the witness statement(s) and why. If you do not object within 21 days of the date of this notice the statement may be read without the witness coming to court to give evidence

You **must** tell the Prosecutor in writing if you object to the witness statement(s) and why.

Name	Evidence in person? (tick for yes)	Objection/Issue with Witness Statement
<div></div>	✓	Cross Examination as to offer allegedly made for sexual services.
Charlotte Basten	✓	PLEASE NOTE THIS WITNESS IS REQUIRED FOR THE LG- DEFENDANT DIRECTOR MS YING ZHOU
Natalie Thompson		

**Subject:** Fwd: REDBUD LIMITIED  
**Date:** Friday, 8 March 2019 at 10:09:01 Greenwich Mean Time  
**From:** Charlie Charalambous  
**To:** David Hislop QC  
**Attachments:** image001.png

C

----- Forwarded message -----

**From:** Helen Da-Silva <[REDACTED]>  
**Date:** Thu, Mar 7, 2019 at 12:11 PM  
**Subject:** Fwd: REDBUD LIMITIED  
**To:** <[REDACTED]>

Sent from my iPhone

Begin forwarded message:

**From:** "Pensotti, Gianluca" <[REDACTED]>  
**Date:** 7 March 2019 at 10:59:55 GMT  
**To:** "helen@[REDACTED]>  
**Subject:** FW: REDBUD LIMITIED

Gianluca Pensotti

Pre court

Thames Magistrates Court

58 Bow Road, London, E3 4DJ

[REDACTED]

**From:** Pensotti, Gianluca  
**Sent:** 07 March 2019 10:20  
**To:** "helen@[REDACTED]>  
**Subject:** REDBUD LIMITIED

Menu
 Case Enquiry
 P

Name REDBUD (London) LIMITED
 Address 1 Whites Row

Search

Matches

Case

REDBUD (London)

ACTIVE

18021627

27/03/

15/11/

1,Lo

2,Lo

3,Lo

31/10/

1,Lo

2,Lo

3,Lo

Orders

Associa

Plea History

Hearing Date	Plea	Mode of Trial	Verdict
31/10/2018	Not Guilty		

Clo

Plea

View Notes

Append to Register

Regist

Help

Gianluca Pensotti

Pre court

Thames Magistrates Court

58 Bow Road, London, E3 4DJ

020302744500

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D

IN THE THAMES MAGISTRATES COURT  
CASE REF: CEHCRS.2515/VW

-

LONDON BOROUGH OF TOWER HAMLETS

-AND-

YING ZHOU

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**DEFENCE STATEMENT**

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**THE CHARGES**

The defendant is facing three charges relating to alleged offences contrary to section 14(2) and 25(1) of the London Local Authorities Act 1991 on the 27<sup>th</sup> March 2018 at the premises of Oasis Spa at 1 White Row, London E1 7NF:

**DEFENCE**

The defendant will state as follows:

1. At all material times she was not present at the said premises on the 27<sup>th</sup> March 2018 and thus has no knowledge of the alleged offending and therefore denies the same;
2. The defendant denies any offending as alleged (if proved) was attributable to her consent, connivance or neglect as a director of Redbud (London) Limited.

3. At all material times the defendant took all reasonable precautions to prevent offending as alleged on the said premises.

4. The Defence invite the Prosecuting authority to specify and particularise how it is alleged the defendant "consented" to the alleged offending by Redbud (London) Limited, if this is the allegation.

5. The Defence invite the Prosecuting authority to specify and particularise how it is alleged the defendant "connived" in the alleged offending by Redbud (London) Limited, if this is the allegation.

6. The Defence invite the Prosecuting authority to specify and particularise how it is said that the alleged offending by Redbud (London) Limited was attributable to the defendant's neglect, if this is the allegation.

**Matters of Law:**

7. Insofar as the witness Charlotte Basten comments on the evidence of others, this is inadmissible, her comments and opinion are inadmissible.

8. Insofar as the witness Charlotte Basten comments and provides an opinion on the law, equally the said opinion evidence is inadmissible.

9. Insofar as the witness Charlotte Basten comments and provides an opinion on the law and whether the facts amount to any breach of the law

equally the said opinion evidence is inadmissible. This is a matter for the court and not the witness.

10. The report by Netwatch Global Limited referred to in the evidence of Saira Parveen and exhibited as SP8 is inadmissible for the following reasons:

(i) The defendant became a director of Redbud (London) Limited trading as Oasis Spa on the 5<sup>th</sup> December 2017 (see exhibits CHB012 & CHB013).

(ii) The "Gumtree advertisement" was posted 720 days prior to the Report dated 27 February 2018.

(iii) The "deep web" postings were dated 31 March 2017 and 10 May 2017.

(iv) None of this material relates to a period when the defendant was a director and hence is irrelevant to the section 14 and 25 matters in issue.

#### **SECONDARY DISCLOSURE**

The Defence require the prosecution to apply the objective test in relation to disclosure to the Defence in accordance with Section 23 of the Criminal Justice Act 2003.


The Prosecution should therefore disclose any material which has not been previously disclosed to the accused and which might reasonably be considered

capable of undermining the case for the prosecution against the accused or of assisting the case for the accused.

The Prosecution is now required to consider the Defence and the general notification of issues as disclosed by this statement and apply the same test as above in light of the information provided.

Please provide:

1. All records and material relating to "test purchases" commissioned by the Council in relation to the premises at 1 Whites Row. London E1 7NF, this should include all records and details of instruction and report.
2. All reports (in any form) provided by the witness [REDACTED]
3. Any previous convictions, complaints and or disciplinary's against any of the prosecution witnesses
4. All Prosecution reports obtained on the business operated at 1 Whites Row. London E1 7NF

Signed: 

Dated: 23/1/2019

C. Charles, Solicitor  
on behalf of the  
Defendant

Log of events for OASIS SPA, 2 White's Row, London, E1 7NF (13/04/18)

Operative entered location at approximately 11:30 on this day. On entering I was greeted by a middle aged Eastern European female who was behind the reception desk. There were lots of spa creams/oils for sale within. I asked the female which massages were on offer and was told/shown a price list for a relaxing or deep tissue massage. £35 for 30 mins or £50 for an hour. Op chose an hour deep tissue and paid £50 cash. The female then showed me to room 2 of 5. The female asked me to undress and lay on the bed face down. The room was clean, it had a shower and wash space. A small speaker in the corner of the room. The room had low lighting and was painted in a light colour with a blue floral wallpaper. There was a knock and a Asian female entered wearing black leggings and a black t-shirt with blue slippers. The female verbally confirmed I was having 1hr deep tissue massage. The massage began. After approximately 5 minutes the female apologised for no music and left to fix the music. Once back the female conducted a professional massage and continued to make sure I was ok. Having Finnish op departed



Charlotte Basten

CHB-001

F

**From:** Natalie Thompson  
**Sent:** 10 May 2018 17:29  
**To:** Charlotte Basten; Lekan Olomo; Amran Ali  
**Cc:** Tom Lewis  
**Subject:** MST prosecution allocations

Hello

We have the witness statements back from this round of test purchases.

I have allocated them as below but feel free to swap if you want/ need to as they are in no particular order. The statements are [here](#) and the internet searches are [here](#). C' and Oasis Spa need further evidence so we are getting another test purchase done which should be with us within a week or so.

Lekan -

Amran -

Charlotte - Oasis Spa 1 Whites Row, 15 Hertsmere Road. Last date to get to Legal 27/6/18

Natalie - C

Please don't forget to send the licence holders a letter under caution. You may want to wait until after the next test purchase results come in for China Health Spa and Oasis before doing this in case we need to ask them in for an interview anyway. Sorry if it's a bit of a rush. Let me know if you want any help.

Natalie

Natalie Thompson | Environmental Health Officer | Health & Safety Team | Environmental Health and Trading Standards  
London Borough of Tower Hamlets | John Onslow House, 1 Ewart Place, London E3 5EQ  
☎ 020 7364 6703 | 📠 020 7364 6901 | General Enquiries: 020 7364 5008

**IMPORTANT NOTE:**

*Any observations noted are not intended to be an all-inclusive list of duties under legislation in regards to the event. It is the Event Organiser(s)'s responsibility to ensure compliance with all applicable laws and regulations.*

# HUSSEIN

## SOLICITORS

H

FAO: Ms. Charlotte Basten  
London Borough of Tower Hamlets  
Environmental Health and Trading Standards  
John Onslow House  
1 Ewart Place  
London  
E3 5EQ

Hussein Solicitors  
Suite 2000  
16-18 Woodford Road  
London  
E7 0HA

T: 020 8945 7225 (24 hour emergency)  
F: 020 8989 7225  
E: husseinsolicitors@gmail.com

Date **22.6.2018**  
Our Ref. **AH/CC/YZHOU/4891**

Principal: Ms Aygul H. Hussein  
Consultant: Ms Ruby Moreau

Your Ref.

Dear Ms. Basten

**Re: Oasis Spa - 1 Whites Row, London E1 7NF**  
**Ms. Ying Zhou**

We confirm that we act on behalf of the above.

In relation to your letter of the 24th May 2018 to our client we can reply as follows.

Ms. Zhou is a Director of Redbud (London) Ltd. Ms. Zhou was not at the premises of Oasis Spa on the 27th March and has no knowledge of any offer for Sexual Services being made by any persons on the premises.

On the 27th March 2018 the following therapists were on the premises,

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

On receiving your letter of the 24th May 2018, on the following day Ms Zhou had a meeting with all the above persons as to the allegation outlined in your letter. All the therapists denied having made any such offers to provide services of a Sexual nature.

Our client took over the business in December 2017, our client is fully insured and so are all the therapists, there are signs displayed clearly on the premises which the therapists are fully aware of, that no sexual services are offered and where a member of the public seeks such sexual services then that customer is asked to leave the premises. Our Client has weekly staff meetings to discuss business development and progress and also to deal with any grievances. The therapists are fully aware that to offer such services is illegal, against the licence and affects our clients livelihood.



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Our Client as a result of this allegation has now extended the hours that she spends on the premises to ensure that such an incident does not arise again. Our client is seeking to dispense with the services of the current Therapists and is actively sourcing new therapists. Our client has already dispensed with the services of Ms. [REDACTED]. Our client has explained to us the difficulties in finding new staff hence to assist our client we kindly ask if the identity of the Person who offered Sexual Services can be disclosed to us so our client can dispense with the services of the individual concerned oppose to trying to replace all the therapists.

We confirm that our client's position is that she was not on the premises on the day and the therapists on the premises have denied that such an offer was made to a customer.

In the circumstances we kindly ask for these representations to be considered with a view of our client being able to continue running her business and adhering to the licence terms and conditions.

In the meantime, if you have any requisitions please do not hesitate to contact our Mr. Charles who is the Solicitor with conduct of the matter.

Yours sincerely,



**Hussein Solicitors**