Dear Asim and Umang,

Thank you for your letter dated 11 August 2025 and for setting out your position regarding the 2024/25 nomination agreement at Therese House. Yugo values the longstanding relationship between our organisations, and we recognise the important role you play in supporting students across London. We have now had the opportunity to review your proposal, together with the supporting materials provided

Contractual obligations

Under Clause 7.4 of the executed Licence Agreement (dated 9 July 2024), Londonist is obliged to pay the Guaranteed Payments on each of the specified Guaranteed Payment Dates. The Total Guaranteed Payment of £1,683,000 (Clause 7, Schedule of Payments) is a fixed and binding commitment. The Agreement does not provide for variation based on market conditions, competitor activity, or sales performance, and as such we cannot accept these as grounds for non-payment.

Operational matters

Cleanliness and room turnaround: Clause 3.9 expressly places responsibility for professional cleaning and room turnaround on Londonist, at its own cost, before and after each licence. Any suggestion that this responsibility lies with Yugo is incorrect.

Maintenance: Clause 3.10 confirms that Yugo is responsible for reactive routine maintenance. We acknowledge that the floor replacement works exceeded anticipated timescales; however, these were communicated to Londonist in advance and managed in accordance with our obligations under the ANUK Code of Standards (Sections 3.14–3.20: late works and alternative accommodation). In line with the Code, when the affected student independently sourced temporary hotel accommodation, all associated costs were swiftly reimbursed by Yugo, ensuring no financial burden was passed to Londonist and no student was left without suitable housing

Complaints: The only formal complaint recorded related to damage caused by a Londonist student to the reception area, which took over three weeks for Londonist to resolve. No further evidence of systemic student dissatisfaction has been submitted to Yugo.

Submitted photographs/evidence: The images titled “Red 1” and “Red 2” do not depict Therese House. This misrepresentation undermines the validity of the claim that negative feedback was attributable to this property.

Financial considerations

We acknowledge your report of a commercial loss of c.£200,000. However, under Clause 9.2.1 Londonist warrants timely payment of the Total Guaranteed Payment, and

Clause 9.2.2 requires full compliance with the Agreement's terms. The commercial risk of achieving occupancy and rental income is inherent in the block nomination structure and cannot be retrospectively transferred to Yugo.

Proposed settlement

Your proposal of a £125,000 discount, a 12 month instalment plan, and a referral offset arrangement has been considered and rejected by the fund. However, in recognition of the disruption caused by the extended floor works, Yugo is willing, strictly as a gesture of goodwill, to apply a discount of £8,247. This adjustment reduces the outstanding balance to £400,000.

We respectfully request that Londonist provide a clear and immediate plan for settlement of this outstanding balance. As per Clause 18 of the Agreement, any sums not received within 10 Working Days of the due date accrue interest at 5% above Barclays Bank Plc base rate, and Yugo reserves its full rights in this respect.

We remain committed to a constructive relationship and to exploring opportunities for future collaboration across the UK. However, we must be firm that the 2024/25 Licence Agreement remains binding and enforceable.

In respect of this, we would appreciate a response by 5th September with confirmation of your settlement proposal.

Many thanks,