



On Thursday 1st November I sent the following communication to Mr Hogan, MD, Our Cats.

Dear Mr Hogan

When we last communicated I undertook to clarify the contractual position of the GCCF with Our Cats following the meeting of the Council on the 24th October 2007.

I am satisfied, having taken advice from Marshalls, that the result of the vote on item 4 (a) of the agenda upheld the decision of the Executive to terminate the contract between the GCCF and Our Cats, that decision having been communicated to you in my letter dated 1st July 2007. The existing contract will therefore terminate on 31st January 2008.

The result of Council having voted in favour item 4 (b) by more than a two thirds majority requires that the Executive put any future proposals for further progress in this matter before Council for approval.

The first opportunity to begin examining possible ways forward will be a meeting of the Executive on 28th November 2007.

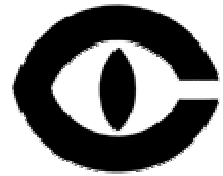
It would be helpful to know in advance of the meeting on 28th November whether:-

- (i) if Our Cats were to be asked by the GCCF to continue after 31st January 2008 on an interim "month to month" basis (i.e. one month's notice of termination being required from either party), Our Cats would be willing to do so;
- (ii) if there is any substance behind the rumour that Our Cats is up for sale, what impact this would have on any possible future contract between the GCCF and Our Cats.

I plan, following the meeting on 28th November, to give you a further update.

Gordon Butler
Chairman

GCCF



Following the Executive meeting on the 28th November I will give a further progress report so that as many people as possible are kept up to date with events running up to the next Council meeting.

Many of you reading this will not have been present at the Council meeting on the 24th October, but may well have heard that during the debate, amongst the many other items of concern, the subject of a £10,000 loan was questioned and I want to clarify the response.

During early discussion the working group considered the possibility of a slow uptake of Fancy That after the launch and any resulting financial implications and went on to consider the possibility of offering a loan of not more than £10,000. This was to have been at an interest rate of 2% above the current Bank of England Bank Rate and be repayable within one year and be subject to the GCCF Treasurer making a satisfactory inspection of the books of Seaview Design. When this offer became known to Seaview Design the idea was instantly rejected by them and they stated that it would not be required.

Gordon Butler
4th November 2007