

Dear Sirs

Haines Watts Preston Ltd SSAS

It is in the intention of RFM Preston Ltd (Formerly Haines Watts Preston Ltd) to take out a loan from the pension scheme of £42,000. The security for this loan will be the 25% shareholding in RFM Fylde Ltd. The shares are unquoted, free from any charges and the loan is to be used for the purpose of the working capital.

RFM Preston recently acquired the shares in RFM Fylde Ltd for £46,875. Taking the average turnover of RFM Fylde Ltd for the last four years £463,000 and applying a 70% discount (as accounting practices sell for between 70p and £1 for £1) the value of that shareholding on the open market would be £81,025.

The loan will be interest only for the first 12 months and the balance will be repaid over the remaining four years and the interest charged will be 1.0% above Bank of England base rate.

RFM Preston Ltd has net assets significantly greater than the loan and is in a position to take out the loan and maintain the repayments throughout the term.

Whilst we are happy to provide you with this information, we can take no responsibility for any loss or damage of whatsoever nature occasioned to any persons acting or refraining from action as a result of the information provided.

If you require any further information, please do not hesitate to contact us.

Yours faithfully