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CHFP025

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COMPANIES FORM No. 155(6)a

Declaration in relation to
assistance for the acquisition
of shares

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

[] [] [] [] [] []

2913621

Note
Please read the notes
on page 3 before
completing this form.

Name of company

* Dunepower Limited (the "Company")

* insert full name
of company

~~We~~ **Jeremy Ryton DRAX** of 326 Fulham Road, West Brompton London SW10 9UG

Ø insert name(s) and
address(es) of all
the directors

Edward Quintin DRAX of 39 Tournay Road, London SW6 7UG

James Nicholas HOLLOND of 45 Rutland Gate, London SW7 1PB

† delete as
appropriate

~~XXXXXXXXXX~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

~~XX~~

~~XX~~

~~XX~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXXXX~~ [company's holding company] at the date of said acquisition (19/12/1996), Parham

Strategic Limited, and the Company's existing holding company, Parham Holdings Limited†

The assistance is for the purpose of ~~XXXXXXXXXX~~ [reducing or discharging a liability incurred for the
purpose of that acquisition].†

The number and class of the shares acquired or to be acquired is: 700 A ordinary shares of £1 and 300 B
ordinary shares of £1 in Strategic and 189 "B" ordinary shares of £1 in the Parent

Presenter's name address and
reference (if any) :

K&LNG LLP
110 Cannon Street
London
EC4N 6AR

58 London/Chancery Lane WC2
Ref: REW/H558-119

For official Use
General Section

Post room



LD2
COMPANIES HOUSE

L446488D

0443
01/09/05

The assistance is to be given to: (note 2) Parham Holdings Limited (Co No: 3104127) (the
"Parent") in respect of the acquisition of shares in Parham Strategic Limited (Co No: 2957556)
("Strategic") and Beaulieu Property Management Limited (Co No: 2533739) ("Beaulieu") in respect of
the acquisition of shares in the Parent.

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in black type, or
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lettering

The assistance will take the form of:

See Schedule 1 attached

The person who [has acquired] ~~will acquire~~ the shares is:

† delete as
appropriate

the Parent in relation to the shares in Strategic, and Beaulieu in relation to the shares in
the Parent.

The principal terms on which the assistance will be given are:

See Schedule 2 attached

The amount of cash to be transferred to the person assisted is £ set out in the Schedules hereto

The value of any asset to be transferred to the person assisted is £ Nil

The date on which the assistance is to be given is within 8 weeks of the date hereof

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legibly, preferably
in black type, or
bold block lettering

* delete either (a) or
(b) as appropriate

~~X~~We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~X~~We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and the declarants have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 110 Cannon Street
London EC4A 3DF

Declarants to sign below

James McDonald
[Signature]
[Signature]

Day Month Year
on

2	5	0	8	2	0	1	5
---	---	---	---	---	---	---	---

before me *[Signature]* MORONKE WILLIAMS

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Dunepower Limited
(Company Number: 2913621)
(the "Company")

SCHEDULE 1
(to Form 155(6)a)

The Form of the Financial Assistance

1. The Form of Financial Assistance

1.1 Beaulieu financed the acquisition (the "**Parham Acquisition**") of the Beaulieu B Shares and the entire issued share capital of Prism by way of an interest free loan in the sum of £13,128,342 provided by the Parent. The loan made by the Parent to Beaulieu was financed by the Parent pursuant to utilisation under the Parent's existing loan facility (the "**Existing Loan**") provided by HVB to the Parent.

1.2 Each of the Original Guarantors (including the Company) is a wholly owned subsidiary (as that expression is used in section 155 of the Act) of the Parent. As at the date (19 December 1996) of the acquisition of Strategic the Company was a wholly owned subsidiary of Strategic. Following the acquisition of Strategic the entire issued share capital of the Company was transferred to the Parent. The acquisition of (i) shares in the Parent by way of the Parham Acquisition; and (ii) shares in Strategic were financed by the Parent, inter alia, by way of loan facilities provided by HVB pursuant to the Existing Loan.

1.3 The Parent intends to refinance its existing indebtedness to HVB by way of a loan arranged by the Arranger pursuant to the Facility Agreement and pursuant to which the Original Lender will make available the Facilities. The provision and continuance of the Facilities is conditional on, inter alia, the Company entering into the following documents:

- (a) the Facility Agreement;
- (b) the Debenture; and
- (c) the Subordination Deed,

these documents being referred to as the "**Financial Assistance Documents**".

1.4 The financial assistance (the "**Financial Assistance**") to be provided by the Company will take the form of the signing or execution (as the case may be), delivery and performance of the Financial Assistance Documents and the assumption of liabilities and obligations under each Financial Assistance Document in accordance with and subject to the terms of each such document.

NOTE:

Definitions

If not otherwise defined in the Form 155(6)a of which these Schedules form part or in these Schedules 1 and 2 the following expressions have the following meanings:

"Account" means each of the Default Account, the General Accounts, the Rent Accounts and the Substitution Account, as more particularly described in the Facility Agreement;

"Additional Debenture" means each debenture executed or to be executed by an Additional Guarantor in favour of the Agent being in the agreed form incorporating (inter alia) a first legal mortgage over relevant Additional Properties, an assignment by way of security of the Rental Income relating to the relevant Additional Properties and a first floating charge over all the undertaking and other assets of such Additional Guarantor;

"Additional Finance Documents" means:

- (a) each Guarantor Accession Agreement;
- (b) the Additional Security Documents; and
- (c) any other document designated as such by the Agent;

"Additional Guarantor" means a member of the Group which becomes a Guarantor in accordance with Clause 32.7 (Additional Guarantors) of the Facility Agreement;

"Additional Property" means any freehold, leasehold or heritable property approved by the Agent in accordance with the provisions of the Facility Agreement and all such properties being the **"Additional Properties"**;

"Additional Security Documents" means (where applicable):

- (a) each Supplemental Charge;
- (b) each Additional Debenture;
- (c) each Standard Security; and
- (d) each Assignment of Rental Income;
- (e) any other Security required by the Agent (acting reasonably) in respect of an Additional Property;

"Agent" means Hypo Real Estate Bank International;

"Arranger" means Hypo Real Estate Bank International;

"Assignment of Rental Income" means an assignment of the Rental Income in respect of any Additional Property situate in Scotland, executed or to be executed by the relevant Obligor in favour of the Agent and in form and content satisfactory to the Agent;

"Beaulieu" means Beaulieu Property Management Limited (registered in England under number 2533739);

"Beaulieu B Shares" means the 189 "B" ordinary shares in the Parent held by Beaulieu;

"Charged Property" means the undertaking, property, rights and assets of each Obligor (including the Company) charged and/or assigned by the Debenture and includes any part thereof and any interest therein;

"Debenture" means the debenture to be executed by the Parent and each Original Guarantor in favour of the Agent in the agreed form incorporating (inter alia) a first legal mortgage over the Original Properties, an assignment by way of security of the Rental Income relating to the Original Properties, a first fixed charge over each Account, an assignment by way of security over the Management Agreement, an assignment by way of security of any Hedging Arrangement, an equitable charge over the issued share capitals of the Guarantors and a first floating charge over all the undertaking and other assets of the Parent and each Original Guarantor;

"Deposit" means any and all sums for the time being standing to the credit of, and the debt represented by, each of the Accounts, together with all interest accruing thereon;

"Duty of Care Deed" means the duty of care deed entered or to be entered into by the Manager from time to time in the agreed form relating to the management of the Properties;

"EQD" means Edward Quintin Drax of 39 Tournay Road, London SW6 7UG;

"Facility Agreement" means the facility agreement to be entered into between the Parent (1), the Original Guarantors as guarantors (2), Hypo Real Estate Bank International as arranger (3), the financial institutions listed therein as lenders (4), Hypo Real Estate Bank International as hedge counterparty (5) and Hypo Real Estate Bank International as agent (6) as the same may from time to time be, amended, novated or supplemented;

"Facilities" means the loan facilities to be made available to the Parent pursuant to the Facility Agreement;

"Fee Letter" means any letter or letters dated on or about the date of the Facility Agreement between the Arranger and the Parent (or the Agent and the Parent) setting out any of the fees referred to in Clause 25 (Fees) of the Facility Agreement;

"Finance Documents" means the Initial Finance Documents and the Additional Finance Documents;

"Finance Party" means the Agent, the Arranger, the Hedge Counterparty or a Lender;

"Group" means the Parent and its subsidiaries (as defined at section 258 of the Companies Act 1985) for the time being;

"Guarantor" means an Original Guarantor or an Additional Guarantor;

"Guarantor Accession Agreement" means a deed in the form of Schedule 8 (Guarantor Accession Agreement) of the Facility Agreement with such amendments as the Agent may approve or reasonably require;

"Hedge Counterparty" means Hypo Real Estate Bank International;

"Hedging Arrangement" means any interest rate swap, cap, collar or other agreement or arrangement entered or to be entered into by the Parent from time to time for the hedging of the interest (or any part of it) payable by the Parent under the Facility Agreement;

"HVB" means Bayerische Hypo- und Vereinsbank Aktiengesellschaft, London Branch;

"Initial Finance Documents" means:

- (a) the Facility Agreement;
- (b) any Fee Letter;
- (c) the Initial Security Documents;
- (d) any Hedging Arrangement;
- (e) any other document designated as such in writing by the Agent and the Parent;

"Initial Security Documents" means:

- (a) the Debenture;
- (b) each Shares Charge;
- (c) the Subordination Deed;
- (d) the Duty of Care Deed; and
- (e) any other document designated as such by both the Agent and the Parent;

"Intellectual Property" means (to the extent of each Obligor's interest in them) the copyright in all drawings, designs, specifications, plans and other written materials relating to any products from time to time used by it and all other intellectual property rights including without limitation, all patents, trade marks, service marks, trade and

business names, know how, computer software, programs and systems, designations on or patterns of the labels and packages of any products from time to time used by it and all manufacturing and sales rights in relation to any products from time to time used by it (including the benefit of any licences or consents relating to the above);

"Lender" means:

- (a) the Original Lender; and
- (b) any bank, financial institution or other person which has become a Party in accordance with Clause 32 (Changes to Parties) of the Facility Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement;

"Management Agreement" means the management agreement or agreements entered or to be entered into between the Manager (1) and the relevant Obligor (2) in respect of the appointment of the Manager to manage the Properties, in the agreed form;

"Manager" means Millar Kitching Limited (registered in England under number 2597396) or such other managing agent as has been appointed by the Obligors (or any of them) with the prior written consent of the Agent in respect of the management of the Properties and in accordance with the provisions of Clause 21.3 (Manager) of the Facility Agreement;

"Obligors" means the Parent and the Guarantors and each an **"Obligor"**;

"Occupational Lease" means any unconditional agreement for lease or occupational lease or licence to which a Property may be subject from time to time;

"Original Guarantors" means those companies listed in Annexure A hereto;

"Original Lender" means Hypo Real Estate Bank International;

"Original Property" means each of the freehold and leasehold properties brief details of which are set out in Annexure B hereto;

"Party" means a party to the Facility Agreement;

"Permitted Payments" means a payment by any Obligor to any Shareholder other than prohibited under the Facility Agreement;

"Prism" means Prism Investment Limited (registered in England under number 1989429);

"Property" means an Original Property or an Additional Property and, where the context so requires, means the buildings on a Property;

"Real Property" shall mean the Charged Property from time to time charged by each Obligor (including the Company) pursuant to Clauses 3.1(a), 3.1(b)(i) and 3.1(b)(ii) (Fixed and floating charges) of the Debenture;

"Receiver" means each and every person or persons appointed under Clause 7 (Receivers and administrators) of the Debenture as a receiver and/or manager or receivers and/or managers and includes an administrative receiver;

"Rental Income" means the aggregate of all amounts payable to or for the benefit or account of an Obligor in connection with the letting of a Property or any part thereof including (without duplication or limiting the generality of the foregoing) each of the following amounts so payable:

- (a) rent (and any amount equivalent thereto) payable whether it is variable or not and however or whenever it is described, reserved or made payable;
- (a) any increase of rent payable by virtue of an offer falling within the proviso of Section 3(1) of the Landlord and Tenant Act 1927;
- (b) any rent payable by virtue of a determination made by the Court under Section 24(A) of the Landlord and Tenant Act 1954;
- (c) sums received from any deposit held as security as security for performance of any tenant's obligations;
- (d) a sum equal to any apportionments of rent allowed in favour of any Obligor under the contract for the purchase of a Property;
- (e) any other moneys payable in respect of occupation and/or usage of a Property and every fixture and fitting therein and any and every fixture thereon for display or advertisement on licence or otherwise;
- (f) any mesne profits awarded or agreed to be payable as a result of any proceedings taken or claim made for the same;
- (g) any damages, compensation, settlement or expenses for or representing loss of rent or interest thereon awarded or agreed to be payable as a result of any proceedings taken or claim made for the same net of any costs, fees and expenses paid (and which have not been reimbursed to, and which are not recoverable by, the relevant Obligor from any party) in furtherance of such proceedings so taken or claim so made;
- (h) any moneys payable under any policy of insurance in respect of loss of rent or interest thereon;
- (i) any sum payable or the value of any consideration to be given by or on behalf of a tenant for the surrender or variation of any Occupational Lease or occupancy agreement whether before or after the date of the Facility Agreement;

- (j) sums received from any guarantor of any occupational tenant under any Occupational Lease (including any guarantee of any unlet part of any Property); and
- (k) any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same;

"Scheduled Securities" means the rights, title and interest present and future of the Parent in and to:

- (a) the shares, stocks and securities listed in Annexure C hereto, together with any other shares, stocks and securities owned by the Parent from time to time;
- (b) any other shares, stocks and securities issued to the Parent to be substituted from time to time for those shares, stocks and securities listed in paragraph (a) above; and
- (c) all interest, dividends (cash or otherwise), bonus issues, distributions allotments, offers by way of rights, benefits, rights, proceeds and entitlements arising from or attaching to any of the securities referred to in (a) and (b) above;

"Secured Liabilities" means all and any moneys, obligations and liabilities now or in the future due owing or incurred by each Obligor (including the Company) to the Finance Parties whether actually or contingently and whether alone or jointly with any other person and whether as principal or surety under the Finance Documents including all interest, commissions, fees and all legal and other costs, charges and expenses which any Finance Party may charge any Obligor or incur under any Finance Document (except for any obligation which, if it were so included, would result in the Debenture contravening section 151 of the Companies Act 1985);

"Security" means a mortgage, charge, pledge, lien, hypothec, diligence or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Senior Liabilities" means all and any moneys, obligations and liabilities now or in the future due owing or incurred by the Obligors to the Finance Parties whether actually or contingently and whether alone or jointly with any other person and whether as principal or surety under the Finance Documents including all interest, commissions, fees and all legal and other costs, charges and expenses which any Finance Party may charge any Obligor or incur under any Finance Document;

"Shareholder" means each of Beaulieu, Prism and (to the extent that he becomes a shareholder in accordance with the provisions of the Facility Agreement) EQD;

"Shares Charge" means each deed of charge over securities executed or to be executed by each Shareholder in favour of the Agent in the agreed form over the shares held by each Shareholder in the Parent from time to time;

"Standard Security" means a standard security executed or to be executed by an Obligor in favour of the Agent in respect of an Additional Property situate in Scotland and in the agreed form;

"Strategic" means Parham Strategic Limited (Co No: 2957556);

"Subordinated Loans" means the aggregate of any loans made available or to be made available by the Shareholders to the Parent from time to time;

"Subordinated Liabilities" means all present and future sums, liabilities and obligations payable or owing by the Obligors (whether actual or contingent, jointly or severally or otherwise howsoever) to any Shareholder;

"Subordination Deed" means a deed of subordination to be executed by each Obligor and the Shareholders in favour of the Agent in the agreed form and in respect of subordinated loans from the Obligors to the Shareholders; and

"Supplemental Charge" means a supplemental charge executed or to be executed by:

- (a) a relevant Obligor in favour of the Agent upon the acquisition of, and in relation to, an Additional Property, such charge being in the agreed form and being supplemental to the Debenture or an Additional Debenture (as applicable); or
- (b) the Parent in favour of the Agent upon the acquisition of an Additional Guarantor and in respect of the issued share capital of such Additional Guarantor, such charge being in the agreed form and being supplemental to the Debenture.

This is Schedule 1 referred to in the Form 155(6)a as declared by the directors of Dunepower Limited on 25/8/2005.

Signed  Solicitor

Dunepower Limited
(Company Number: 2913621)
(the "Company")

SCHEDULE 2
(to Form 155(6)a)

The Principal Terms of Financial Assistance

1. GENERAL

The principal terms of each of the Financial Assistance Documents are summarised and separately described below in relation to each individual Financial Assistance Document.

2. FACILITY AGREEMENT

2.1 Guarantee and indemnity

Each Guarantor (including the Company) will irrevocably and unconditionally jointly and severally:

- (a) guarantee to each Finance Party punctual performance by the Parent of all its obligations under the Finance Documents;
- (b) undertake with each Finance Party that whenever the Parent does not pay any amount when due under or in connection with any Finance Document, it shall immediately on first demand pay that amount as if it were the principal obligor; and
- (c) indemnify each Finance Party immediately on first demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

2.2 Continuing guarantee

The guarantee will be a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

2.3 Additional security

The guarantee will be in addition to and not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

3. THE DEBENTURE

3.1 Covenant to pay

(a) Covenant

Each Obligor (including the Company) will covenant with the Finance Parties that it will pay to the Finance Parties and discharge all Secured Liabilities when the same shall be or become due in accordance with the terms of the Finance Documents.

(b) Interest

Each Obligor will covenant to pay to the Finance Parties interest on the Secured Liabilities to the date of actual payment or discharge (notwithstanding any demand or judgment or the liquidation or administration of any Obligor or any arrangement or composition with creditors by any Obligor) in accordance with the terms of the Finance Documents.

3.2 Fixed and floating charges

As a continuing security for payment of all Secured Liabilities each Obligor will charge in favour of the Agent:

(a) by way of first legal mortgage its interests in the property described in Annexure B hereto;

(b) by way of fixed charge:

(i) all estates or interests in freehold and leasehold property now vested in it, whether or not the title is registered at the Land Registry;

(ii) all estates or interests in any other freehold and leasehold property belonging to it from time to time;

(iii) all buildings and fixtures (including trade and tenant's fixtures belonging to it) now and in the future on any Real Property and all plant and machinery now and in the future annexed to any Real Property;

(iv) all other interests now and in the future belonging to it in or over land or the proceeds of sale of land and all licences now or in the future held by it to enter upon or use land;

(v) the benefit of all other agreements relating to land to which it is or may become a party or otherwise entitled;

(vi) all its right to and interest in any proceeds of sale of the whole or any part of the Charged Property (including, without limitation, any compensation received by it as a result of any notice or order referred

to in Clause 5.8(d) (Notices) of the Debenture which may at any time be held or received by it or anybody else on its behalf);

- (vii) the Deposit;
 - (viii) all claims it may have in relation to moneys (and interest) from time to time standing to the credit of any of its present and future accounts with any bank, financial institution or other person (including the Accounts) and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (ix) all its book debts and other debts and prepayments existing now or in the future and whether payable now or in the future and all its rights and claims against third parties existing now or in the future and capable of being satisfied by the payment of money;
 - (x) (in the case of the Parent) the Scheduled Securities;
 - (xi) all its goodwill and uncalled capital from time to time; and
 - (xii) right to recover any VAT on any supplies made to it relating to the Charged Property and any sums so received;
- (c) by way of assignment:
- (i) its interests in the Rental Income;
 - (ii) all its right, title and interest in and to all payments made under all present and future insurance policies in respect of the Charged Property;
 - (iii) all rights and claims to which it is now or may in the future become entitled in relation to the Real Property including, without limitation, all rights and claims it may have from time to time against persons who now are, have been or may become lessees, tenants, sub-lessees, sub-tenants, licensees or occupiers of the Real Property and all guarantors and sureties for the obligations of such persons and any security taken from any such persons;
 - (iv) all rights and claims to which it is now or may in the future become entitled in relation to the Management Agreement and any other agreements entered into by any of the Obligors in connection with the management of the Real Property (or any part thereof), including, without limitation, all rights and claims against the Manager and any other managing agent appointed by any of the Obligors in connection with the management of the Real Property (or any part thereof) from time to time;
 - (v) all rights under any agreement or arrangement (including the Hedging Arrangements) it may enter into now or in the future with any person for the purpose of or in connection with the fixing, capping or hedging

of the rate of interest payable by it in respect of any borrowing or indebtedness and any right or option to enter into any such agreement or arrangement;

- (vi) all its Intellectual Property;
- (vii) to the extent that the same are capable of assignment and are not otherwise charged or assigned by the foregoing provisions of Clause 3.1 (*Fixed and floating charges*) of the Debenture:
 - (A) the benefit of all rights and claims to which it is now or may in the future become entitled under all present and future building contracts relating to the Real Property and all guarantees, warranties and representations given or made by and any rights and remedies against all or any building contractors at any time engaged in relation to the Real Property together with the benefit of all sums recovered in any proceedings against all or any such persons; and
 - (B) the benefit of all appointments, contracts, guarantees, representations, warranties and undertakings given or made by and any rights or remedies against all or any professional advisers now or at any time engaged by it in relation to the Charged Property and the manufacturers, suppliers or installers of all plant, machinery, fixtures, fittings and other items now or from time to time in or on the buildings erected or to be erected on the Charged Property and any other person firm or company now or from time to time under contract with it or under a duty to it (including, without limitation, direct warranties between it and any sub-contractor and the benefit of any performance bond or a bond of any other form or content and/or any parent company guarantee or guarantees) together with benefit of all sums recovered in any proceedings against all or any of such persons; and
- (d) by way of floating charge, its undertaking and all its other property, assets and rights not effectively charged by Clause 3.1 of the Debenture both present and future (including but not limited to its stock in trade and its heritable and other property, assets and rights in Scotland).

3.3 **Priority**

The security created by the Debenture:

- (a) will be created in favour of the Agent as agent for the Finance Parties;
- (b) will rank as first charges, mortgages and assignments; and
- (c) will be given with full title guarantee.

3.4 Qualifying floating charge

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies to the floating charges created by Clause 3.2(d) (Fixed and floating charges) of the Debenture.

3.5 Continuing security

The security constituted by the Debenture shall be a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or satisfaction of the whole or any part of the Secured Liabilities.

3.6 Costs and expenses

All costs, charges and expenses incurred by any Finance Party or any Receiver in the creation or discharge of or otherwise in connection with the Debenture (including, without limitation, the remuneration of any Receiver) or in respect of the Charged Property and all costs of any Finance Party and any Receiver of all proceedings for the preservation or enforcement (or attempted preservation or enforcement) of this security or for obtaining or attempting to obtain payment of any Secured Liabilities shall be recoverable on a full indemnity basis as a debt due from each Obligor (including the Company) and shall be charged on the Charged Property.

4. THE SUBORDINATION DEED

4.1 The rights of the Shareholders in respect of the Subordinated Liabilities will be subordinated to the Senior Liabilities and accordingly, save for Permitted Payments, payment of any amount of the Subordinated Liabilities is conditional upon the Obligors having irrevocably paid in full all of the Senior Liabilities.

4.2 Undertakings of the Obligors

So long as any Senior Liabilities are outstanding, no Obligor (including the Company) will, without the prior written consent of the Agent,:

- (a) secure all or any part of the Subordinated Liabilities;
- (b) redeem (save for Permitted Payments), purchase or otherwise acquire any of the Subordinated Liabilities;
- (c) repay or prepay any, or pay any interest, fees or commissions (but without prejudice to accrual thereof) on, or by reference to, any of the Subordinated Liabilities other than Permitted Payments; or

- (d) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Senior Liabilities might be terminated, impaired or adversely affected.

This is Schedule 2 referred to in the Form 155(6)a as declared by the directors of Dunepower Limited on 25/8/2005.

Signed 

Solicitor

ANNEXURE A

The Original Guarantors

1. Parham Development Limited (registered in England and Wales with company registration number 2296424).
2. Parham Distribution Limited (registered in England and Wales with company registration number 2864815).
3. Parham Investment Limited (registered in England and Wales with company registration number 2383522).
4. Parham Strategic Limited (registered in England and Wales with company registration number 2957556).
5. Parham Trading Limited (registered in England and Wales with company registration number 2316982).
6. Benrage Limited (registered in England and Wales with company registration number 3041299).
7. Castle Hill Properties Limited (registered in England and Wales with company registration number 2830170).
8. Dunepower Limited (registered in England and Wales with company registration number 2913621).
9. Parham Properties Limited (registered in England and Wales with company registration number 2759558).

ANNEXURE B

(Original Properties/Real Property)

Parham Development Limited			
	Property	Freehold/leasehold	Title Number
1.	13 Old Lodge Lane, Coulsdon	Freehold	SGL605219
2.	19 Old Lodge Lane, Coulsdon	Freehold	SGL604431
3.	103-105 Brighton Road, Purley	Freehold	SY5331 and SY145597
4.	107 and 107A Brighton Road, Purley	Freehold	SY67701
5.	109 and 109A Brighton Road, Purley	Freehold	SY64074
6.	111 Brighton Road, Purley	Freehold	SY24578
7.	15 Old Lodge Lane, Purley, Surrey	Freehold	SGL577605
8.	1, 1A and 1B Old Lodge Lane, Purley, Surrey CR8 4DG	Freehold	SGL616348
9.	Rectory Lane, Appleby Magna, Leicestershire	Freehold	LT204956
10.	5 Old Lodge Lane, Purley, Croydon, Surrey CR8 4DG	Freehold	SGL569391
11.	Andrew's House, 124/126 Brighton Road, Croydon, Surrey CR8 4DD	Freehold	SGL603403
12.	Sheffield House, 1B Amity Grove, Raynes Park, SW20 OLG	Freehold	SY210310 SY275130
Parham Distribution Limited			
13.	Lands and buildings to the south east of Ashburton Road, Davyhulme (Units 2 and 5 Royce Trading Estate, Trafford Park)	Freehold	GM260442
Parham Investment Limited			
14.	37 East Road, London N1	Freehold	NGL285640
15.	1, 2 and 3 Bank Buildings, Market Place, Haywards Heath	Freehold	WSX135180
16.	Unit 1, The Riverside Estate, London, Colney, St. Albans	Freehold	HD270267
17.	Abbey Life House, Gatwick Road, Crawley	Freehold	WSX193378
18.	Land and buildings on the east side of Gatwick Road, Crawley	Freehold	WSX36311
19.	Land on the south east of Downlands Road, Purley	Freehold	SGL599776
20.	52 High Street, Shirley, Southampton	Freehold	HP463608

21.	East side of Compass Road, North Harbour Business Park, Portsmouth	Freehold	PM2656
22.	The Edwardian Club, Radford Way, Billericay CM12 0DX	Freehold	EX346834
23.	10 Museum Way, Riverside Park, Northampton	Freehold	HN16285
24.	Units 4 and 5 (Ground Floor) Riverside West, Smuggler's Way, Wandsworth, London SW18	Leasehold	TGL195216
25.	13 St. George's Road, Cheltenham, Gloucester	Freehold	GR172332
26.	Land on the south east side of Churchill Way, Cardiff	Leasehold	WA959708
27.	Plot 1300, Coventry Business Park, Herald Avenue, Coventry	Freehold	WM737820
28.	109 Kingsway and 51/53 Parker Street London WC2	Freehold	166731
29.	31/33 Monument Hill, Weybridge, Surrey	Freehold	SY106569
Parham Trading Limited			
30.	Doyle Drive, Coventry, West Midlands	Freehold	WM612736
31.	Unit B, North Works, Cleveland Street, Darlington	Freehold	DU88501
32.	Land on the North side of Canker Lane, Red Dole Industrial Estate, Huddersfield, West Yorkshire	Leasehold	WYK567354
33.	Land and buildings on the South side of Cosgrove Way, Luton	Freehold	BD181862
34.	Unit 1, Osney Mead Industrial Estate, Oxford	Freehold	ON29791
35.	Unit 7, Stafford Park 13, Strafford Park Industrial Estate, Telford, Shropshire	Freehold	SL54642
36.	Crittall Works, Valentine Way, Witham	Leasehold	EX372442
37.	Unit 1, The Royce Trading Estate, Ashburton Road, Trafford, Greater Manchester	Freehold	GM358125
38.	Land and buildings on south west side of Ashburton Road, Davyhulme	Freehold	GM225797
39.	Borough Garage, Wellington Road, Ashton-under-Lyme, Tameside, Greater Manchester	Freehold	LA362122
40.	11A and 11B Bristol Road, Gloucester	Freehold	GR26790 GR27130
41.	147/155 Bucknall New Road, Hanley, Stoke-on-Trent, Staffordshire	Freehold	SF138681

42.	391 Dewsbury Road, Leeds, West Yorkshire	Freehold	WYK521758
43.	2 High Street, Orpington, Bromley	Freehold	SGL292549
44.	301, 303 and 305 Barking Road, Plaistow	Freehold	NGL117202
45.	1 and 1A Wellington Road and land on the west side of Cowley Road, Uxbridge	Freehold	NGL319014
Castle Hill Properties Limited			
46.	142 and 144 Minories, London EC3 1BH	Freehold	NGL757798
47.	The Grapes Public House, 5/6 India Street, London EC3	Leasehold	252190
48.	7 India Street, London EC3	Leasehold	379280
49.	58 Vine Street, London EC3	Leasehold	379281
50.	142/143/144 Minories, London EC3	Leasehold	LN235949
Dunepower Limited			
51.	95/101 and 112A and 112B Brighton Road, Purley, Croydon	Freehold leasehold	and SGL573243 SGL573244 SY279977 SGL337023 SGL573239 SGL573242 SGL573240 SGL573241
Parham Properties Limited			
52.	Pottington Trading Estate, Upcott Avenue, Barnstaple, Devon	Freehold	DN272049
53.	Sowerby Wood Industrial Estate, Barrow-In-Furness, Cumbria	Freehold	CU98464

ANNEXURE C

Scheduled Securities

1. 5,000,000 ordinary shares of £1.00 each and 1,000,000 redeemable deferred ordinary shares of £1.00 each in Parham Development Limited (Co No. 2296424) and representing 100% of the issued share capital of such company.
2. 2 ordinary shares of £1.00 each in Parham Distribution Limited (Co No. 2864815) and representing 100% of the issued share capital of such company.
3. 15,000,000 ordinary shares of £1.00 each in Parham Investment Limited (Co No. 2383522) and representing 100% of the issued share capital of such company.
4. 700 A ordinary shares of £1.00 each and 300 B ordinary shares of £1.00 each in Parham Strategic Limited (Co No. 2957556) and representing 100% of the issued share capital of such company.
5. 700 A ordinary shares of £1.00 each and 300 B ordinary shares of £1.00 each in Parham Trading Limited (Co No. 2316982) and representing 100% of the issued share capital of such company.
6. 2 ordinary shares of £1.00 each in Benrage Limited (Co No. 3041299) and representing 100% of the issued share capital of such company.
7. 10 ordinary shares of £0.20 each in Castle Hill Properties Limited (Co No. 2830170) and representing 100% of the issued share capital of such company.
8. 2 ordinary shares of £1.00 each in Dunepower Limited (Co No. 2913621) and representing 100% of the issued share capital of such company.
9. 100 ordinary shares of £1.00 each in Parham Properties Limited (Co No. 2759558) and representing 100% of the issued share capital of such company.



Saffery Champness

CHARTERED ACCOUNTANTS

Our ref MPJ/CSH please quote our reference

Lion House, Red Lion Street
London WC1R 4GB
Telephone 020 7841 4000
Facsimile 020 7841 4100
DX 287 -Chancery Lane, London
www.saffery.com

25 August 2005

The Directors
Dunepower Limited
3rd Floor
36 St James' Street
London
SW1A 1JD

LD2
COMPANIES HOUSE

01/09/05

Dear Sirs

Auditors' report to the Directors of Dunepower Limited (Co No 2913621) (the "Company") pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated 25 August 2005 in connection with the proposal that the Company should give financial assistance for the purpose of reducing or discharging liabilities incurred in connection with the purchase of shares in the Company's holding company, Parham Holdings Limited (Co No 3104127) (the "Parent") and the Company's holding company (as at the date of said holding company's acquisition by the Parent), Parham Strategic Limited (Co No 2957556).

Basis of Opinion

We have enquired into the state of affairs of the Company in order to review the basis for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

For and on behalf of
SAFFERY CHAMPNESS

W J Fone, G J Holbourn, M E Webster, C A H Nicholson, C J H Adams, P R N Adams,
A G D Arnott, M G Lichten, A N Gaskell, R Ludwig*, M J Harrison, C R C Bowen,
S J Garrard, A J Fletcher, N J Kelsey, P J Horsman, R T Elliott, C W D Macey,
M J Beattie CTA*, S R Collins, K T Bartlett, M J Floyd, D C Wragg, J R Shuffrey, J Barnes,
D J Farnan, L J Sowden, S W Swift, A R Robinson, N F Fernyhough, D T Kakkad,
D Hughes, R K Moore ATT*, M P Johnson, J J Sykes, E Brierley, P F Langdon,
D G M Gordon*, H F Green, P A Hall*, L G Mosca, J R P Turnbull-Kemp CTA*,
C H M Simpson, J J Lane CTA*, M Di Leto, T P L Adams, C E Cromwell, M A J Holden*,
E McInroy CTA*, T M T Gregory, D Lemon, J E A Hellen*, J M Hill CTA*

* All partners are Chartered Accountants except where indicated

Consultants
D H Fox, M Cohen, D S Watson

Offices in the British Isles at Bournemouth, Bristol,
Edinburgh, Guernsey, Harrogate, High Wycombe,
Inverness, London, Manchester, Peterborough

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n/01/07/05



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