

SECURED LENDING VALUATION

22-23 High Street

Swansea

SA1 1LG

UNDERTAKEN ON BEHALF OF:

Proplend Security Ltd
20-22 Wenlock Road
London
N1 7GU5

Prepared by:

Rees Richards & Partners
Druslyn House
De-la Beche Street
Swansea
SA1 3HH

Date of Inspection: 13/08/2018

Date of Report: 20/08/2018

EXECUTIVE SUMMARY

22-23 High Street, Swansea, SA1 1LG

Description	<p>The property is in Swansea city Centre on the south wales coast, being within the city centre itself, being in a prominent position fronting directly onto High Street, being one of the main streets leading directly into the retail district of the city.</p> <p>Swansea city centre is located some 5 miles south of the M4 at Junction 45 and 42 miles west of the capital city Cardiff.</p>
Accommodation	<p>The property is a mid-terrace three story building of approximately 5,002ft². The property has a double frontage ground floor retail unit of approximately 3,230ft², with office space of approximately 957.48ft² and 814.85ft² on the first and second floors.</p> <p>The property is in a reasonable state of repair, however, it is proposed that it is to be renovated to provide a 60 bed hostel and ground floor bar/café.</p> <p>The ground floor is currently occupied in part by a 'virtual golf' enterprise.</p>
Tenure	<p>We are informed that the subject property is held freehold under registered title number WA317056.</p>
Occupation	<p>The property is currently let on a 5 year tenancy to Celtic Hospitality Ltd at a passing rent of £22,500 per annum.</p>
Market Value of the Freehold Interest	<p>Having carefully considered the matter we are of the opinion that the Market value of the freehold interest with vacant possession is £300,000 (Three Hundred Thousand Pounds) as at 13th August 2018.</p>

This summary should be read in conjunction with the main body of the report. A decision as to whether or not to accept the property as suitable security for lending purposes should not be made on the basis of this summary alone.

CONTENTS

1.	INSTRUCTIONS.....	4
2.	DATE OF VALUATION	4
3.	LOCATION AND SITUATION	4
4.	DESCRIPTION AND CONSTRUCTION.....	4
5.	ACCOMMODATION.....	5
6.	CONDITION.....	5
7.	SERVICES	5
8.	TENURE	5
9.	OCCUPATION.....	5
10.	PLANNING	5
11.	HIGHWAYS	6
12.	ENVIRONMENTAL ISSUES.....	6
13.	MINES & MINERALS	6
14.	MARKET TRENDS & GENERAL COMMENTS	6
15.	RATEABLE VALUE	7
16.	SUITABILITY OF SECURTY	7
17.	COMPARABLE EVIDENCE.....	7
18.	VALUATION CONSIDERATIONS.....	8
19.	RENTAL VALUE.....	8
20.	MARKET VALUE	8
21.	SPECIAL ASSUMPTIONS.....	8
22.	REINSTATEMENT COSTS.....	8
23.	CONFIDENTIALITY	9

APPENDICES

I	Instructions
II	Plans & Photographs
III	Celtic Hospitality Accounts
IV	Copy of Planning Consent
V	Terms of Business for Valuations

1. INSTRUCTIONS

- 1.1 We refer to written instructions dated 8th August 2018 from Proplend Security Ltd. We understand you require an opinion of value for secured lending purposes.
- 1.2 The inspection and valuation of the property was undertaken by Mr. Dylan Williams BSc (Hons) MRICS who is a Professional Associate of the Royal Institution of Chartered Surveyors and a RICS Registered Valuer who has the relevant experience in valuing property of this nature.
- 1.3 The bases of valuation and a list of the assumptions and sources of information upon which our valuation has been based are attached as Appendix III to this report.

2. DATE OF VALUATION

- 2.1 The property was inspected on 13/08/2018 which has been taken as the relevant date of valuation for the purpose of this report.

3. LOCATION AND SITUATION

- 3.1 The property is in Swansea city Centre on the south wales coast, being within the city centre itself, being in a prominent position fronting directly onto High Street, being one of the main streets leading directly into the retail district of the city.
- 3.2 Swansea city centre is located some 5 miles south of the M4 at Junction 45 and 42 miles west of the capital city Cardiff.
- 3.3 High Street, whilst being the so called gateway into the city centre has suffered badly during the most recent recession of the late 0's, a vast amount of retailers/traders vacated premises leading to a sharp decline in both capital and rental values with property owners doing their utmost best to attract tenants and investors from the region. In turn, properties fell into disrepair and up until recently have remained vacant. The recent cash injection by the local authority and social housing providers has assisted and led to the redevelopment of part and indeed high Street's prospects appear to be improving and will no doubt prove fruitful during the course of the next ten years as the city looks to capitalise upon the inward investment forecast for the Tidal Lagoon and city centre redevelopment.

4. DESCRIPTION AND CONSTRUCTION

- 4.1 The property is a mid-terrace three story building of approximately 5,002ft². The property has a double frontage ground floor retail unit of approximately 3,230ft², with office space of approximately 957.48ft² and 814.85ft² on the first and second floors.
- 4.2 The property is in a reasonable state of repair, however, it is proposed that it is to be renovated to provide a 60 bed hostel and ground floor bar/café.
- 4.3 The property is of a traditional concrete frame construction, being brick and block clad and rendered on the external elevations. The rear of the property is under a flat roof but has the potential, subject to obtaining the necessary planning consent to be extended to provide a further two floors to the rear to match the original footprint. The glazed units are of a single steel frame construction.

- 4.4 Externally the property benefits from a double retail frontage along with rear enclosed car park for 6 cars.

5. ACCOMMODATION

- 5.1 The property has been measured in accordance with RICS/ISVA code of measuring practise as detailed below:-

	M ²	Ft ²
<u>Ground Floor</u>		
Restaurant	48.80	525.29
Conference Hall	48.80	525.29
TOTAL	101.04	1,087

6. CONDITION

- 6.1 We have not carried out a structural survey of the property, nor have we had access to those parts of the property which are unexposed or inaccessible. It is our opinion that the property is in good condition commensurate with its age, construction and use.
- 6.2 In our inspection it was noted that there appears to be some ingress of water in part, however, the building is under renovation and such issues are to be addressed.

7. SERVICES

- 7.1 The property benefits from all mains water, electric, gas and sewerage.

8. TENURE

- 8.1 We understand that the property is held freehold under registered title number WA317056.
- 8.2 We have assumed that good title can be shown with no unusual or onerous covenants or restrictions which might adversely affect the property.

9. OCCUPATION

- 9.1 The property is currently let on a 5 year lease to Celtic Hospitality Ltd at a passing rent of £22,500 per annum.

10. PLANNING

- 10.1 We understand that the property is subject to a planning consent listed under application number 2014/1101.

11. HIGHWAYS

- 11.1 We have not made enquires of the local highway authority with regards to roadside parking.

12. ENVIRONMENTAL ISSUES

- 12.1 We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. However, should it be established subsequently that the contamination exists at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use, we may wish to review the values reported.

13. MINES & MINERALS

- 13.1 For the purposes of this valuation, no account has been taken of possible mines or mineral deposits at the site. It is advised that you contact a suitably qualified mineral surveyor to carry out the necessary investigations, should you require this information.

14. MARKET TRENDS & GENERAL COMMENTS

Commercial/Residential/Leisure

- 14.1 During the course of the past 18 months, both the commercial and residential property markets in South West Wales experienced a sustained period of steady improvement, however the well-publicised negotiations surrounding Brexit may lead to a sudden 'check' in the market which in some secondary and tertiary areas may well lead to a slight decline in activity and thus value..
- 14.2 The Bank of England Base Rate appears set remain at 0.5% for the next 3 months, however there are a number of financial commentators predicting that with the drop in unemployment (below 7%) and inflation figures set to increase, it is only a matter of time until the Bank of England increase the base rate.
- 14.3 The Swansea Bay City Region, chaired by Sir Terry Matthews, has also developed its vision and key to this will be the regeneration of Swansea city centre. Two major development sites have been brought to the market by the local authority with a view to encouraging office and residential projects. The development of the new Swansea University campus on Fabian Way and the proposed Trinity St David's campus at SA1 also provide drivers for growth and allows Fabian Way to emerge as an attractive new location for development.
- 14.4 The in-town retail investment market remained the most polarised sector in South Wales in 2014. Prime and good secondary continued in strong demand but the market for secondary and tertiary assets has been subdued and this has been reflected in pricing. Cardiff and prosperous market towns continue to attract investors whilst the traditional retail cores of Newport, Swansea and less affluent towns in the region are still suffering from a lack of occupier and investor interest. Prime in-town yields have remained stable at 5.5%, with good secondary moving in towards 6.5%, secondary is at 8%+ and tertiary at 10%+.
- 14.5 As previously referred to, High Street has become the focus for much of the Swansea City's redevelopment, with Coastal Housing Association purchasing a number of the properties and

redeveloping them into modern retail units with flats above, indeed the level of interest from housing associations is such that values for properties with redevelopment potential appear to be on the increase.

15. RATEABLE VALUE

- 15.1 The property does not have a rateable value as it is currently under renovation.
- 15.2 We have been unable to establish a Rateable Value for the ground floor unit which is occupied by the Golf Simulation store.

16. SUITABILITY OF SECURITY

- 16.1 The property is considered to be suitable security in its present state and condition, subject to our recommendations.

17. COMPARABLE EVIDENCE

Obtaining comparable evidence has been difficult due to the rarity of properties of this nature being made available on the open market, we are however, able to provide the following:-

- 17.1 7 Union Street, Swansea sold for £440,000 on the 10th October 2016 for £440,000. This property was a 4 floor building with ground floor retail unit and upper floors ancillary accommodation. This equates a value of £163/ft². This property was bought with a tenancy in place beginning in January 2016 at a passing rent of £35,000 which represents a yield of 7.95%.
- 17.2 397 The Kingsway, a 1,729ft² terraced retail unit set over two storeys sold for £80,000 (£46/ft²) on the 11th February 2016. This property was also let at a passing rent of £8,670 which represents a yield of 10.84%.
- 17.3 34 The Kingsway sold for £191,000 on the 9th July 2015. The property comprised a 3,082 retail unit which represents a value of £62/ft². This property is currently let at £24,000 per annum which is a yield of 12.57%.
- 17.4 6 Union Street, a 1,496ft² retail unit sold for £135,000 on the 2nd October 2015. This represented a value of £90/ft².
- 17.5 116 Woodfield Street Swansea, a retail unit measuring 441ft² sold for £89,000 (£202/ft²) on the 15th April 2017.
- 17.6 226a High Street, being a 1,186ft² mid terraced retail unit located on High Street, Swansea is currently under offer for £160,000.

18. VALUATION CONSIDERATIONS

- 18.1 The property comprises a mid –terrace three storey building with ground floor retail unit of 3,230ft² and office/ancillary space totalling 1,772ft² on the first and second floors.
- 18.2 The property has been renovated in part.
- 18.3 The property is to be renovated to provide a 60 bed hostel tourist accommodation (sui generis) with ancillary bar installation and operational facilities.
- 18.4 Comparable evidence would indicate investment yields of between 8-10 % for large accommodation blocks within the city centre.
- 18.5 Comparable evidence would indicate rental values of £6 per sq. ft. for the retail element and £1.50 per sq. ft. for the upper floors.
- 18.6 The property is currently let to Celtic Hospitality Ltd on a 5 Year lease at £22,500 per annum.

19. RENTAL VALUE

- 19.1 We are of the opinion that the rental value of the property is £22,500 per annum.

20. MARKET VALUE

- 20.1 Having carefully considered the matter we are of the opinion that the present market value of this freehold property in its present condition and in accordance with this report and the information supplied to us and contained herein, with the benefit of vacant possession and with a likely marketing period of say six months, necessary in which to complete sale by private treaty, in such circumstances is fairly represented by the figure of **£300,000 (Three Hundred Thousand Pounds)** as at the 13/08/2018.

21. SPECIAL ASSUMPTIONS

- 21.1 We believe that the value of this property subject to a restricted marketing period of 90 days is fairly represented by the figure of **£270,000 (Two Hundred and Seventy Thousand Pounds)**.

22. REINSTATEMENT COSTS

- 22.1 We would recommend insurance cover of no less than £650,000 however, these are provided solely as a guide and we advise that formal detailed assessments with quotations should be sought from specialist insurance companies. Individual tailored policies can result in wide variations of premium, dependent upon the range of perils covered and type of reinstatement clauses e.g. Modern Materials Clause.

23. CONFIDENTIALITY

- 23.1 This report is to be regarded as confident to the party to whom it is addressed and it is intended for the use of that party only. This report is intended as a valuation report and is not intended to be used for any other purpose. Consequently and in accordance with current practice, any liability to any third party in respect of the whole or any part of its contents is hereby expressly excluded. Before the report or any part of it is reproduced or referred to in any document, circular or statement, and before its contents or the contents of any part of it are disclosed orally to any third party, our written approval as to the form and context of such publication or disclosure must be obtained.

We trust that the information provided is adequate for your purposes. If there is anything in the report that you would like to discuss, please do not hesitate to contact Dylan Williams at this office.



Signed:
Dylan Williams BSc (Hons) MRICS
Partner
REES RICHARDS AND PARTNERS

Dated: 20th August 2018

APPENDIX I
INSTRUCTIONS

8th August 2018

Rees Richards & Partners
Att. Dylan Williams
Druslyn House
De-la-Beche Street
Swansea
SA1 3HH

Dear Sirs,

Ref: 22-23 High Street, Swansea SA1 1LG

Please accept this letter as our formal instruction to your firm to carry out a valuation, for mortgage purposes, on the addresses indicated below upon which we, Proplend Security Limited shall rely. The valuation may be shown to any third parties in connection with the financing of the property albeit it cannot be relied on by those parties directly. Please notify us if there will be any delay. **Please advise us immediately if you are unable to give prompt attention to this matter.**

Borrower:	The Swansea Hostel Company Ltd
Contact Name:	Cornelius Moloney
Phone Number:	07950 291290
Properties:	22-23 High Street, Swansea SA1 1LG
Tenure:	Freehold
Use:	ground floor retail with PP for hostel use on first and second floor
Tenancies:	Please assume a single head lease on hold building to Celtic Hospitality Ltd. Lease to be FR&I for five year term at commencing rental of £20,000 p.a.
Access:	Through Con Moloney or his son Colin Mob 07527 109659

Instruction

The report should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for lending purposes by the parties named herein. Please ensure that the report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your report if the valuer or your firm have had any previous involvement with the property forming the subject of the valuation. If so, please indicate the nature and extent of that involvement and confirm specifically that you consider there is no conflict of interest on the part of the valuer or your firm.

The report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

Whilst your report will be addressed to Proplend Security Ltd, it will need to be viewed by its Lending members on the understanding that only Proplend Security Ltd may rely on the report for mortgage purposes. Can you please confirm within your report that this is understood and accepted?

Valuation and Report

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the report, and changes in market conditions that you are able to predict, and should include:

1. The Market Valuation for loan security purposes of the Property in its current condition at the date of your inspection,

subject to any current tenancies in place and sold as a going concern. Please indicate the period of marketing you have assumed in arriving at your valuation.

2. A valuation of the Property on the assumption that the Property was being sold without the benefit of a going concern.
3. Please provide comparable evidence to support your assumptions on values.
4. Please provide an estimated rental value for the Subject Properties.
5. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
6. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
7. Please provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Property.
8. Please certify that the Property is acceptable for secured lending purposes.

Report on Title

A copy of the solicitors Report on Title will be sent to you so that you can cross check your assumptions with the facts contained within the said report and comment on specific items which may affect your valuation.

Fees

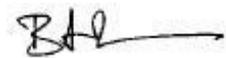
You have quoted and the Borrower has agreed to pay a fee of £650.00 + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Contact Details

Please contact Proplend on 0203 397 8290 if you have any queries regarding this instruction.

Please send the Valuation Report to rberkley@proplend.com, with hard copy to 15 Little Green, Richmond TW9. Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Lender.

Yours Faithfully,



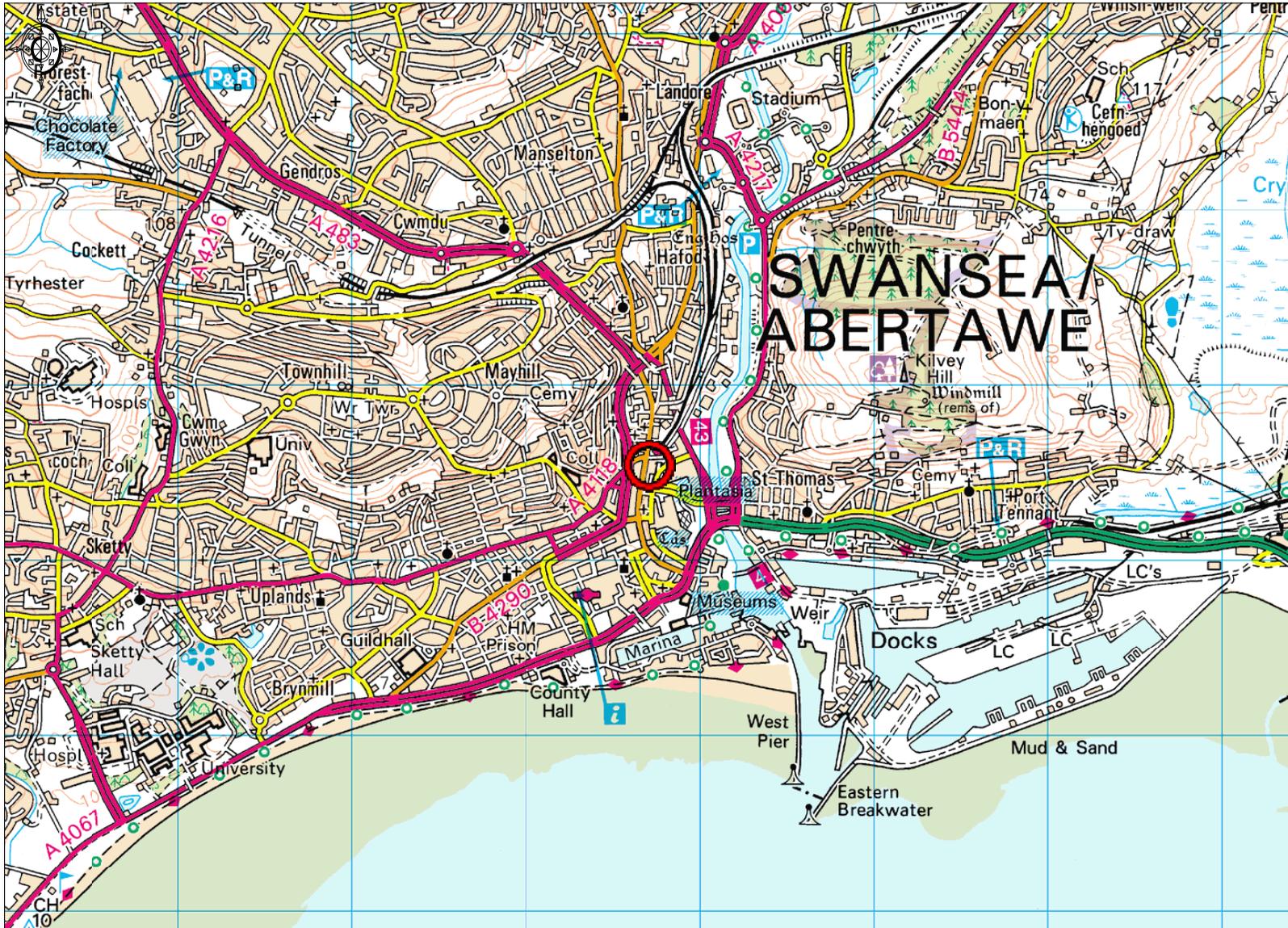
Brian Bartaby
Director

Proplend Security Limited

APPENDIX II
PLANS & PHOTOGRAPHS



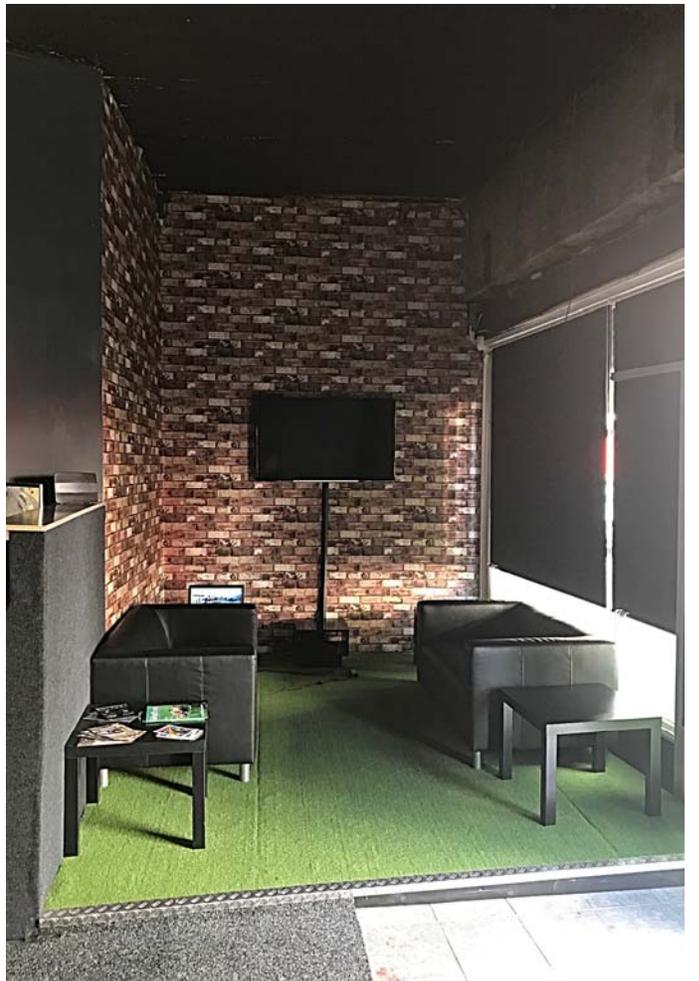
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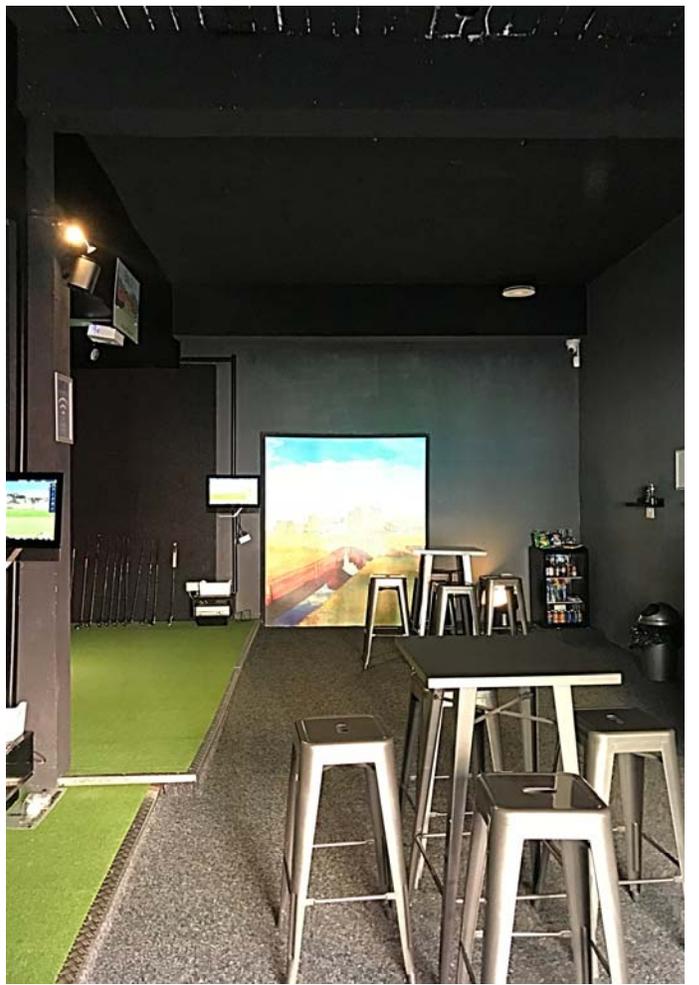
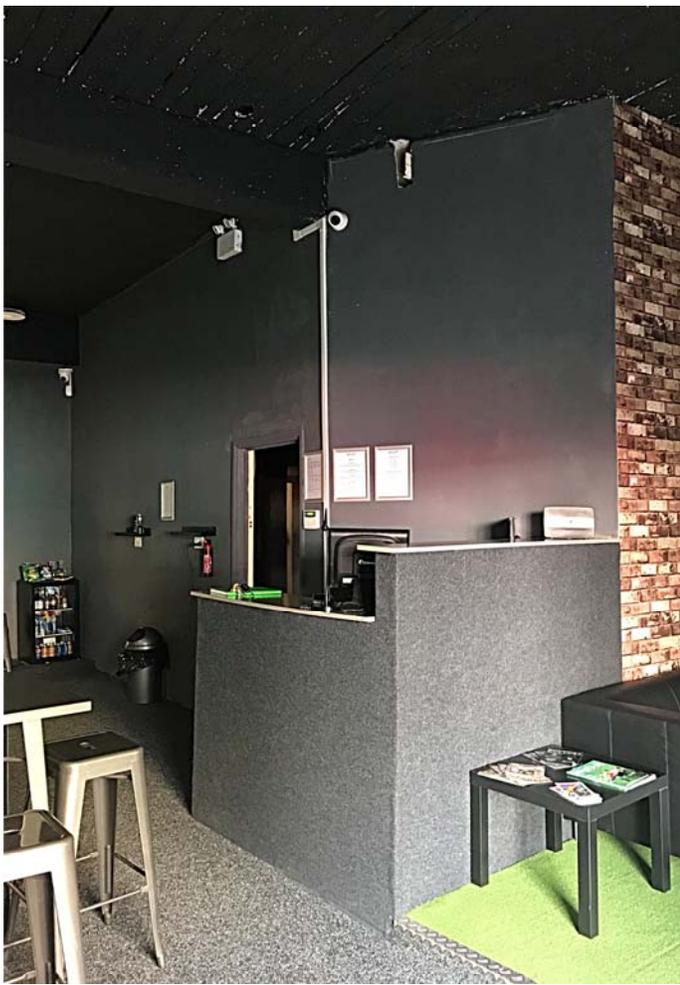


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H.M. LAND REGISTRY		TITLE NUMBER	
		WA317056	
ORDNANCE SURVEY PLAN REFERENCE	SS 6593	SECTION O	Scale 1/1250
COUNTY WEST GLAMORGAN		DISTRICT SWANSEA	
		© Crown copyright 1979	



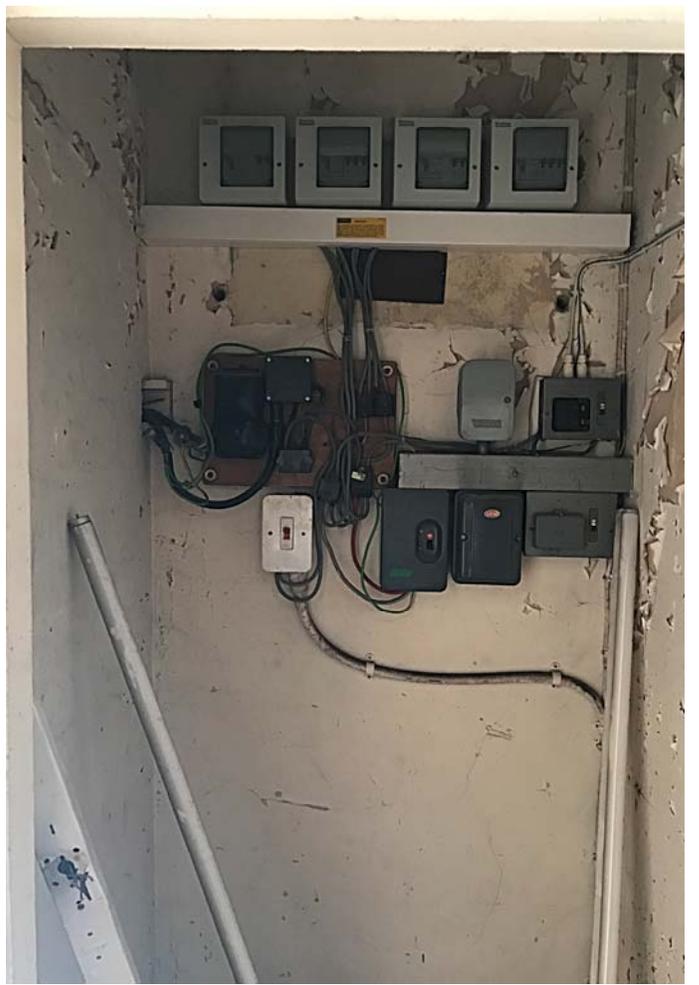




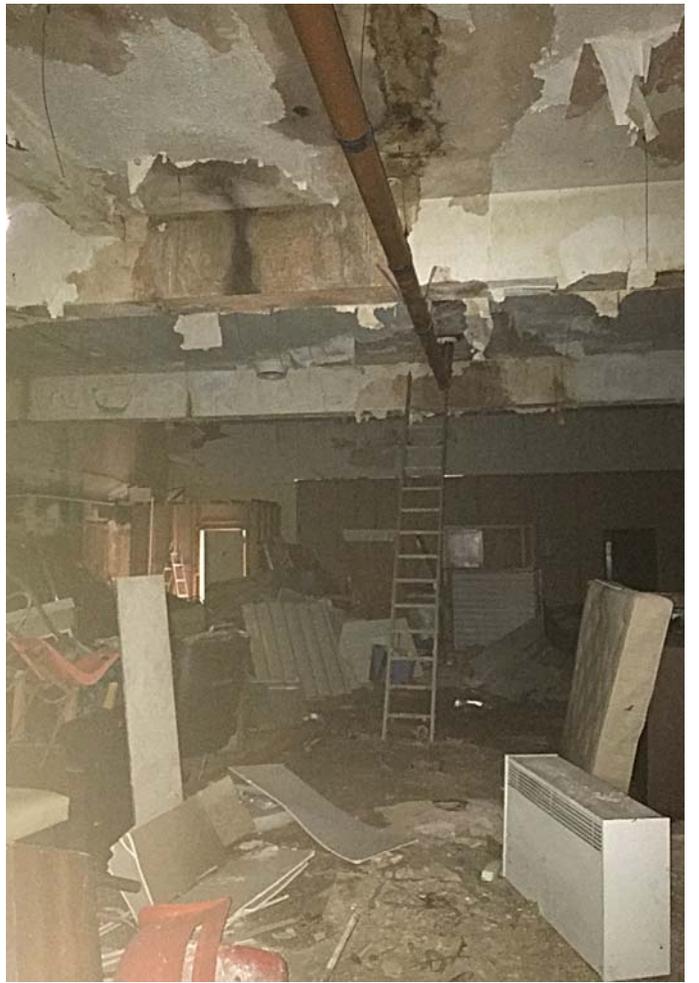


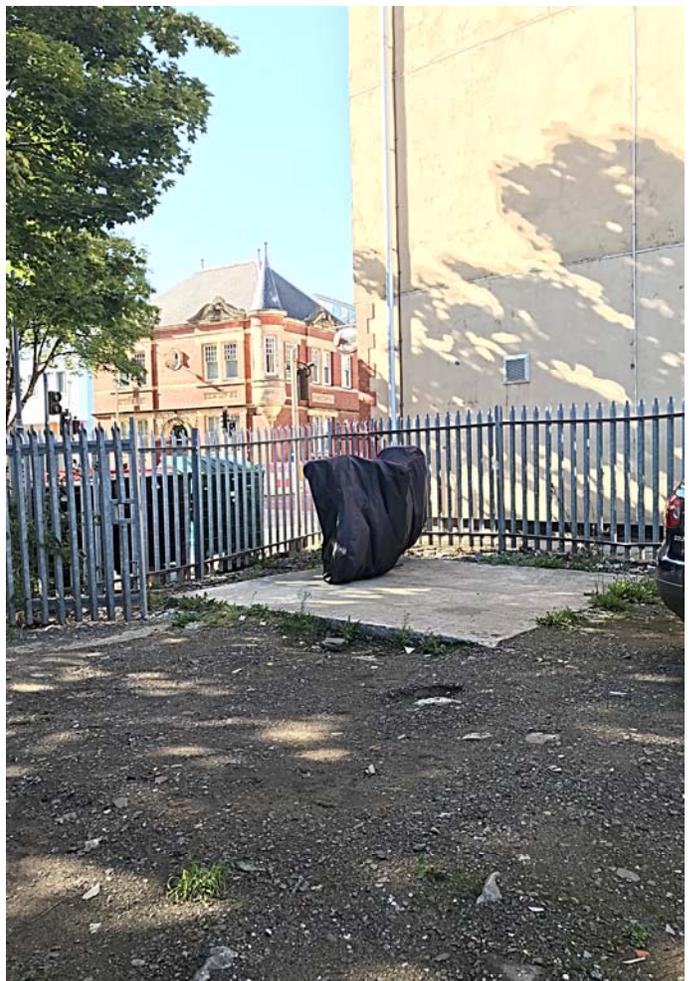














APPENDIX III
CELTIC HOSPITALITY ACCOUNTS

Report of the Director and
Unaudited Financial Statements for the Year Ended 28 February 2018
for
Celtic Hospitality Limited

Celtic Hospitality Limited

Contents of the Financial Statements
for the Year Ended 28 February 2018

	Page
Company Information	1
Report of the Director	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5
Trading and Profit and Loss Account	7

Celtic Hospitality Limited
Company Information
for the Year Ended 28 February 2018

DIRECTOR: C Moloney

REGISTERED OFFICE: 66a Wind Street
Swansea
SA1 1EQ

REGISTERED NUMBER: 10596542 (England and Wales)

ACCOUNTANTS: Bellamy, Morgan & Westwood
Jamesons Hall
Foundry Road
Morrison
Swansea
West Glamorgan
SA6 8DU

Celtic Hospitality Limited

Report of the Director
for the Year Ended 28 February 2018

The director presents his report with the financial statements of the company for the year ended 28 February 2018.

DIRECTORS

The directors who have held office during the period from 2 February 2017 to the date of this report are as follows:

M O'Rourke – resigned 1 June 2017

C Moloney – appointed 26 May 2017

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

C Moloney - Director

24 May 2018

Celtic Hospitality Limited

**Profit and Loss Account
for the Year Ended 28 February
2018**

	Notes	28.2.18 £
TURNOVER		1,659,673
Cost of sales		435,689
GROSS PROFIT		1,223,984
Administrative expenses		968,098
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	252,385
Tax on profit on ordinary activities	3	47,953
PROFIT FOR THE FINANCIAL YEAR		204,432

The notes form part of these financial statements

Celtic Hospitality Limited (Registered number: 10596542)

Balance Sheet
28 February 2018

	Notes	28.2.18 £	£
FIXED ASSETS			
Intangible Assets	4		50,000
Tangible Assets	5		<u>34,000</u>
			84,000
CURRENT ASSETS			
Debtors	6	191,615	
Cash at bank and in hand		<u>3,779</u>	
CREDITORS			
Amounts falling due within one year	7	<u>74,961</u>	
NET CURRENT ASSETS			<u>120,433</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			204,433
CREDITORS			
Amounts falling due after more than one year			<u>-</u>
NET ASSETS			<u><u>204,433</u></u>
CAPITAL AND RESERVES			
Called up share capital	8		1
Profit and loss account	9		<u>204,432</u>
SHAREHOLDERS' FUNDS			<u><u>204,433</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2018 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the director on 24 May 2018 and were signed by:

C Moloney - Director

The notes form part of these financial statements

Celtic Hospitality Limited

Notes to the Financial Statements
for the Year Ended 28 February 2018

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING PROFIT

The operating profit is stated after charging:

	28.2.18
	£
Depreciation - owned assets	<u>8,500</u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	28.2.18
	£
Current tax:	
UK corporation tax	<u>47,953</u>
Tax on profit on ordinary activities	<u>47,953</u>

Celtic Hospitality Limited

Notes to the Financial Statements - continued
for the Year Ended 28 February 2018

4.	INTANGIBLE FIXED ASSETS		Goodwill £
	COST		
	At 2 February 2017 and 28 February 2018		<u>50,000</u>
	NET BOOK VALUE		
	At 28 February 2018		<u>50,000</u>
	At 2 February 2017		<u>50,000</u>
5.	TANGIBLE FIXED ASSETS		Fixtures & Fittings £
	COST		
	At 2 February 2017 and 28 February 2018		<u>42,500</u>
	DEPRECIATION		
	Charge for year		<u>8,500</u>
	At 28 February 2018		<u>8,500</u>
	NET BOOK VALUE		
	At 28 February 2018		<u>34,000</u>
	At 2 February 2017		<u>42,500</u>
6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	28.2.18	
		£	
	Trade debtors	88,286	
	Other debtors	<u>103,329</u>	
		<u>191,615</u>	
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	28.2.18	
		£	
	Trade creditors	14,630	
	Taxation and social security	47,953	
	Other creditors	<u>12,378</u>	
		<u>74,961</u>	
8.	CALLED UP SHARE CAPITAL		
	Allotted, issued and fully paid:		
	Number: Class:	28.2.18	2.2.17
		£	£
	1 Ordinary	<u>1</u>	<u>1</u>

Celtic Hospitality Limited

Trading and Profit and Loss Account
for the Year Ended 28 February
2018

	28.2.18	
	£	£
Turnover		
Accommodation	937,856	
Bar Sales	414,293	
Food Sales	263,105	
Room Hire	44,419	
		1,659,673
Cost of sales		
Booking Fees	127,379	
Beverage Purchases	157,503	
Food Purchases	89,656	
Linen & Toiletries	61,150	
		435,689
GROSS PROFIT		1,223,984
Expenditure		
Rent	169,396	
Rates and water	74,161	
Insurance	13,947	
Light and heat	77,525	
Wages & PAYE	434,485	
Employers NI	25,245	
Telephone & Internet	6,407	
Printing and stationery	5,957	
Travel expenses	6,561	
Repairs & Premises Expenses	76,265	
Cleaning & Laundry	6,844	
Sundry expenses	7,167	
Professional Fees	3,100	
Sponsorship	3,500	
Advertising	15,017	
Equipment Hire	13,067	
Card Charges	11,877	
Entertainment	7,804	
Training	2,184	
	960,549	
		263,435
Finance Costs		
Bank charges		2,550
Depreciation		
Fixtures & Fittings		8,500
PROFIT BEFORE TAXATION		252,385

This page does not form part of the statutory financial statements

APPENDIX IV
COPY PLANNING CONSENT



CITY AND COUNTY OF SWANSEA
TOWN AND COUNTRY PLANNING ACT 1990-2004
GRANT OF PLANNING PERMISSION

TO:
MR KENNETH MINTON
23 GLAN -YR-AFON GARDENS
SKETTY
SWANSEA
SA2 9HX

DATE REGISTERED: 19/08/2014
APPLICATION NO: 2014/1101
APPLICANT: Moloney Properties

The CITY AND COUNTY OF SWANSEA, in exercise of its powers under the above ACT, hereby GRANTS planning permission for:

SITE LOCATION:
22 - 23 High Street
Swansea
SA1 1LG

PROPOSAL:
Change of use from retail at ground floor (Class A1) from offices on first and second floors (Class A2) to hostel tourist accommodation (sui generis) with ancillary bar installation, door to rear elevation and rear smoking shelter with associated external alterations.

as referred to in your application and shown on the accompanying plan(s), subject to the following condition(s):-

- 1 The development hereby permitted shall begin not later than five years from the date of this decision.
Reason : To comply with the provisions of Section 91 of the Town and Country Planning Act, 1990.
- 2 The rear smoking shelter and beer garden shall not be used before 08.00 hours nor after 22.00 hours on any day.
Reason : To safeguard the amenities of the occupiers of neighbouring properties.
- 3 Prior the beneficial use of the tourist hostel commencing, a comprehensive scheme for the external artwork/painting for the front elevation of the building , which should incorporate a design to include the rollers shutters when in use, shall be submitted to and approved in writing by the Local Planning Authority. The scheme shall be implemented in accordance with the agreed details before the use commences and maintained as approved at all times.
Reason : In the interests of visual amenity.
- 4 Within 12 months from the date of this permission a Travel Plan shall be submitted to and approved in writing by the Local Planning Authority and the approved Travel Plan shall be implemented prior to the beneficial use of the building commencing.
Reason : In the interests of promoting sustainable forms of transport to and from the site.
- 5 Prior the beneficial use hereby approved commencing, a cycle parking area shall be laid out in accordance with details that have previously been submitted to and approved in writing by the Local Planning Authority. The cycle parking shall be retained for cycle parking purposes at all times.
Reason : In the interests of promoting sustainable forms of transport to and from the site and to ensure adequate cycle parking provision.

- 6 No development shall take place until a scheme has been submitted to and approved in writing by the Local Planning Authority to provide the following:

All habitable rooms exposed to external road traffic noise in excess of 63 dBA Leq 16 hour (free field) during the day (07.00 to 23.00hrs) or 57 dBA Leq 8 hour (free field) at night (23.00 to 07.00 hours) shall be subject to sound insulation measures. These measures should ensure that all such rooms achieve an internal noise level of 37 dBA Leq 16 hour during the day and 35 dBA Leq 8 hour at night.

The submitted scheme shall ensure that habitable rooms subject to sound insulation measures shall be provided with acoustically treated active ventilation units.

No guest room shall be occupied until the approved sound insulation and ventilation measures have been installed in that room and the sound insulation and ventilation measure shall be retained for the duration of the use hereby permitted.

Reason : In the interests of amenity.

- 7 No development shall take place until a scheme of ventilation and fume extraction, including full details of the equipment to be installed for that purpose, has been submitted to and approved in writing by the Local Planning Authority. The approved scheme shall be fully installed prior to the use hereby approved commencing.

Reason : In the interests of general amenity.

- 8 No development shall commence until a scheme which specifies the provisions to be made for any condensing units relating to refrigeration and freezing of products has been submitted to and approved by the Local Planning Authority. Such works that form part of the approved scheme shall be completed before the use hereby approved commences.

Reason : In the interest of general amenity.

- 9 No development shall commence until a scheme for the control of amplified sound in the beer garden has been submitted to and approved in writing, by the Local Planning Authority. The scheme as approved shall be implemented prior to the use of the beer garden commencing and shall be retained as such at all times.

Reason : To provide protection for the existing neighbouring residential properties.

- 10 Prior the beneficial use hereby approved commencing, details of a scheme for enclosing the rear boundary of the site shall be submitted to and approved in writing by the Local Planning Authority. The approved scheme shall be implemented prior to the use hereby approved commencing and shall be maintained as such at all times.

Reason : In the interests of visual amenity and general amenity.

INFORMATIVES:

- 1 The development plan covering the City and County of Swansea is the City and County of Swansea Unitary Development Plan. The following policies were relevant to the consideration of the application: EV1, EV2, EV13, CC1, EC3, EC15, EC18 of the City and County of Swansea Unitary Development Plan and Supplementary Planning Guidance - City Centre Strategic Framework.
- 2 This consent is issued without prejudice to any other consents or easements that may be required in connection with the proposed development.
- 3 To protect the integrity of the Public Sewerage System, foul water and surface water discharges shall be drained separately from the site.
- 4 To prevent hydraulic overload of the public sewerage system and pollution of the environment, land drainage run-off shall not be permitted to discharge, either directly or indirectly, into the public sewerage system.
- 5 If connection is required to the public sewerage system, the developer is advised to contact Dwr Cymru Welsh Water's Developer Services on 0800 917 2652.
- 6 To prevent hydraulic overloading of the public sewerage system, to protect the health and safety of existing residents and ensure no detriment to the environment, no surface water shall be allowed to connect (either directly or indirectly) to the public sewerage system unless otherwise approved in writing by the Local Planning Authority.
- 7 The developer is advised that the Welsh Government are planning to introduce new legislation that will make it mandatory for all developers who wish to connect to the public sewerage to obtain an adoption agreement for their sewerage with Dwr Cymru Welsh Water (DCWW) (Mandatory Build Standards). Further information on the Mandatory Build Standards can be found on the Developer Services Section, DCWW at www.dwrcymru.com or on the Welsh Government's website www.wales.gov.uk.

- 8 The developer is advised that some public sewers and lateral drains may not be recorded on Dwr Cymru Welsh Water's (DCWW) maps or public sewers because they were originally privately owned and were transferred into public ownership by nature of the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011. The presence of such assets may affect the proposal. DCWW advise that the applicant contacts their Operations Contact Centre on 0800 085 3968 to establish the location and status of the sewer. Under the Water Industry Act 1991 DCWW has rights of access to its apparatus at all times.
- 9 The proposed development lies within coal mining area which may contain unrecorded mining related hazards. If any coal mining feature is encountered during development, this should be reported to The Coal Authority.

Any intrusive activities which disturb or enter any coal seams, coal mine workings or coal mine entries (shafts and adits) requires the prior written permission of The Coal Authority.

Property specific summary information on coal mining can be obtained from The Coal Authority's Property Search Service on 0845 762 6848 or at www.groundstability.com

PLANS:

Site location plan, block plan, HS/23/1-existing ground floor plan, HS/23/2-proposed ground floor plan, HS/23/3-existing first & second floor plan, HS/23/4-proposed first floor plan, HS/23/5-proposed second floor plan, dated 29th July 2014. Amended plan HS/23/6B-front & rear elevations dated 24th October 2014

DATED: 30 December 2014

PHIL HOLMES
HEAD OF ECONOMIC REGENERATION & PLANNING

PLEASE NOTE: Your attention is drawn to the attached notes which explain, amongst other things, your right of appeal against this decision.

THE APPLICANT'S ATTENTION IS DRAWN TO THE NOTES BELOW

1. If the applicant is aggrieved by the decision of the Local Planning Authority to refuse permission or approval of the proposed development, or to refuse to grant a Certificate of Lawful Use or Lawful Proposed Use, or to grant permission or approval subject to conditions, he may appeal to the National Assembly for Wales in accordance with the Sections 78(1) and Section 195/196 of the Town and Country Planning Act 1990, as amended by the Planning and Compensation Act 1991.

Within six months of the date of this notice (Appeals must be made on a form which is obtainable from the Planning Inspectorate, Crown Buildings, Cathays Park, Cardiff, CF10 3NQ – Tel 02920 825155, www.planningportal.gov.uk/planning/appeals). The National Assembly has power to allow a longer period for the giving of notice of appeal but he will not normally be prepared to exercise this power unless there are special circumstances which excuse the delay in giving notice of appeal. The National Assembly is not required to entertain an appeal if it appears to him that permission for the proposed development could not have been granted by the Local Planning Authority or could not have been so granted otherwise than subject to the conditions imposed by them, having regard to the statutory requirements to the provisions of the development order, and to any directions given under the order. He does not in practice refuse to entertain appeals solely because the decision of the Local Planning Authority was based on a direction given by him.

2. If permission to develop land is refused or granted subject to conditions, whether by the Local Planning Authority or by the National Assembly for Wales, and the owner of the land claims that the land has become incapable or reasonably beneficial use in its existing state and cannot be rendered capable of reasonably beneficial use by the carrying out of any development which has been or would be permitted, he may serve on the Common Council, or on the Council of the County Borough Council, London Borough or County District in which the land is situated, as the case may be, a purchase notice requiring that Council purchase his interest in the land in accordance with the provisions of Part VI of the Town and Country Planning Act 1990.
3. In certain circumstances, a claim may be made against the Local Planning Authority for compensation, where permission is refused or granted subject to conditions by the National Assembly on appeal or on a reference of the application to him. The circumstances in which such compensation is payable are set out in Section 114 of the Town and Country Planning Act 1990.
4. Further correspondence regarding this application should bear the reference number quoted on the top of the form.
5. Additional details and information on making an appeal to the National Assembly for Wales is available from the Planning Inspectorate at the above address. The relevant documents are entitled "making your planning appeal", and "planning appeals Public Local Inquiries".

APPENDIX V

STANDARD TERMS OF BUSINESS FOR VALUATIONS

REES RICHARDS & PARTNERS

Standard Terms of Business for Valuations

Application - As it is in the interest of both parties that there is a full understanding of the terms of reference and the service to be provided, this document sets out our Standard Terms of Business for Valuations. We are pleased to discuss variations and to arrange the provision of extended or additional services, such as site, building or structural surveys.

Appointment - The client appoints Rees Richards & Partners to provide the agreed services exercising reasonable skill and care. This document and the acknowledgement letter are to be read together as a single document. Any variations to these terms agreed following the initial settlement of the terms are to be recorded in writing and agreed by all the relevant parties. Rees Richards & Partners will confirm whether or not they have had a previous involvement with the subject property and whether or not they consider that any conflict arises in preparing advice on behalf of the client.

Performance standards - We confirm that the valuations and appraisals will be carried out in accordance with the RICS Valuation Standards (The Red Book). Compliance with the RICS Rules of Conduct and the Red Book is mandatory for Chartered Surveyors in the interests of maintaining high standards of service and for the protection of clients. Furthermore, compliance with these standards may be subject to monitoring under the RICS conduct and disciplinary regulations.

Liability and duty of care - Rees Richards & Partners owes to the client a duty to act with reasonable skill and care in providing the service and complying with the client's instructions where those instructions do not conflict with these terms or applicable law and professional rules.

We have no liability for the consequences, including delay in or failure to provide the services, of any failure by the client or any agent of the client: promptly to provide information or other material reasonably requested, or where that material is inaccurate or incomplete, or to follow our advice or recommendations.

The contents of the valuation report are intended to be confidential to the party to whom it is addressed. Unless provided otherwise by law or regulation, we owe no duty of care and have no liability to any third party for the whole or any part of our valuation.

We confirm that Rees Richards & Partners holds professional indemnity insurance in respect of the service to be provided.

The client's obligations - The client agrees to pay the fees for the work carried out in accordance with the rates or structure set out in the acknowledgement letter. The client will be responsible for the timely provision of all information and cooperation reasonably, including that from third parties engaged directly by the client, required by us to assist in the performance of the service. We will assume that the information provided is complete and correct.

The client will not make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

In the event of a termination of our services, our fees will be calculated on a quantum meruit basis having regard to the agreed rates or fee structure.

Jurisdiction - English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to

have been made in England. In the event of any dispute arising in connection with the valuation, including any third party using the valuation, the parties will submit to the jurisdiction of the English courts only.

Regulated Purpose Valuations - The RICS has established particular requirements where a valuation may be made available to third parties, such as part of a company's published financial statement. Such valuations, and the disclosures required within the report will be identified in the acknowledgement letter.

The status of the valuer - The valuation will be the responsibility of a named suitably qualified valuer who will be acting as an external valuer. Where the valuation is a Regulated Purpose Valuation, the acknowledgement letter will include a statement as to our policy on the rotation of the valuer having responsibility for the subject valuation. The report will also include statements in relation to the length of time the valuer has been continuously the signatory to valuations provided for you for the same purpose as the report, the extent and duration of the relationship of Rees Richards & Partners with you, and an indication of the proportion of fees relative to the total income of Rees Richards & Partners within a range of five percentage points.

Complaints - In the event that a complaint should arise, we confirm that we have a complaints handling procedure, a copy of which will be provided on request.

Valuation conditions and assumptions

Inspections and investigations will be carried out to the extent necessary to produce a valuation which is professionally adequate for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in the acknowledgement letter and the report. Subject to the comments in the following paragraphs, we shall make certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we will not verify as part of the valuation process, but treat them as a 'supposition taken to be true'. In the event these assumptions prove to be incorrect then our valuations will need to be reviewed.

Bases of valuation - The Red Book recognises four bases of value: 1. Market Value 2. Market Rent 3. Worth (Investment Value) 4. Fair Value.

The acknowledgement letter will specify the basis to be adopted, together with any assumptions amending the definitions. The definitions of these terms are set out at the end of this document.

Condition and repair - Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume, that except for any defects specifically noted in our report, the property is in good condition; that no construction materials have been used that are deleterious, or likely to give rise to structural defects; that no hazardous materials are present; that all relevant statutory requirements relating to use or construction have been complied with and that any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction. We shall, however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

Ground conditions and environmental risks - Unless provided with information to the contrary, our valuation will assume; that the site is physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure; that there are no archaeological remains on or under the land which could adversely impact on value; that the property is not adversely affected by any form of pollution or contamination and that there is no abnormal risk of flooding. We shall, however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

Title and tenancies - We shall rely upon information provided by you or your solicitor relating to title, boundaries and related matters. We will not commission a formal legal search and will assume the information provided to be accurate, up-to-date and complete.

Tenant status - Although we reflect our general understanding of a tenant's status in our valuation, we will make no detailed enquiries about the financial status of tenants. We will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to any assignment or underletting

Planning and highway enquiries - We shall make informal enquiries of the local planning and highway authorities and also rely on information that is publicly published or available free of charge. Any information obtained will be assumed to be correct. No local searches will be instigated. Except where stated to the contrary, we shall assume that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.

It is assumed that the building has been constructed in full compliance with valid Town Planning and Building Regulations approval, has the benefit of a current fire certificate, and that the property is not subject to any outstanding Statutory Notice as to its construction, use or occupation.

Unless our inquiries have revealed the contrary, it is further assumed that the existing use of the subject property is duly authorised or established and that no adverse planning condition or restriction applies.

We would however draw your attention to the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. We assume that, if you should need to rely upon the information given about Town Planning matters, your solicitors would be instructed to institute such formal searches.

Floor areas and age - All measurements will be taken in accordance with the RICS Code of Measuring Practice. The floor areas in our report will be derived from measurements taken on site or that have been scaled from the drawings supplied and checked by sample measurements on site. Where the age of a building is estimated, this is for guidance only.

Plans - Generally the plans that are provided for identification purposes only, are reproductions of Ordnance Survey maps with the sanction of the Controller of H M Stationery Office, Crown Copyright reserved and from maps published by Geographia Limited and Chas E Goad Cartographers, reproduced subject to their copyright.

Plant and equipment - We will include in our valuations those items of plant and equipment normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting. We will exclude all items of process plant and machinery and equipment, together with their special

foundations and supports, furniture and furnishings, vehicles, stock and loose tools, and tenants' fixtures and fittings.

Development properties - For properties in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments, we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

Disposal costs and liabilities - No allowance will be made for expenses of realisation or for taxation which may arise in the event of a disposal and the valuation is expressed as exclusive of VAT or other tax that may be due on such a disposal. Mortgages and similar charges are disregarded.

Reinstatement assessment- We will not provide a reinstatement assessment for insurance purposes. Should this service be required, it will be as an additional service to these standard terms.

Special Purchaser - No account has been taken of any offer which could be made by a Special Purchaser which would otherwise cause an increase in value.

Taxation. No adjustment has been made to reflect any liability to taxation that may arise on disposal nor for any costs associated with either acquisition or disposal incurred by the owner. Furthermore, no allowance is made to reflect any liability to repay any government or other grants or taxation allowance that may arise on disposal.

We have reported in the body of the report upon the VAT status of the properties. Unless stated to the contrary, all rentals and capital values expressed herein are deemed to be exclusive of VAT at the prevailing rate.

Defective Premises Act 1972 - No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972.

Landlord and Tenant Act 1987 - The 1987 Act gives certain rights to residential tenants to acquire the freehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore disposals into the open market are unrestricted.

General - Neither the whole nor any part of this Valuation Certificate or any reference thereto may be published nor disclosed orally to a third party in any way without the Valuer's written approval of the form and context in which it may appear.

Further, this Valuation Certificate is confidential to you/your Company in the context in which it is supplied and we expressly disclaim any responsibility towards third parties in respect of the whole, or any part of its contents.

For the avoidance of doubt, such approval is required, whether or not Rees Richards & Partners are referred to by name and whether or not our valuations are combined with others.

Definitions of Bases of Valuation reproduced from The RICS Valuation – Professional Standards – Global and UK (2017) and International Valuation Standards (IVS):

Market Value - ‘The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’

Conceptual Framework, as published in International Valuation Standard 1

The term property is used because the focus of these Standards is the valuation of property. Because these Standards encompass financial reporting, the term Asset may be substituted for general application of the definition. Each element of the definition has its own conceptual framework.

‘The estimated amount....’

Refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm’s-length market transaction. Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special consideration or concessions granted by anyone associated with the sale, or any element of Special Value.

.....‘a property should exchange.....’

Refers to the fact that the value of a property is an estimated amount rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.

.....‘on the date of valuation.....’

Requires that the estimated Market Value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

.....‘between a willing buyer.....’

Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute ‘the market’. A valuer must not make unrealistic assumptions about the market conditions or assume a level of Market Value above that which is reasonably obtainable.

.....‘a willing seller.....’

Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not a part of this consideration because the ‘willing seller’ is a hypothetical owner.

.....‘in an arm’s-length transaction.....’

Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of Special Value (see IVS 2, paragraph 3.8) The market value transaction is presumed to be between unrelated parties each acting independently.

.....‘after proper marketing.....’

Means that the property would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.

‘.....wherein the parties had each acted knowledgeably, prudently.....’

Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

‘.....and without compulsion’.

Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase, and without offset for any taxes.

Market Rent- ‘The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.’

Whenever Market Rent is provided the ‘appropriate lease terms’ which it reflects should also be stated.

Worth, or Investment Value – ‘The value of property to a particular owner, investor, or class of investors for identified investment or operational objectives.’

Fair Value – ‘The amount for which an asset could be exchanged, between knowledgeable, willing parties, in an arm’s-length transaction.’

IVS 2 notes:

‘The application of Fair Value under accounting standards is IVA1. In accounting standards, Fair Value is normally equated to Market Value.’

‘Fair Value is a broader concept than Market Value. Although in many cases the price that is fair between two parties will equate to that obtainable in the general market, there will be cases where the assessment of Fair Value will involve taking into account matters that have to be disregarded in the assessment of Market Value.’

'A common application of Fair Value is for assessing the price that is fair for shareholding in a business, where particular synergies between two specific parties may mean that the price that is fair between them is different from the price that might be obtainable in the wider market. In contrast, Market Value requires any element of Special Value, of which Synergistic Value is an example, to be disregarded.'

'For other purposes, Fair Value can be distinguished from Market Value. Fair Value requires the assessment of the price that is fair between two specific parties taking into account the respective advantages and disadvantages that each will gain from the transaction.'

<><><>

Signed for and agreed on behalf of RR&P	

Dated
Signed for and agreed on behalf of the Client	

Dated