

Our ref: CHK/CMF/JRPS01/1

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1 February 2017

Dear Sirs

Our client: The Trustees of the John Ryan Pension Scheme
Loan Agreement dated 8 February 2011
Amount outstanding as at 30 January 2017: £300,011.34

We act on behalf of the Trustees of the John Ryan Pension Scheme (the "Scheme").

1 Loan Agreement

On 8 February 2011 you entered into a Loan Agreement (copy **enclosed**) (the "Agreement") with Alliance Trust Pensions Limited (the then Trustee of the Alliance Trust Personal Pension Plan) (the "Original Lender").

Pursuant to the Agreement a loan was made to Golden Age Models Limited (the "Company") of £250,000 (the "Loan").

The Agreement contained the following express terms:

1.1 Clause 2 – Loan Interest

"Interest at the fixed rate of 5.5% per annum on the Loan Amount outstanding shall accrue daily during the term of the loan"

1.2 Clause 3 – Loan Repayment Date

"The Loan Amount together with all interest due under this Agreement shall be repaid in full by 8th February 2016"

1.3 Clause 4 – Loan Repayment Schedule

"4.1 The loan shall be repayable in equal instalments...with the first payment...to be made three months after the date of this Agreement and subsequent payments being made quarterly thereafter.

4.2 The first repayment amount shall be...£14,382.63.

4.3 Subsequent repayment amounts shall be for the same amount."

1.4 Clause 8 – Default Interest

"If the Borrower fails to repay the Loan in full at the end of the Loan Term.... interest shall be paid on the Loan Amount or any balance outstanding together with all accrued interestat the rate of 4% above the minimum base rate for the time being of Royal Bank of Scotland..."

1.5 Clause 12 – Fees and Expenses

"The Borrower agrees to pay all the costs incurred by the Lender in administering or enforcing this Agreement, including, but not limited to, all administrative, banking, legal and enforcement charges or expenses".

2 Deed of Novation of Loan

On 21 November 2013 a Deed of Novation of Loan (the "Novation") was entered into between (1) the Original Lender, (2) the Scheme and (3) the Company. A copy of the Novation is **enclosed**.

Pursuant to the Novation, the Company agreed to accept the Scheme as a party to the Agreement, in substitution of the Original Lender.

As at the date of the Novation, the sum of £216,000 plus "all other amounts, including accrued interest and fees" were owed by the Company to the Scheme.

3 Demand for payment

You are in breach of the Agreement, having failed to repay the Loan by the Loan Repayment Date, ie 8 February 2016.

In accordance with clause 11 of the Agreement, we write giving you written notice that the balance of the Loan plus interest as set out in the **attached** schedules is immediately payable.

Attached to this letter are three schedules which set out:

- 3.1 the interest payable up to the first payment default;
- 3.2 the interest payable from the first payment default to 16 August 2016 at a rate of 4.5%; and
- 3.3 the interest payable from 17 August 2016 at a rate of 4.25% (due to a reduction of the interest base rate)

As you are aware, interest up to the Loan Repayment Date (ie 8 February 2016), accrued daily at the rate of 5.5% per annum. In addition, as a consequence of your default in failing to pay the Loan in full by the Loan Repayment Date, interest continues to accrue at the rate of 4.5% per annum up to 16 August 2016 and at 4.25% thereafter.

For the avoidance of doubt, as at 30 January 2017, the sum of £296,607.58 is immediately payable and interest is continuing to accrue at a rate of approximately £242 per week.

As at 6 February 2017, the amount payable by you will therefore be £296,849.42 and by 13 February 2017 £297,091.46.

4 Costs

In addition, pursuant to clause 12.2, we hereby remind you and formally put you on notice that all costs and expenses associated with the recovery of the Loan (plus interest) are payable by you.

At this stage, our client's legal costs amount to £950 plus VAT, but will increase considerably if further action is required to recover the sums outstanding from the Company.

5 Amount payable

- 5.1 If payment is made on or before 5 February 2017, the amount payable (including legal costs incurred as at the date of this letter will be £297,747.58.
- 5.2 If payment is made on or before 12 February 2017, the amount payable (including legal costs incurred as at the date of this letter will be £297,989.42.
- 5.3 If payment is made on or before 15 February 2017, the amount payable (including legal costs incurred as at the date of this letter will be £298,231.46.

6 Method of payment

Your payment (including legal costs incurred as at the date of this letter) should be made to the following account by no later than 4pm on 15 February 2017:

Hemingways Solicitors Limited
Royal Bank of Scotland
Client Account
Sheffield Church Street Branch
5 Church Street
Sheffield S1 1HF

Sort code: 16-00-08
Account number: 10467991

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6 Failure to pay

In the event that payment is not made in full by the above deadline, we are instructed to proceed immediately with enforcement action. Such action may include steps being taken to liquidate the Company on the basis that it is unable to pay its debts as and when they fall due.

In the event that such action is taken, we will rely on this letter as evidence, pursuant to Insolvency Act 1986 of the Company's inability to pay its debts as and when they fall due.

If you deny the Company is unable to pay its debts you must (prior to the expiry of the deadline for payment) produce evidence of its solvency, and if applicable, explain why you deny the Loan is now due and repayable. Although this will not necessarily result in enforcement action not being taken, your failure to do so, will be brought to the court's attention at the appropriate time.

We await your response.

Yours faithfully


Hemingways