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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP025

Please do not write in this margin

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

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

5969664

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

Name of company

* Inn Portfolio

* insert full name of company

~~1/1/85~~ Ian George Robinson of 74 Brookmans Avenue, Hatfield, Hertfordshire, AL9 7QQ

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

† delete as appropriate

[the sole director] ~~and the directors~~ of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever is inappropriate

~~(a) that of a recognised bank, licensed institution, within the meaning of the Banking Act 1987, or a person authorised to accept deposits from the public under the Banking Act 1987;~~
~~(b) that of a person authorised to accept deposits from the public under the Banking Act 1987;~~
~~(c) something other than the above§~~

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

[company] ~~[]~~ Inn Portfolio

The assistance is for the purpose of [that acquisition] ~~[]~~

The number and class of the shares acquired or to be acquired is:

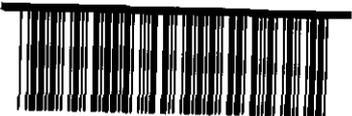
58,035,221 ordinary shares

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

Mishcon de Reya
Summit House, 12 Red Lion Square, London, WC1R 4QD
DX 37954 Kingsway

For official Use
General Section

Post room



COMPANIES HOUSE

07/12/2006

The assistance is to be given to: (note 2) _____

Inn Investment Limited, Emerald House, East Street, Epsom, Surrey, KT17 1HS

Please do not write in this margin

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

The assistance will take the form of:

See attached Schedule 1.

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

† delete as appropriate

Inn Investment Limited, Emerald House, East Street, Epsom, Surrey, KT17 1HS

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

See attached Schedule 2.

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 £ Nil

The date on which the assistance is to be given is

within 8 weeks of the date of this statutory declaration

Please do not write in this margin

I/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)

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

(a) [I/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)

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

(b) [It is intended to commence the winding-up of the company within 12 months of that date, and I/we 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 I/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

OLSWANG
90 High Holborn
London WC1V 6XX

Declarants to sign below

on

Day	Month	Year
27	11	2006

before me SARAH BOLTON

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

SCHEDULE ONE

The Statutory Declaration of the Directors of Inn Portfolio

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

The assistance will take the form of:

1. The execution and delivery by Inn Portfolio (the "**Company**") of a blocked account charge (the "**Account Charge**") incorporating a charge by the Company in favour of Anglo Irish Bank Corporation plc as security agent and trustee for the benefit of itself and the other Finance Parties (as such terms defined in the Bankside Facilities Agreement and the Inn Investment Facilities Agreement) (the "**Security Agent**") over a cash deposit account in an amount of not less than £44,145,537 as security for the obligations owed by, inter alia, Bankside Developments Limited (the "**Bankside Borrower**") and Inn Investment Limited (the "**Inn Investment Borrower**") to Anglo Irish Bank Corporation plc in its capacity as the Security Agent including pursuant to the terms of a facilities agreement dated on or about the date of this statutory declaration and made between, inter alia, the Borrower and Anglo Irish Bank Corporation plc as original lender, arranger, facility agent, security agent and hedge counterparty (the "**Bankside Facilities Agreement**").
2. The execution and delivery by the Company of a composite debenture (the "**Debenture**") incorporating a charge by the Company, London Town plc, the Bankside Borrower, the Inn Investment Borrower, and Inn Portfolio (together the "**Obligors**") in favour of the Security Agent over all of its assets and undertaking in respect of all moneys, obligations and liabilities owed by any of the Obligors to the Security Agent.
3. The execution and delivery by the Company of a guarantee and indemnity (the "**Guarantee**") to the Security Agent of each of the Obligors' obligations under any Finance Document as such term is defined in the Bankside Facilities Agreement and the Inn Investment Facilities Agreement, including without limitation, any loan document, any accession deed, any fee letter, any hedging

arrangement, the intercreditor deed, any of the security documents, and any utilisation request (the "**Finance Documents**").

4. The execution and delivery by the Company of a blocked account charge (the "**Robar Account Charge**") incorporating a charge by the Company in favour of Robar Limited ("**Robar**") (a company incorporated in Jersey) over a cash deposit account in an amount of not less than £4,766,363 as security for the obligations owed by London Town plc (the "**London Town Borrower**") to Robar including pursuant to the terms of a short term loan facility offer letter for up to £4,766,363 issued by Robar to the London Town Borrower on the date of this statutory declaration (the "**Robar Loan**").

5. The execution and delivery by the Company of a blocked account charge (the "**Burac Account Charge**") incorporating a charge by the Company in favour of Burac Invest and Trade Corporation ("**Burac**") (a company incorporated in the British Virgin Islands) over a cash deposit account in an amount of not less than £9,123,321 as security for the obligations owed by the London Town Borrower to Burac including pursuant to the terms of a short term loan facility offer letter for up to £9,123,321 issued by Burac to the London Town Borrower on the date of this statutory declaration (the "**Burac Loan**").

SCHEDULE TWO

The Statutory Declaration of the Directors of Inn Portfolio

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

1. **Blocked account charge (the "Account Charge") incorporating a charge by the Company in favour of Anglo Irish Bank Corporation plc as security agent and trustee for the benefit of itself and the other Finance Parties (as such terms defined in the Bankside Facilities Agreement and the Inn Investment Facilities Agreement) (the "Security Agent") over a cash deposit account in an amount of not less than £44,145,537 as security for the obligations owed by, inter alia, Bankside Developments Limited (the "Bankside Borrower") and Inn Investment Limited (the "Inn Investment Borrower") to Anglo Irish Bank Corporation plc in its capacity as the Security Agent including pursuant to the terms of a facilities agreement dated on or about the date of this statutory declaration and made between, inter alia, the Borrower and Anglo Irish Bank Corporation plc as original lender, arranger, facility agent, security agent and hedge counterparty (the "Bankside Facilities Agreement").**

1. **Definitions**
 - 1.1 **Account Bank** means Anglo Irish Bank Corporation plc
 - 1.2 **Bankside Facilities Agreement** means a facilities agreement dated ^{27/11/}2006 between London Town Plc (**Company**), the Borrower, the Company and certain of its subsidiaries as guarantors and Anglo Irish Bank Corporation plc as arranger, original lender, hedge counterparty and security agent as the same may be amended, varied, supplemented, restated and/or novated from time to time
 - 1.3 **Blocked Account** means the account in the Chargor's name held with the Account Bank's London branch number 20084982

- 1.4 **Deposit** means the amount standing to the credit of the Blocked Account from time to time (including accrued interest) and shall include, where the context requires, any portion of such amount
- 1.5 **Finance Documents** means any Accession Deed; this Agreement; any Fee Letter; any Hedging Arrangement; the Intercreditor Deed; any other document designated as a Finance Document by the Facility Agent and the Company; any Security Documents; and any Utilisation Request.
- 1.6 **Finance Parties** means any of the Facility Agent, the Arranger, the Security Agent, each Lender and each Hedge Counterparty
- 1.7 **Obligors** means the Borrower and the Guarantors and **Obligor** means any of them
- 1.8 **Security Assets** means all the rights, title and interests of the Chargor in the Deposit and the Account together with all interest thereon and all rights, benefits and proceeds thereof
- 1.9 **Secured Liabilities** means all and any moneys, obligations and liabilities now or in the future due owing or incurred by any Obligor to the Finance Parties (or any of them) in whatever currency denominated 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 the Finance Parties (or any of them) may charge any Obligor or incur under any Finance Document

2. **Covenant to pay**

The Chargor covenants with the Security Agent (for the benefit of itself and the other Finance Parties) that it shall pay and discharge in full all Secured Liabilities when the same shall be or become due in accordance with the terms of the Finance Documents.

3. **Security**

3.1 **Charge**

The Chargor, in the manner specified in clause 3.2 (Title guarantee), charges the Security Assets by way of first fixed charge in favour of the Security Agent (for the benefit of itself and the other Finance Parties) for the payment and discharge of the Secured Liabilities.

3.2 **Title guarantee**

Every disposition effected by this Deed is made with full title guarantee. The other terms of this Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.

4. **Status of Deposit**

4.1 **Without prejudice to charge**

The provisions of this clause 4 are without prejudice to the fixed charge over the Security Assets in clause 3 (Security).

4.2 **Maturity of Deposit**

The Deposit shall, subject as provided below, mature on the date on which the Security Period ends.

4.3 **Application of matured Deposit**

When the Deposit or any part of it matures the Security Agent, shall be entitled without prior notice to be the Chargor and without restriction to apply the matured Deposit in or towards satisfaction of any due and unpaid Secured Liabilities.

4.4 **Set-off**

The Security Agent may, and is irrevocably authorised, without prior notice to the Chargor at any time or times without restriction to exercise in relation to the Deposit or any part of it all rights of consolidation or combination of

accounts or set off the whole or any part of the Deposit (whether or not then matured or payable) against any or all of the Secured Liabilities then due and payable.

4.5 **Fixtures**

The existence of any fixture on the Deposit shall not prejudice the Security Agent's rights under this clause 4 and/or any other provision of this Deed. In particular, the Security Agent shall not be obliged to delay the exercise of any of its rights over the Deposit until the expiry of any relevant fixture period and, upon such exercise, it may unilaterally terminate such fixture and adjust any interest payable by the Security Agent accordingly.

4.6 **Release**

At any time after maturity of the Deposit, the Chargor shall be entitled, at its cost and request, to require the Security Agent to release from the provisions of this clause 4 such of the matured Deposit as has not been, and is not to be, applied by the Security Agent in or towards satisfaction of Secured Liabilities. Subject to clause 4.4, the Security Agent shall account to the Chargor in respect of such released Deposit. Until such time, the Chargor may withdraw or transfer monies comprising the Deposit only with the Security Agent's prior consent. Save as provided in clause 4.4, the Security Agent shall have no duty to account to the Chargor in respect of the Deposit.

4.7 **Time deposits**

If any monies forming part of the Deposit shall be subject to terms which constitute or would, but for this clause 4, constitute a time deposit, such monies shall, subject to clause 4.5, be re-deposited for such periods and on such terms as may be agreed between the Security Agent and the Chargor and, failing agreement, at the Security Agent's absolute discretion. All monies so re-deposited shall constitute a Deposit.

5. **Application of Security Assets**

The Security Agent shall be entitled (but not obliged) at any time and from time to time to apply all or any of the Security Assets in accordance with the provisions of this Deed.

6. **Enforcement of Security**

6.1 **Enforcement**

All rights of the Security Agent under and in respect of this Deed shall become immediately exercisable and the security conferred by this Deed shall become immediately enforceable upon:

6.1.1 the Security Agent declaring the Secured Liabilities to be immediately due and payable in accordance with the terms of the Bankside Facilities Agreement; or

6.1.2 any request by the Chargor for such exercise or enforcement.

7. **Effectiveness of security**

7.1 **Security**

The security constituted by this Deed:

7.1.1 shall be in addition to and shall be independent of every other security which the Security Agent may at any time hold for any of the Secured Liabilities;

7.1.2 shall not merge with any prior security held by the Security Agent over the whole or any part of the Security Assets; and

7.1.3 shall remain in full force and effect as a continuing security unless and until the Security Agent discharges it.

8. **Release**

Upon the expiry of the Security Period (but not otherwise), the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from the security constituted by this Deed.

9. **Assignment**

9.1 The Security Agent shall not assign or transfer any of its rights hereunder except to a person to whom it transfers its rights in accordance with the Bankside Facilities Agreement.

9.2 The Chargor shall not assign or transfer any of its rights hereunder.

10. **Expenses and indemnity**

Forthwith upon demand the Chargor shall pay all reasonable costs and expenses (including, without limitation, legal fees) reasonably and properly incurred in connection with this Deed by the Security Agent (including in relation to preservation or enforcement of rights), or any other Finance Party or any attorney, manager, agent or other person appointed by the Security Agent in connection with this Deed or by statute, and keep each of them indemnified against any failure or delay in paying the same.

11. **Further assurance**

The Chargor shall, at its own expense, take whatever action (including, without limitation, payment of all stamp duties and other registration fees) the Security Agent may require for:

11.1 perfecting or protecting the security intended to be created by this Deed over any Security Asset; and

11.2 facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Security Agent or any of its or delegates or sub-delegates in respect of any Security Asset, including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Agent or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Security Agent may think expedient.

2. **A composite debenture (the "Debenture") securing all and any moneys, obligations and liabilities owed by the Company, London Town plc, Bankside Developments Ltd, Inn Investment Ltd, and Inn Portfolio (together the "Obligors") in favour of Anglo Irish Bank Corporation plc (the "Security Agent") as security agent and trustee for and on behalf of the other Finance Parties**

1. **Definitions**

1.1 **Deposit** means any and all sums for the time being standing to the credit of, and the debt represented by any bank account, together with all interest accruing thereon

1.2 **Gross Annual Income** means in relation to any 12 Month period the aggregate of all income received by each Obligor arising from the letting, use or occupation of the Properties and the Pubs and its business generally in respect of such Properties and Pubs, including in respect of such 12 Month period:

- (a) Barrelage Income;
- (b) Rental Income;
- (c) Machine Income;
- (d) income from minerals and wine sales; and
- (e) unlicensed income

1.3 **Finance Documents** means any Accession Deed; this Agreement; any Fee Letter; any Hedging Arrangement; the Intercreditor Deed; any other document designated as a Finance Document by the Facility Agent and the Company; any Security Documents; and any Utilisation Request.

1.4 **Finance Parties** means any of the Facility Agent, the Arranger, the Security Agent, each Lender and each Hedge Counterparty

- 1.5 **Intellectual Property** means patents, registered designs, trade marks and service marks (whether registered or not and including applications for any of the foregoing), copyrights, design right, business or trade names, domain names, rights in and to software including source codes, rights in and to Technical Information and other confidential information, trade secrets and know-how, database rights and all other intellectual property rights of whatever nature subsisting in any part of the world
- 1.6 **Obligors** means the Borrower and the Guarantors and **Obligor** means any of them
- 1.7 **Secured Liabilities** means all and any moneys, obligations and liabilities now or in the future due owing or incurred by any Obligor to the Finance Parties (or any of them) in whatever currency denominated 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 the Finance Parties (or any of them) may charge any Obligor or incur under any Finance Document
- 1.8 **Transaction Documents** means:
- (a) the Admission Documents;
 - (b) the Save Acquisition Agreement;
 - (c) the Finance Documents;
 - (d) the Licences and Certificates;
 - (e) the Management Agreements;
 - (f) the Occupational Leases;
 - (g) the Pubfolio Acquisition Agreement;
 - (h) each Subordinated Finance Document; and
 - (i) such other agreements necessary in order to implement and conclude the Acquisition

2. **Covenant to pay**

2.1 **Covenant**

Each Obligor covenants with the Security Agent (for the benefit of itself and the other Finance Parties) that it will pay to the Security Agent (for the benefit of itself and the other Finance Parties) and discharge all Secured Liabilities when the same shall be or become due in accordance with the terms of the Finance Documents.

3. **Charge**

3.1 **Fixed and floating charges**

As a continuing security for the payment of all Secured Liabilities each Obligor charges:

- (f) by way of first legal mortgage:
 - (i) the properties described in schedule 2 (Properties) of the Debenture as set out in Appendix 1 of this statutory declaration; and
 - (ii) all other estates or interest in any freehold or leasehold property now belonging to it, whether or not the title is registered at the Land Registry;
- (g) by way of first fixed charge:
 - (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property belonging to it from time to time;
 - (ii) 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;
 - (iii) 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;

- (iv) the benefit of all other agreements relating to land to which it is or may become a party or otherwise entitled;
 - (v) all its right to and interest in any proceeds of sale of the whole or any part of the Charged Property;
 - (vi) the Deposit together with all interest accruing thereon;
 - (vii) 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 and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (viii) 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;
 - (ix) all its goodwill and uncalled capital from time to time;
 - (x) rights to recover any VAT on any supplies made to it relating to the Charged Property and any sums so received;
- (h) by way of assignment:
- (i) the Gross Annual 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 under any agreement or arrangement including any Hedging Arrangement 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;

- (v) all its Intellectual Property;
- (vi) all of its present and future rights, title and interest in and to the Transaction Documents and all sums which shall from time to time become payable to it by any party under the Transaction Documents or any provisions thereof and all its rights arising out of or in connection with any breach or default by any party to the Transaction Documents of or under any of the terms, obligations, covenants, undertakings or condition of the Transaction Documents;
- (vii) to the extent the same are capable of assignment and are not otherwise charged or assigned by the foregoing provisions of this clause 3.1:
 - (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;
 - (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

by way of floating charge, its undertaking and all its other property, assets and rights not effectively charged by this clause 3.1 both present and future (including but not limited to its stock in trade and its heritable and other property, assets and rights in Scotland) (and paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies to the floating charge so created).

4. Enforcement of Security

4.1 Enforcement

All rights of the Security Agent under and in respect of this Deed (including, without limitation, the power of sale and other powers conferred by Section 101 of the Act as varied or extended by this Deed) shall become immediately exercisable and the security conferred by this Deed shall become immediately enforceable upon:

4.1.1 the Security Agent declaring the Secured Liabilities to be immediately due and payable in accordance with the terms of the Facilities Agreements; or

4.1.2 any request by an Obligor for such exercise or enforcement.

5. Costs and expenses

All costs, charges and expenses reasonably incurred by the Security Agent or any Receiver in the creation or discharge of or otherwise in connection with this Deed (including, without limitation, the remuneration of any Receiver) or in respect of the Charged Property and all costs of the Security Agent 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 the relevant Obligor and shall be charged on the Charged Property.

3. **A guarantee and indemnity (the "Guarantee") guaranteeing punctual and full performance of the obligations owed by each of the Obligors to the Bank and indemnifying the Bank against any cost, loss or liability suffered if any obligation guaranteed becomes unenforceable, invalid, or illegal**

1. **Definitions**

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

2. **Continuing Guarantee**

This guarantee is 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.

3. **Reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- 3.1 the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- 3.2 each Finance Party shall be entitled to recover the value or amount of that Security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

4. **Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or Facility Agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Guarantor. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

5. **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by any Finance Party.

4. **Blocked Account Charge** (the "Robar Account Charge") to secure the liabilities of Bankside Developments Limited (the "Borrower"), between Inn Portfolio (the "Chargor") and Robar Limited (a company incorporated in Jersey) (the "Lender")
 1. The terms of the Robar Account Charge are identical to those of the Account Charge at '1' above, save for the following:
 2. **Blocked Account** means the account in the Chargor's name held with the Account Bank's London branch number 20084980

5. **Blocked Account Charge (the "Burac Account Charge") to secure the liabilities of Bankside Developments Limited (the "Borrower"), between Inn Portfolio (the "Chargor") and Burac Invest and Trade Corporation (a company incorporated in the British Virgin Islands) (the "Lender")**
1. The terms of the Burac Account Charge are identical to those of the Account Charge at '1' above, save for the following:
2. **Blocked Account** means the account in the Chargor's name held with the Account Bank's London branch number 20084977



BDO Stoy Hayward LLP
Corporate Finance

8 Baker Street London W1U 3LL
Telephone: +44 (0)20 7486 5888
Facsimile: +44 (0)20 7487 3686
DX 9025 West End W1
Web site: www.bdo.co.uk

The Director
Inn Portfolio
7 Cowley Street
London
SW1P 3NB

27 November 2006

Dear Sir

Independent auditors' report to the director of Inn Portfolio Unlimited Company (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the director of the Company dated 27 November 2006 in connection with the proposal that the Company should give financial assistance for the subscription of shares in the Company.

Our report has been prepared pursuant to the requirements of section 156(4) of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 156(4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

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

BDO Stoy Hayward LLP

000/CR/BDO Sec 156 letter re holding co-1
g:\jobs\q\q036 - project save\financial assistance\letters\statutory report (inn).doc