

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

Graham Sidwell of 1 Stanley Mansions, Park Walk, London SW10 0AG

THURSDAY



AK1MDRRC

A33 02/08/2007 733

COMPANIES HOUSE

The assistance is for the purpose of ~~£250,000~~ [reducing or discharging a liability incurred for the purpose of that acquisition] † (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is 1 Ordinary Share of £1.00

The assistance is to be given to (note 2) MREF HOTELS HOLDINGS LIMITED
(Company Number 94156) of Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG and MREF HOTELS LIMITED (Company Number 95630) of Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG

The assistance will take the form of

Consideration for the transfer of shares in MREF Sheffield Limited (Company Number SC268072) by Island Hospitality Ventures Limited to MREF Hotels Holdings Limited is to be left outstanding as an inter-company balance.

The person who [has acquired] ~~£250,000~~ † the shares is
MREF HOTELS LIMITED

† delete as appropriate

The principal terms on which the assistance will be given are

Under the terms of the share sale and purchase agreement proposed to be entered into, Island Hospitality Ventures Limited is to transfer all of the shares in the capital of MREF Sheffield (Company Number SC268072) for a price equal to the net book value of MREF Sheffield Limited and such consideration shall be left outstanding as an unsecured loan, repayable on demand made by the vendor. The net book value is to be confirmed after the date of transfer.

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is nil

The amount of cash to be transferred to the person assisted is £ nil

The value of any asset to be transferred to the person assisted is £ £4,925,987 (approx)

Cont
Page 2
909214

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

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

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

delete either (a) or (b) as appropriate

(b) XXXXXXXXXXXXXXXXXXXXXXXX the workings at its company, with XXXXXXXXXX that has been
XXXXXX the opinion that this company will be able to pay its debts in full in all forms of the
XXXXXXXXXXXXXXXXXXXXX* (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

Nightingale House
65 Winton Street
Luton W11 8PE

Declarants to sign below

Day Month Year
on 20 07 2007

before me

[illegible]

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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

20 July 2007

Our ref PB/SH

The Board of Directors
MREF Hotels One Limited
Nightingale House
65 Curzon Street
London
W1J 8PE

Dear Sirs

**Auditor's report to the directors of MREF Hotels One Limited pursuant to
Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of MREF Hotels One Limited ('the Company') dated 20 July 2007 in connection with the proposal that the Company's subsidiary Island Hospitality Ventures Limited, should give financial assistance in connection with the acquisition of shares in the Company

Basis of the opinion

We have inquired into the state of the Company's affairs in order to review the bases for 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



GRANT THORNTON UK LLP
Chartered Accountants and Registered Auditors

30 Finsbury Square
London EC2P 2YU
T +44 (0)20 7184 4300
F +44 (0)20 7184 4301
www.grant-thornton.co.uk

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No OC307742. Registered office Grant Thornton House, Melton Street, Euston Square London NW1 2EP. A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business

