

Valuation Report



Address	Furness Vale Industrial Estate, Callico Lane, Furness Vale, High Peak, Derbyshire, SK23 7SW
Client	Proplend Security Ltd
Borrower	Pearwalk Properties Ltd
Date	14 th January 2021
Our Ref	VALL569
Your Ref	19251

Confirmation of Instructions

Bank/Lender/Addressee	Proplend Security Ltd
Borrower	Pearwalk Properties Ltd
Purpose of Valuation	Secured Lending
Property/Properties	Furness Vale Industrial Estate, Callico Lane, Furness Vale, High Peak, Derbyshire, SK23 7SW
Conflicts of Interest	We confirm that this Practice has no material involvement, nor any previous material involvement with regard to the subject property, nor the broker/introducer, managing or selling agent and the Bank's customer is not known to us in a personal or professional capacity.
Inspection Date	7 th January 2022
Valuation Date	7 th January 2022
Valuer	David Cran MRICS RICS Registered Valuer who has sufficient current local and national knowledge of the relevant markets, as well as, the appropriate skills, qualifications, experience and understanding to undertake the valuation competently.
Reviewer	Richard Rafique MRICS RICS Registered Valuer
Professional Indemnity Insurance	Bradley Hall holds appropriate Professional Indemnity Insurance adequate for this instruction as outlined in our Terms of Business which is limited to £5m. This amount shall be an aggregate cap on our liability to all relying parties together.
Confirmation and Standards	We confirm the Valuation and Report has been undertaken in accordance with the RICS Valuation Standards – Global Standards, which incorporate the International Valuation Standards (“IVS”) and the RICS UK Valuation Standards (the “Red Book”), edition current at the Valuation date.
Sources of Information	Generally speaking information within this report has been taken from open government and local authority websites. Some information is obtained internally, and where this is relevant we have made this clear, other information may be taken from subscription websites. We note the following sources which are utilised in most reports: Land Registry, Valuation Office Agency, GOV.UK, Coal Authority, Heritage Gateway, Rightmove, CoStar, Edozo, Creditsafe, BCIS.

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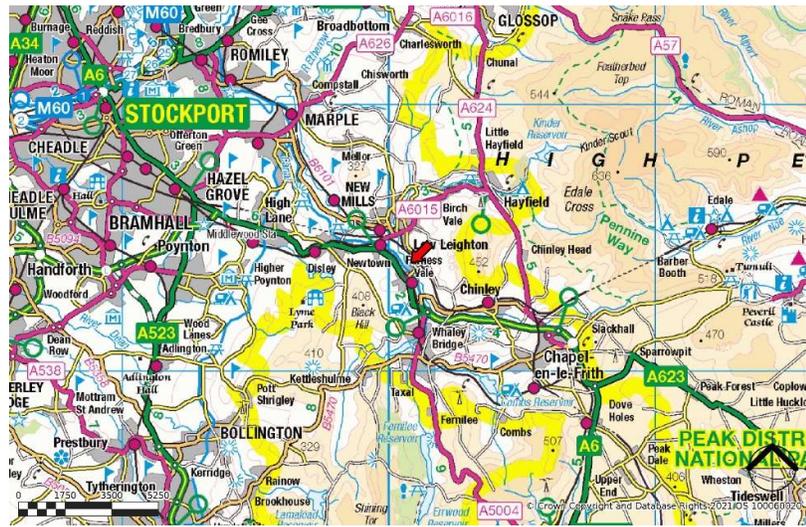
1. Executive Summary

Property Address	Furness Vale Industrial Estate, Callico Lane, Furness Vale, High Peak, Derbyshire, SK23 7SW	
Location	Situated in semi-rural location close to Whalley Bridge and New Mills	
Description	Overview:	Multi let mill held as commercial investment, predominantly occupied and part owner occupied.
	Floor Area:	Total GIA of occupiable areas 7,780.04 sq m / 83,748sq ft
	Condition:	Fair
Planning	Traditional, B1, B2 and B8 albeit much will now be covered under use class E.	
Tenure	Freehold	
Tenancy Overview	Gross Passing Rent	£383,540 per annum
	General Lease terms	Short term contracted out agreements on effective full repairing and insuring basis
Valuations	MV1 – tenanted/vacant	£2,875,000 (Two Million Eight Hundred and Seventy-Five Thousand Pounds)
	MV2 – vacant possession	£2,000,000 (Two Million Pounds)
	MV3 – restricted marketing x days	£2,000,000 (Two Million Pounds)
	Market Rent	£345,000 per annum (Three Hundred and Forty-Five Thousand Pounds per annum)
	Insurance Reinstatement Cost	£10,900,000 (Ten Million Nine Hundred Thousand Pounds)
Yield Profile	Gross Initial Yield	13.33%
	Gross Reversionary Yield	12%
	Capital Value £ PSF	£34.33 psf
Sales Profile	Likely Purchaser Market	Investor or land speculator
	Timescale to Sale	12 months
	Timescale to Let	3 months+ per unit
Valuation Restrictions	We were unable to internally inspect some units, we have been provided floor areas and a report carried out in August 2021 and have where	
Strengths	<ul style="list-style-type: none"> • Mostly let mixed use investment • Good demand regionally for low cost industrial and warehouse accommodation for various purposes 	
Weaknesses	<ul style="list-style-type: none"> • Ongoing repairs, particularly for older buildings, likely to be high each year • Poor access and road access privately owned by applicant • Large proportion of building effectively owner occupied with family member living on site 	
Opportunities	<ul style="list-style-type: none"> • Potential for residential development following local authority allocation 	
Threats	<ul style="list-style-type: none"> • Wider market uncertainty caused by Covid 19 • Tenant failure could result in ability of applicant to service loan and likely adversely impact the reported valuation • Maintenance and upkeep not dealt with resulting in capital deductions for repairs which would adversely impact the reported valuation 	

Lender Action Points	<ol style="list-style-type: none">1. A full Report on Title should be obtained2. Confirmation of insurance cover for flooding risks is required3. Verify our understanding of the leases and tenancy agreements4. An asbestos survey is required5. A mining search should be obtained unless already held
Regulated Mortgage	In our opinion less than 40% of the total area of the property, being taken as security, is occupied as residential accommodation.
Economic Life	25+ years, subject to ongoing programme of maintenance and repair
Suitability for Security	Yes - subject to the report commentary

2. Location

City/Town	
Situating in a semi-rural area between New Mills and Whalley Bridge close to the Peak District National Park.	
Demographics	
Small towns and villages with largest nearby town by Chapel en le Frith and Marple.	
Distance to key areas	
Location	Miles
Manchester	20
Stockport	10



3. Situation

Locality	
Established commercial premises in a semi-rural area with adjacent occupiers being mostly residential with a nearby marina.	
Type of area	
Historic industrial site which has been converted into a multi let estate albeit now in a secondary/non-typical commercial locality.	
Neighbouring occupiers	
Residential and agricultural .	



4. Site

Land Registry Title No.

DY259844

Tenure

Freehold

Transaction History

n/a – been in same family for extended period of time

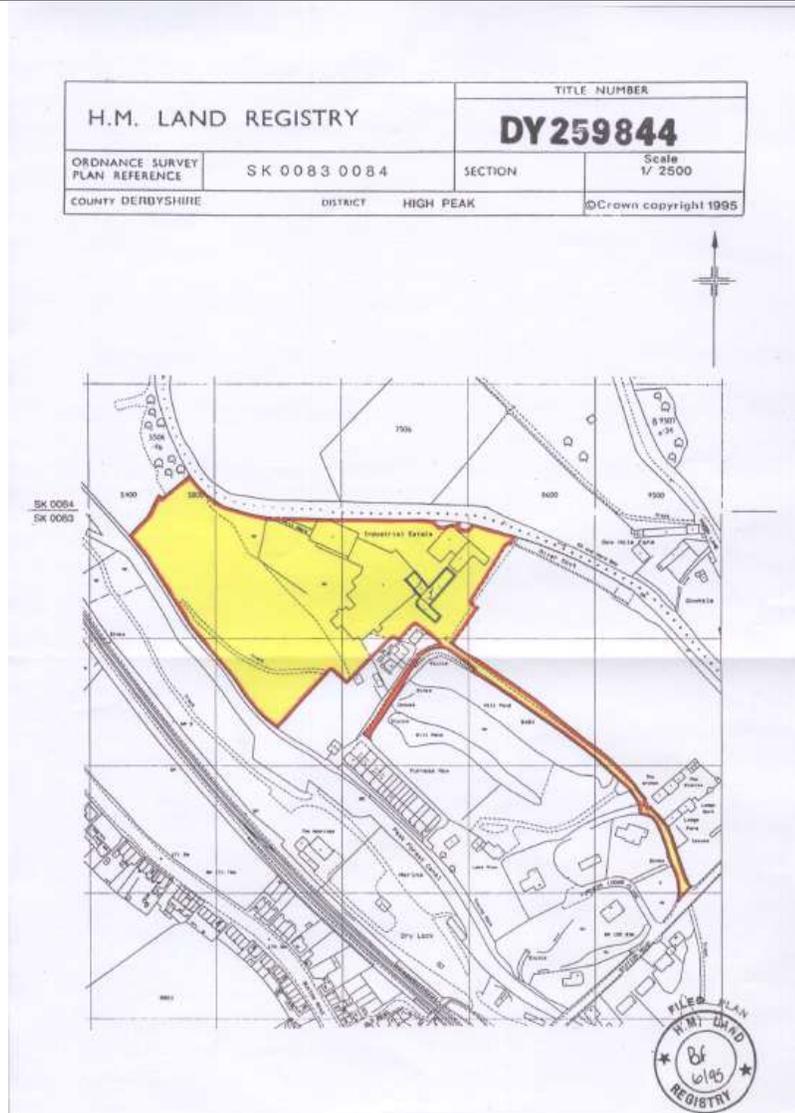
Site Area

3.23 hectares

7.98 acres

Description of site and coverage

Building positioned mostly to the north east of the site, with large car park situated centrally and woodland to the western aspects of the site. Site is across multiple levels falling substantially from the western to eastern aspect. The site is around 50% developed. Applicants proposing a change of use to undeveloped areas and some parking areas to mix of residential and live/work units. Site roads are a mix of tarmac and concrete surfacing.



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Note:

A full Report on Title should be obtained by way of confirmation of the tenure position and we recommend that your legal advisors confirm our understanding of the lease terms as reported.

5. Description and Construction

Description	Property comprises a former dyeing works, which has been developed over a number of years with various extensions with the oldest aspects of the building dating to 1794, large additions during the Victorian era and some more recent additions by your applicant. The site is now operated as a multi-let estate with an element being effectively owner occupied by your applicants business.
Approximate Age	1794 dating to 1990's
Construction	The buildings occupy a split level site and are generally two storeys in height although part is arranged over three and four storeys. Please note, on the day of our visit we were unable to gain access to all the buildings on site and we have had to rely on a recent valuation report provided to us carried out by Sanderson Weatherall for some floor areas. Where relevant we have taken check measurements on site and conclude these to be comparable to the floor areas from the report in 2021.

Access into site looking toward units 26



Callico House



Services	Water	Mains
	Gas	Mains
	Electricity	Mains
	Lighting	Mix of fluorescent tube, diffused and spotlighting
	Sewers and Drainage	Mains with surface draining into adjoining river
	Heating	Some gas fired, some without heating, offices mostly wall mounted electric heating or some sharing central heating systems.
	Other	External lift to units 22/24 CCTV installed

Buildings	<u>Units 1/1b/1c</u> The premises comprise a three storey stone built building beneath a pitched, slate covered roof, to the side of which is a relatively modern single storey steel framed extension. The ground floor (Unit 1) is tenanted but the upper floors (Unit 1b & 1c) require further renovation to put them into lettable condition with these being in a shell state of repair.
	<u>Unit 2</u> A single storey building constructed in stone clad elevations with a solid floor and a slate covered roof on timber trusses. Let alongside Unit 1 ground floor level.

Unit 3/3b/3c

The premises comprise a single storey building constructed in stone clad elevations with a solid floor, sub divided into units 3, 3B and 3C. The whole is contained beneath a slate covered roof in two bays, incorporating wired glass roof lights and supported on mild steel trusses.

Unit 4/4b/4c

The unit forms the ground floor of a two-storey building, which is built in stone elevations with a pitched, slate covered roof. The building has been split into three units. It has a solid floor and has access to outside ground level at the rear via steel roller shutter doors.

Unit 5

Unit 5 is arranged over a lower ground (storage) and ground floor (offices) levels and is also of stone construction. The unit is let and occupied by Raymond Reynolds Limited, a wine import business.

Unit 7/8/9/9b/9c, Unit 25 & 25b

The premises comprise a part single and part two storey workshop premises with a solid floor, which is at varying levels. The upper floor provides a separate unit 25 office suite and 25b. The building also includes part of Unit 24 accessed from the adjoining building. The elevations are stone clad and the whole is contained beneath a multi bay pitched, slate covered roof. Access for loading is provided by two steel roller shutters and 1 folding door.

Unit 10/26

These units are effectively owner occupied albeit a lease does exist.

Units 10 and 26 form the largest unit at the complex and are occupied by Pearwalk Engineering an associated company of the Bank's customer. This is a two storey building which has access for loading purposes to outside ground level to both floors, as a result of the sloping nature of the site.

The unit has solid ground floors and mainly timber upper floors with stone clad elevations. The whole is contained beneath a multi bay roof, which is generally slate covered and supported on timber trusses. At lower ground floor level, the accommodation is obstructed by cast iron columns.

The premises are predominantly used for engineering purposes. However it does incorporate office accommodation at both ground and first floor levels. The office accommodation is of basic specification with carpeted floors, plastered and painted walls and suspended ceilings with part diffused fluorescent lighting.

Unit 16

The ground floor of a two storey building, the unit has a solid floor and a steel roller shutter door to the front elevation. The premises provide lofty storage accommodation of basic quality.

Unit 17

The ground floor of a two storey building, the unit has a solid floor and a steel roller shutter door to the front elevation. The premises provide lofty storage accommodation, with the floor space being obstructed by cast iron columns.

Unit 29

The first floor over Unit 16, the premises have access via a steel roller shutter door which is approached via a loading dock shared with Unit 30. The unit has a solid floor and has a two bay timber trussed roof with boarded under-drawing.

Unit 30

The first floor over Unit 17 which has recently been refurbished and occupied by Buxton Pudding Company for food production purposes, we were unable to access this area but are informed the property has undergone a complete process of renovation and improvement in recent months.

Unit 22/23/24

The unit comprises the first floor over Units 4, 5 and 7. Comprises office accommodation predominantly occupied by Avanti Conveyors who also occupy warehouse accommodation as detailed above. The accommodation has open plan and partitioned offices, plastered and painted walls, suspended ceilings with recessed category II lighting and is provided with male, female and disabled toilet facilities. The tenant installed a lift to the first floor for DDA compliance.

Office Suites (Calico House)

Calico House is a three-storey building constructed in brick clad elevations beneath a pitched, slate covered roof. Due to the sloping nature of the site there is access to all levels from outside ground level, albeit via footbridges, and there is also natural lighting to the majority.

Calico House – GF1/14 (Ground floor) and MF1/14 (Mid floor)

All rooms on the lower level have been refurbished to provide cellular offices/stores. The offices are carpeted with plastered and painted walls and flush ceilings with fluorescent light fittings. Heating is via electric wall mounted heaters. Some rooms have been combined to create larger offices suites. The floor offers eleven office suites. At mid floor level are a further 9 office suites offering comparable specification of space.

The common areas are of a similar specification and include communal kitchen and toilet facilities.

Calico House – FF1 (Top floor)

The top floor provides office accommodation known as Suite FF1 and is let to a single occupier Solid Solutions Management Ltd. Toilet and ancillary facilities are provided within a central service core. Windows within this section have recently been replaced with Upvc double glazed units and further substantial refurbishments have been undertaken by the tenant in recent months at significant cost providing effectively Grade A specification of offices with canteen areas.

The Flat

At upper ground floor level, and adjacent to the offices within Unit 26, is a self-contained residential apartment which has been sympathetically created from a former factory area with exposed timber trusses and exposed brickwork being its principal feature. The accommodation provides a lounge, snooker room, cloakroom, dining kitchen, a bathroom and three bedrooms, one of which is en-suite, modern fitted kitchen and bathrooms are installed. The flat is occupied by an relative of the directors of the Bank's customer and has been occupied for several years.

We carried out a brief inspection of this space but reasonably limited due to current Covid19 restrictions. We note the space was adequate for use but arguably would be considered dated my most modern occupier standards.

Unit 1



Unit 10/26



Unit 17



Unit 22



Floor/Aspect	Use	Basis of Measurement	Sq M	Sq Ft
Unit 1	Industrial/Warehouse	Gross Internal Area	403.19	4,340
Unit 1B	Industrial/Warehouse	Gross Internal Area	115.20	1,240
Unit 1C	Industrial/Warehouse	Gross Internal Area	115.20	1,240
Unit 2	Industrial/Warehouse	Gross Internal Area	167.22	1,800
Unit 3	Industrial/Warehouse	Gross Internal Area	301.93	3,250
Unit 3B	Industrial/Warehouse	Gross Internal Area	42.74	460
Unit 3C	Industrial/Warehouse	Gross Internal Area	71.72	772
Unit 4	Industrial/Warehouse	Gross Internal Area	310.10	3,338
Unit 4B	Industrial/Warehouse	Gross Internal Area	33.44	360
Unit 4C	Industrial/Warehouse	Gross Internal Area	46.17	497
Unit 5	Industrial/Warehouse	Gross Internal Area	126.81	1,365
Unit 7	Industrial/Warehouse	Gross Internal Area	90.58	975
Unit 8	Industrial/Warehouse	Gross Internal Area	70.79	762
Unit 9A	Industrial/Warehouse	Gross Internal Area	198.81	2,140
Unit 9B	Industrial/Warehouse	Gross Internal Area	197.04	2,121
Unit 9C	Industrial/Warehouse	Gross Internal Area	101.35	1,091
Unit 10 & 26	Industrial/Warehouse	Gross Internal Area	2,444.94	26,318
Unit 16	Industrial/Warehouse	Gross Internal Area	209.95	2,260
Unit 17	Industrial/Warehouse	Gross Internal Area	244.88	2,636

Unit 25	Industrial/Warehouse	Gross Internal Area	67.35	725
Unit 25B	Industrial/Warehouse	Gross Internal Area	209.03	2,250
Unit 29	Industrial/Warehouse	Gross Internal Area	209.95	2,260
Unit 30	Industrial/Warehouse	Gross Internal Area	264.77	2,850
Unit 22	Business Centre Office	Gross Internal Area	134.89	1,452
Unit 22B	Business Centre Office	Gross Internal Area	121.42	1,307
Unit 23	Business Centre Office	Gross Internal Area	10.96	118
Unit 23B	Business Centre Office	Gross Internal Area	32.05	345
Unit 23C	Business Centre Office	Gross Internal Area	14.77	159
Unit 23D	Business Centre Office	Gross Internal Area	36.88	397
Unit 24	Business Centre Office	Gross Internal Area	35.49	382
Unit 24B	Business Centre Office	Gross Internal Area	19.88	214
GF1	Calico House Office	Gross Internal Area	33.63	362
GF3	Calico House Office	Gross Internal Area	22.6	245
GF4	Calico House Office	Gross Internal Area	24.90	268
GF5 & 7	Calico House Office	Gross Internal Area	48.40	521
GF6	Calico House Office	Gross Internal Area	15.98	172
GF8	Calico House Office	Gross Internal Area	19.51	210
GF9	Calico House Office	Gross Internal Area	21.55	232
GF10	Calico House Office	Gross Internal Area	19.88	214
GF11 & 13	Calico House Office	Gross Internal Area	41.34	445
GF 12 & 14	Calico House Office	Gross Internal Area	54.81	590
MF1	Calico House Office	Gross Internal Area	15.33	165
MF2 & 4	Calico House Office	Gross Internal Area	53.32	574
MF3	Calico House Office	Gross Internal Area	23.41	252
MF5	Calico House Office	Gross Internal Area	23.41	252
MF6	Calico House Office	Gross Internal Area	25.64	276
MF7	Calico House Office	Gross Internal Area	23.60	254
MF8	Calico House Office	Gross Internal Area	26.76	288
MF 9 & 11 & 13	Calico House Office	Gross Internal Area	74.69	804
M 10 & 12 & 14	Calico House Office	Gross Internal Area	78.04	840
FF1	Calico House Office	Gross Internal Area	497.94	5,360
The Flat	Residential Flat	Gross Internal Area	185.80	2,000
Total	Gross occupiable area not total	Gross area	7,780.04	83,748

Measurement Type and Source of Areas

The floor areas have been measured on site and stated with reference to the current edition of the RICS Measurement Standards with IPMS2 for industrial comparable to the traditional gross internal floor area as reported above, which is of each individual unit.

Condition and Repair

The buildings are of a state of repair commensurate with age, construction and use to which they have been put. As your applicant is based on site they have periodically carried out some refurbishment works and note ongoing repairs to external elements, notably the roof which is common for buildings of this site.

Much of the more basic space continues to be suitable for use but critically are unlikely to see substantial improvements in demand or rental return even if they see a full modernised upgrade/refurbishment programme.

We would anticipate a large ongoing maintenance and repair bill in line with comparable estates.

The nature of the estate and the age of the buildings means that a proactive approach to repairs and maintenance will be required and a reasonable level of tenant turnover should be expected each year (although we note that many of the occupying tenants are longstanding occupiers within the estate).

Restriction on Inspection

Although we have inspected the property we have not carried out a structural survey, nor have we inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that such parts of the property are free from rot, beetle or other such defects.

For the purpose of this Report we have assumed such parts to be in a good repairing condition. This Report however will not purport to express an opinion about or to advise on, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

For the purposes of this Valuation we have assumed that the property is free of all structural, latent and other defects and we have only had regard to items of disrepair that were patent and significant at the time of our inspection and would materially affect the Market Value. No allowances have been made for any rights, obligations or liabilities which might arise under the Defective Premises Act (1972).

6. Environmental Enquiries

Are there any signs of ground contamination?	No	Whilst there are no clear signs of ground contamination, the site comprises a former dye works and continues to be utilised for some heavy manufacturing processes. It is therefore likely to be impacted by some form of ground contamination. Our assessment reflects the asset as it is, with its current use, a future purchase is unlikely to be unduly concerned as they are to assess the property for its ongoing commercial use.		
Asbestos	No Report	An asbestos survey is a legal requirement, and one should be undertaken. We have valued on the assumption that no matters requiring urgent/costly action will be identified.		
Radon	Affected	If radon gas is identified, then remedial works can normally be carried out at a cost that would not be material to our valuation advice.		
Adverse ground conditions	No	We did not note any adverse ground conditions.		
Flood Risk	Zone 3	<p>We have assumed that full insurance cover is available in respect of flooding risks, and this should be confirmed.</p> <p>The Environment Agency flood map indicates that the northern part of the site adjacent to the River Goyt is within a Flood Zone 3. However, the majority of the site appears to be classified as being within a Flood Zone 1 with a low probability of flooding.</p> <p>The River Goyt runs along the northern boundary of the site, we understand there are flood defences in place to the banking along the boundary with the subject site. The land to the north is also at a substantially lower level than the subject site which would act as an overflow from the river in times of flood.</p> <p>Consequently, we have prepared our valuations on the assumption that the risk of flooding is acceptable at the subject property. Should a specialist flood risk report suggest otherwise, we would wish to revisit our valuation opinions. A detailed flood investigation report is likely to be a condition as part of any future planning consent.</p>		
Is the property within a mining area?	Yes	<p>The property is situated in an area affected by coal mining.</p> <p>We would recommend a coal mining search is carried out, prior to lending.</p>		
Invasive Species	Not Present	Most species are very difficult to identify at certain times of the growing season or if cut back. We are not experts in this sector.		
Has an EPC been prepared for the property?	Yes	Address	Rating	Expiry
		Pearwalk Engineering Ltd	D	24 th April 2028
		Unit 17	E	16 th September 2030
		Units 8	D	16 th September 2030
		Unit 9	C	16 th September 2030

7. Statutory Enquiries

Local Planning Authority	High Peak Borough Council		
Planning History			
Reference	Date	Status	Details
HPK/2010/0409	15/09/2010	Granted	Erection of platform life to exterior of the building.
HPK/2010/0202	22/06/2010	Granted	Single storey industrial building (B2)
HPK/2010/0082	n/a	Invalid	Extension to replace application HPK/2005/0063
HPK/2009/09194	n/a	Withdrawn	Change of use to business units to D2 gymnasium club
HPK/2005/0063	10/03/2005	Granted	Single industrial building
Current Planning Use/Classification	Established ongoing use under B1, B2 and B8 albeit some of which will be covered under use Class E.		
Future Development Plans	<p>The subject site has also been identified by the local authority as a ‘Strategic Development Site’ under policy DS12 of the Local Plan. Policy DS12 specifically relates to Furness Vale Business Park.</p> <p>The local plan states the following in relation to the subject site:</p> <p><i>“The site is adjacent to the Green Belt, and part is designated as Countryside. The existing Estate is currently designated as a Primary Employment Zone in the Local Plan, with the adjacent land to the south-west allocated for new employment use. The Estate largely comprises former mill buildings now unsuited to modern business or industrial uses. It is proposed therefore to relax the existing employment designation as part of a comprehensive redevelopment. Any scheme should retain existing employment, refurbish existing buildings where appropriate and provide new employment units, and improve the existing access to the site, including the provision of footways and street lighting. A comprehensive masterplan is required to reconcile any potential conflict between the housing and employment uses, and to ensure that the canal is central to the design of the development, that the siting, configuration and orientation of buildings optimises views of the water, enables natural surveillance of water space, and encourages and improves access to and from, and along, the water. In addition, it is important that it should consider linkages to the existing footpath and greenway network, including cycling and public transport, and to other heritage assets and other potential developments that are linked by the canal, such as Britannia Mill and Bingswood. To add sufficient value to cross-subsidise the employment development and necessary infrastructure, it is proposed that new residential development of approximately 26 dwellings is provided on 0.7ha, together with tourism and leisure uses in the form of holiday chalets on a further 0.9ha. An agreed masterplan and phasing programme will be required to ensure that the benefits of the development are achieved. Additional housing and / or live/work units may be permitted subject to the submission of an appropriate viability assessment at the time of an application to demonstrate that it is required and that it is sustainable. This would also be</i></p>		

	<p><i>subject to the development overall still providing improvements to the industrial estate as originally intended."</i></p> <p>No final masterplan or indeed planning application has been made and therefore our assessment disregards any potential element of hope value that could be attributed to a future alternative use.</p>
Listed Building	Not listed
Conservation Area	No
Local Development	We are not aware of any development proposals for the immediate area that may have an adverse effect upon the property.
Access	The property is accessed directly from Station Road, and this is an adopted highway and thus responsibility for repairs and maintenance is the responsibility of the local authority. The cobbled access road is within your applicants ownership and thus we understand is to be maintained by your applicant albeit due to shared access there may be some opportunity to obtain costs from 3 rd parties.
Licensing	n/a
Equality Act	We considered the implications of the EA 2010 when inspecting the property and believe that the design and layout may not comply with this legislation owing to the age and nature of the building.
Fire Safety	We recommend the Client obtains a copy of the report should one exist. If one does not exist, we would recommend that one is commissioned and that it is adhered to fully. The valuation assumes that if an FRA has not been carried out the property does, or could easily, comply with The Regulatory Reform (Fire Safety) Order 2005, and that the cost of adaption would not be valuation significant.
Building Regulations or Warranties	Where applicable, we assume that all building regulations have been adhered to and signed off by a building inspector. We also assume that any building warranties have been provided and are reliable upon by applicant, lender and any future purchaser.

Rateable Value

Address/Unit	Description	Rateable Value
Unit 1	Workshop and premises	£16,000
Unit 2	Factory and premises	£5,400
Unit 3	Factory and premises	£9,800
Unit 3a	Workshop and premises	£2,650
Unit 3b	Workshop and premises	£1,700
Unit 4	Warehouse and premises	£9,600
Unit 5	Warehouse and premises	£5,000
Unit 7	Workshop and premises	£4,800
Unit 8	Workshop and premises	£1,950
Unit 9a	Workshop and premises	£6,900
Unit 9b & 9c	Workshop and premises	£9,600
Unit 16	Workshop and premises	£7,200

Unit 17	Workshop and premises	£8,600
Unit 22	Offices and premises	£6,600
Unit 22b	Offices and premises	£5,800
Unit 23	Offices and premises	£570
Unit 23b	Offices and premises	£4,350
Unit 24	Offices and premises	£4,200
Unit 25a	Workshop and premises	£1,475
Unit 25b	Workshop and premises	£5,100
Unit 29	Workshop and premises	£5,400
Unit 30	Warehouse and premises	£5,400
Unit 31	Offices and premises	£15,000
Unit GF1	Offices and premises	£2,025
Unit GF3	Offices and premises	£1,550
Unit GF4	Offices and premises	£1,875
Unit GF5 & GF7	Offices and premises	£3,100
Unit GF6	Offices and premises	£930
Unit GF8	Offices and premises	£1,675
Unit GF9, GF11 & GF13	Offices and premises	£3,850
Unit GF10, GF12 & GF14	Offices and premises	£5,800
Unit MF1	Offices and premises	£990
Unit MF2 & MF4	Offices and premises	£3,350
Unit MF3	Offices and premises	£1,250
Unit MF5	Offices and premises	£1,450
Unit MF6	Offices and premises	£1,550
Unit MF7	Offices and premises	£1,100
Unit MF8	Offices and premises	£1,375
Unit MF9, MF11 & MF13	Offices and premises	£4,100
Unit MF10, MF12 & MF14	Offices and premises	£3,750

Council Tax

Address/Unit	Council tax Band
Flat at Furness Vale	Unable to locate

8. Market Commentary

UK Market

The UK economy shrank by 9.9% in 2020, the largest annual contraction for 300 years. However, a double-dip recession looks to have been avoided, with GDP growth of 1% in the final quarter ahead of most economists' predictions. The Office for National Statistics' quarterly figures showed the services sector grew by 0.6%, production by 1.8% and construction by 4.6% in Q4 2020, although output in all three industries remained below pre-pandemic levels.

The easing of government measures in the run-up to Christmas was reflected in monthly GDP figures, with GDP growing by 1.2% in December after falling by 2.3% in November. Much of December's gain was driven by accommodation and food services, although quarterly output in food and services remained weak for the fourth quarter overall.

Extra support has been provided to mitigate the economic damage. The furlough scheme has been extended until September 2021 in a bid to curb further rises in unemployment (the unemployment rate rose to 5% in the three months to November 2020), while the Bank of England announced another £150 billion of quantitative easing in November.

Renewed lockdown measures post-Christmas are likely to result in a negative outturn in the first quarter of 2021, although the successful vaccination programme should lead to a consumer-spending-led recovery thereafter. On 19th January, Oxford Economics revised its 2021 GDP forecast downwards to reflect the impact of the third national lockdown. The firm expects the economy to grow by 5.4% this year, down from the 6% previously expected, with growth of 5.8% forecast for 2022. Total employment is predicted to decline by 2% in 2021, equating to a further 700,000 job losses, before rebounding by 2.7% in 2022.

With the extension of the stamp duty holiday, agents are reporting huge increases in interest and viewings which is having a knock-on effect on property values.

According to Nationwide, as of February 2021, annual house price growth rebounded to 6.9% from 6.4% in January 2021. Prices are up 0.7% month-on-month, more than erasing the small decline seen in January.

Sector Performance

Occupier demand for industrial property in the market has increased, boosted further recently by the impact of the pandemic. The surge in growth in online retail sales has produced an increase in logistics and distribution firms expanding, along with last mile parcel delivery and warehousing.

In addition, micro units have become extremely attractive when viewed as an affordable extension of the home office with increased home working and this being considered to be more mainstream. There has been an increase of newly self employed individuals over the last 2-3 years and demand for micro units for a variety of uses has been strong with very limited availability of space. This has driven up both capital and rental values.

We could foresee demand for the asset as an income generating investment, as property prices in Oldham continue to improve following the pandemic there may become a tipping point where the building becomes attractive to developers for flat conversions for either investment or fractional sales. There are however a number of barriers to such uses not least the substantial cost of conversion and at present capital values for flat schemes of this size are unlikely to be high enough for a viable scheme.

However, even as a management intensive investment, demand from local/regional investors for high yielding properties such as this is likely to be reasonable assuming an ongoing programme of maintenance and repair.

9. Tenancies and Occupational Interests

Tenancy Overview	<p>A full schedule of tenancies can be found within appendix 4 within this report.</p> <p>The current total passing rent indicated by your applicant is £383,540 per annum.</p> <p>Tenants are responsible for their own business rates and utility costs and is able to recharge insurance and relevant repairs to all the tenants, the service charge is defined as 10% of the annual rent. It is not clear on what basis this is assessed i.e. floor area or if units are sub-metred.</p> <p>Most lease terms are reasonably short or have expired, with some recent leases agreed on relatively short terms. Ultimately occupancy of such buildings is reasonably transient, and we would expect a reasonably high turnover of tenants with a semi-regular void level of between 10% and 20% albeit we do not some tenants have been in situ for an extended period of time and have carried out improvements to their units.</p>
Gross Passing Rent	£383,540 per annum
Landlord's Shortfalls	Landlord is able to recharge insurance and repairs to all tenants
Non-arm's length occupation	As a proportion of the overall rental income generated, approximately 22% of the rent received is from Pearwalk Engineering Limited which is a company connected to the borrower and understood to be effectively under the same control and we note that this lease has recently been renewed and now has an expiry date of October 2028.

Covenant Analysis

Pearwalk Engineering Limited - Although it was indicated to us that the company is trading well, the information that would be available to an investor, comprising the most recent published accounts for the year ending December 2019 indicate that the company has net assets of £131,132 and stated cash balances of £143 which generally represents a weak balance sheet.

Avanti Conveyors - occupy a significant proportion of the estate and who account for circa 25% of total rent. Avanti Conveyors Limited are manufacturers of conveyor systems specifically for the corrugated packaging industry and who we understand are longstanding tenants at the subject property. Their most recent published accounts for the year ending September 2020 outlines that the company has net assets reported to be £1,801,379 with a cash balance of £1,549,526, which indicates that (on the face of it) the company is generally on a sound financial footing. Another significant occupier at the estate is Solid Solutions Management Limited who occupy the top floor of Calico House for office purposes. Our investigations into their financial strength indicate a turnover of £53,835,899 with profit after tax of £7,385,226 in the most recent published year accounts for the period ending 31 December 2019. It would appear, therefore, that this company is trading well and should have no difficulty in meeting their rental obligations.

Most tenants are either private limited companies or private individuals. Most business offer average covenant strength with no stand out operators. That said, this is fairly common for investments of this nature, there is an expectation of a reasonably regular turnover of tenants, particularly in smaller units or those across upper floors.

In our experience purchasers will likely view occupiers mostly as offering local covenant strength only. Without financial data on each occupier, we have had to rely upon your applicants information indicating that there are at present no breaches of lease terms with no arrears. Where arrears accrue, this can have a direct impact on investors perception of individual tenants and can result in discounting of leases/occupancy.

10. Valuation Evidence and Definitions

Market Rent	The RICS definition of Market Rent is <i>“the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”</i>
Market Rent assumptions	Effective full repairing and insuring terms for 2-3 year length lease terms, piecemeal lettings. Unlikely to ever reach 100% occupancy.
Market Value	The RICS definition of Market Value is <i>“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”</i> Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase, and without offset for any associate taxes.
MV1 – assumptions	Subject to tenancies as detailed within the report and reasonable period of marketing.
MV2 – assumptions	Subject to tenancies as detailed within the report and the <u>special assumption of a restricted 90-day marketing period.</u>
MV3 - assumptions	Subject to a reasonable period of marketing and the <u>special assumption of vacant possession.</u>
Valuation Methodology	We have utilised the comparable/investment method of valuation when assessing this property. We may have used other methods as a sense check or in conjunction with our approach. This has been made clear within our assessment.

Rental Value Comparable Evidence

Property	Picture	Description	Floor Area	£ per sq ft	Comparison
Palatine Mill, Meadow Street, Blackburn, BB6 7EJ		Partition of mill building in more secondary Blackburn but ground floor space let in July 2020.	56,000sq ft	£2.00	Older style comparable accommodation, poorer locality but ground floor space.
Warth Saw Mill, Bacup Road, Rossendale, BB4 7HB		Multi storey mill element (2 stories) as part of wider mill investment let June 2020.	17,974sq ft	£1.22	Poorer locality but comparable grade of space. Large unit.
Mancehster Car Refurbishment Centre, Manchester, M3 1LW		Ground floor of mill building, mostly single storey and steel framed. Let July 2020.	13,078sq ft	£1.85	Single storey space no yard, comparable to some of the larger ground floor units at the subject property.
Turnbridge Mills, Quay Street, Huddersfield, HD1 6QT		Mill building, second floor. Ground floor space. Let June 2020.	17,234sq ft	£1.41psf effective rent	Ground floor of mill with smaller shared yard useful comparable.
Turnbridge Mills, Quay Street, Huddersfield, HD1 6QT		Mill building, second floor. Useful upper floor letting space. Let April 2019.	6,942sq ft	£1.65psf effective	Useful representing upper floor space of a comparable size to subject units.
Suite C7 Fieldhouse Road, Rochdale, OL12 0AA		Ground floor suite within larger mill complex let in January 2019.	2,084sq ft	£0.50psf effective	Basic quality space at ground floor level in nearby locality.

Capital Value Comparable Evidence

Property	Picture	Description	Sale Price	Rate/Yield	Comparison
Chadderton Mill, Fields New Road, Oldham, OL9 8PB		Larger vacant mill sat on substantially larger site area with potential for future development.	£2,200,000 January 2021	£8.82psf	Useful comparable due to location but sat on substantially larger site.
Vernon Works, High Barn Street, Oldham, OL2 6RN		Much larger mill with some single storey warehousing.	£3,500,000 January 2021	£10.28psf	Larger mill, potential for conversion due to location, much more single storey commanding a premium over subject.
Lomeshaye Business Village, Nelson		Former mill complex, 142 units, total rental income of £467,231 with net income of £285,189 after non-recoverable. Under offer.	£2,200,000	12.97% £16.41psf	3 storey mil, notably larger and higher management costs as all-inclusive rents.
Calderdale business park, Club Lane, Halifax		Multi let centre extending to 190,512sq ft at 90% occupancy. Sold February 2021. Net income £345,940pa.	£2,950,000	11.73% £15.48psf	Useful comparable, arguably stronger location but higher management costs as all-inclusive rents.
Caidan House, Canal Road, Timperley		Serviced office accommodation in superior location. Net income of £75,947pa. Sold September 2019.	£700,000	10.85% £103.19psf	Superior investment and building, notably smaller.
Etherow Industrial Estate, Glossop		15 tenant mix estate comprising 202,070 of mostly single storey better space. Sold July 2019.	£6,500,000	10.5% £32.18psf	Superior investment comprising Howdens and Apex Storage. Mostly single storey space. Overall superior.

11. Valuation Commentary

Market Rent Assessment

Rents above show a range of £0.50-£2.00 on a per square foot basis. Analysis of the subject property indicates an average rent at present of £2.25 to £7.50psf when reviewing the passing rent and in some cases marginally higher. This appears high in the context of the above evidence. However, often buildings of this nature are self-evidencing in respect of what tenants in this specific location are willing to pay. Each mill will have its own drawbacks and redeeming factors either due to good access links that the subject site has or better yard provision found on other sites.

The open floor plates and generally good asset management will attract and keep tenants at the subject property on a longer basis and much of the space has direct access at a ground floor level. The limited availability of space in this and the wider location is also likely to have somewhat of an impact.

In our assessment of market rent we have produced a rent if fully let at £345,000 per annum reflecting an overall rate of £4.12psf. This reflects the highest rate at around £7.50psf for offices and £2.50psf for larger industrial units.

Some units show a higher rate per square foot than the above but these are typically for very small units that will often be let on an affordability basis as opposed to a rate per square foot basis.

Despite your applicants confidence, we do not consider there to be much scope for rental improvements in any currently occupied units at present. Our assessment of market rent does show a reduction of some £40,000 per annum. The passing rent reflects an overall rate of £4.57psf.

Market Value Assessment

The sales in Nelson and Halifax are considered the most pertinent comparable evidence. The yield assessment above is of the net income position and thus makes a fair direct comparison.

We do not consider at this time additional value would necessarily be applied to the car parking and land. We do consider the likely purchaser may be strategic land bankers/developers who will be looking at the longer-term prospects of the wider site whilst also drawing additional income. However, at this stage there is no planning permission in place and crucially we are required to assess the site disregarding any hope value that could be attributed to future development/alternative uses.

Our assessment reflects a 13.33% reversionary yield. This is notably higher than the above evidence but reflects some elements may be considered over rented and crucially a large proportion of the site is owner occupied directly by your applicant, this space may be viewed as reasonably high risk by an income purchaser and may well be considered to be vacant space due to the nature of the connected parties.

The assessment breaks back to £34.33psf which is substantially higher than the 2 more prominent and key pieces of evidence and when compared to vacant multi let estates is much higher. Whilst much of the space is ground floor, demand for such estates can be reasonably limited and whilst there are future development potentials there are substantial unknowns in terms of certain development costs and the size and scope of any future residential scheme.

MR	£345,000 per annum (Three Hundred and Forty-Five Thousand Pounds per annum)
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MV1	£2,875,000 (Two Million Eight Hundred and Seventy-Five Thousand Pounds)
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Special Assumption Valuations

MV2	<p>We consider a transaction under such a scenario to be highly unlikely. A 90 day sale is likely to be via auction, industrial premises such as this perform poorly at auction. We would strongly advise against such a sales process. For an investment of this nature and with potential future development a private treaty sales process would be preferably.</p> <p>We have applied a discount of 30% against our MV1 assessment, even under such a discount there is no guarantee the site would transact under such conditions.</p>
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Value	£2,000,000 (Two Million Pounds)
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MV3	<p>Under such a scenario we have moved the yield out to 16.5% to allow for holding costs whilst units are re-let. Clearly under such a scenario an incoming purchaser may have view to wider development potential albeit without any masterplan our outline of costs we cannot quantify the value in this way.</p> <p>We have also considered the breakdown to £23.88psf to be broadly supported. Whilst this is reasonably high, the property sits on a large site with undeveloped areas and is allocated for residential use. Whilst we reflect no element of hope value the additional land will attract some value in and of itself and if split out would result in a lower overall rate applied to the buildings, more in line with the comparables noted above.</p>
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Value	£2,000,000 (Two Million Pounds)
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Letting

Letting Period	Letting Terms
<p>2-3 months per unit</p> <p>If fully vacant will take in excess of 12-18 months to obtain suitable occupancy levels.</p>	<p>Effective full repairing and insuring terms for 2-3 year length lease terms, piecemeal lettings. Unlikely to ever reach 100% occupancy.</p>

Sales (MV1)

Method	Disposal Time
Private Treaty	12 months

12. Valuation Summary

MV1	£2,875,000 (Two Million Eight Hundred and Seventy-Five Thousand Pounds)
MV2	£2,000,000 (Two Million Pounds)
MV3	£2,000,000 (Two Million Pounds)
MR	£345,000 per annum (Three Hundred and Forty-Five Thousand Pounds per annum)
Reinstatement	£10,900,000 (Ten Million Nine Hundred Thousand Pounds)
Security for Loan	In our opinion, subject to the comments and assumptions contained below and elsewhere in this Valuation Report, the Freehold interest in the Property provides reasonable security for the purposes of a loan over a period of 25 years (subject to the adequacy of capital and income cover). This is without opinion as to the commercial decision to lend, which remains with the Bank.

13. Compliance and Sign Off

Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors (“RICS”) Valuation – Global Standards January 2020 (incorporating the International Valuation Standards).

Professional Indemnity Insurance

Bradley Hall holds appropriate Professional Indemnity Insurance adequate for this instruction as outlined in our Terms of Business which is limited to £5m. This amount shall be an aggregate cap on our liability to all relying parties together.

Assumptions

We have made various assumptions including but not limited to tenure, letting, town planning, build costs, environmental factors, condition and repair

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Instructions

None

Verification

We recommend that before any financial transaction is entered into based upon this valuation, you obtain verification of the information contained within our property report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and risks that may be involved should be uninsured loss occur.

Independence

We confirm that Bradley Hall, and their valuers, have not had any involvement with the Properties or the client in the last two years.

Capacity of Valuer

External

Valuer

The property/properties has/have been valued by a valuer who is qualified for the purpose of the valuation in accordance with RICS Appraisal and Valuation Standards.

Reliance

This Report and Valuation is for the use of the party to whom it is addressed (the “Addressee”), as per the Confirmation of Instructions section of this Report, for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without prior written approval of the form and content in which it will appear.

Inspecting Valuer:	David Cran MRICS RICS Registered Valuer For and on behalf of Bradley Hall
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Reviewing Valuer:	Richard Rafique MRICS RICS Registered Valuer For and on behalf of Bradley Hall
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Appendix 1 – Report Assumptions, Disregards, Compliance and Regulation

Tenure

It is assumed that the title to the property is as described and as referred to in this report and that the property has a good and marketable title to the estate or interest which we have valued. Unless indicated to the contrary, title deeds and/or lease documents have not been inspected or seen. Any interpretation of the leases and other legal documents and any legal assumptions are given in the capacity as valuers and must be verified by a suitably qualified lawyer if they are to be relied upon.

It is assumed that the property is not subject to any unusual or especially onerous covenants, easements, rights of way, restrictions, encumbrances or outgoings which might affect the valuation or which might prevent all or part of the property from being properly used (whether in its own right or, if relevant, in connection with the business). We have assumed that the property has lawful and proper direct access from a publicly maintained highway without payment of any fee or contribution.

All Leases are assumed, unless otherwise stated, to have been drawn up in a fully assignable standard commercial format protected under the Security of Tenure provisions of the Landlord & Tenant Act 1954. We also assume that there are no outstanding dilapidation or other obligations and that the normal forfeiture clauses apply in the event of non-payment of rent, breach of covenant, bankruptcy etc.

We assume that your solicitors will prepare a Report on Title which will confirm the above assumptions. If this does not confirm the title assumptions made or highlights the existence of easements, restrictive covenants etc., then this may alter the Valuations reported.

Inspection and Site Conditions

In preparing the Report regard has been had to the apparent state of repair, construction and condition of the property, taking into consideration major defects which are obvious in the course of a visual inspection of so much of the exterior and interior of the property as is accessible at the time of inspection with safety, and without undue difficulty. During the course of the inspection, we have viewed those parts of the property as can be seen whilst standing at ground level within the boundaries of the site and adjacent public/communal areas and whilst standing at the various floor levels, which we consider reasonably necessary to provide the Report, having regard to its purpose.

We have not examined those parts of the property which are covered, unexposed or inaccessible, or to raise boards, inspect woodwork, move anything, or use a moisture detecting meter. Neither shall we have a duty to verify the existence of and/or arrange for the testing of plant and equipment, including but not limited to electrical, heating, drainage or other services, service installations and appliances which, unless indicated to the contrary, have been assumed to be in a working and serviceable condition. We are unable test the adequacy or otherwise of any private drainage system or water supply.

Where further investigations are recommended in relation to the repair or maintenance of the property, unless indicated otherwise, these should be undertaken by a Chartered Building Surveyor. Whilst our Valuations take into account the general appearance of the property, we have made the clear assumption that no significant property defects of a capital nature will be identified. If this is not the case, then we would wish to review the Valuation advice provided, upon receipt of a fully costed schedule of the required work.

Unless otherwise stated, any signs of structural movement within the property are assumed to be of an historic and non-progressive nature. If the property is of architectural or historic interest, or listed as such, or is in a Conservation Area or of an unusual construction, appropriate specialist advice should be sought before carrying out works.

Measurements

Where given, any floor areas and dimensions are taken from inspection unless otherwise specified and are approximate measurements only. Areas quoted are calculated in accordance with the RICS professional statement, RICS property measurement 2nd edition, February 2018 (effective from 1 May 2018), unless the Client has instructed otherwise or a reason for departure has been indicated within the report. We have no knowledge of any responsibilities for fencing or of any boundary disputes or claims and legal advice should be sought in this respect. Site areas quoted are not derived from a physical site survey and are approximate unless otherwise indicated

Environmental Health

We have assumed that no contaminative or potentially contaminative uses have ever been carried out in or adjoining the Property. Unless otherwise stated, 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. Should it be established subsequently that any contamination seepage or pollution exists at the Property or on any neighboring land, or that the Property has been or is being put to a contaminative use, this might reduce the values reported.

Equality Act

For valuation purposes we have assumed that no significant costs of a capital nature are required to comply with this legislation. Should this not be the case then we may wish to review the valuation opinion provided, upon receipt of a costed schedule of the required actions, provisions or works.

Fire

New UK Fire Regulations came into force on 1 October 2006. Full details can be found at www.opsi.gov.uk/si/si2005/20051541.html The business "occupier" of any commercial premises, as the "responsible person", now has a primary duty to carry out a Fire Risk Assessment, to act on its findings, to implement a fire safety policy and to train staff appropriately. We have not inspected the relevant fire safety policy documentation and we assume that solicitors will verify that the property/business is fully compliant with the findings of a competent Risk Assessment.

Planning

We have made website enquiries of the local planning authority and have relied upon the information given to us. In the event that more or differing information comes to light following a more detailed planning search then we reserve the right to amend our valuation accordingly. For Valuation purposes we have assumed that there are no outstanding planning issues, and no undue restrictions on the current/proposed business format.

Licensing

The provisions of the Licensing Act 2003 are now in force and appropriate new-style 'Premises' and 'Personal' Licences as issued by the Local Authority should be in place. Such Licences have been assumed to be in place for Valuation purposes. Unless otherwise stated, we have also assumed that there are no onerous conditions or undertakings that affect the licence(s).

Energy Performance Certificates/ Energy Act 2011

In England & Wales, from October 2008, the sale, letting and construction of all residential and commercial property requires the provision of an Energy Performance Certificate (EPC). On 18 October 2011 the Energy Bill became the Energy Act 2011. The Act includes a provision to ensure that from 1 April 2018 it will be unlawful to rent out business premises to new or renewing tenants that do not reach a minimum energy efficiency standard. In February 2015 the Government confirmed that this minimum rating will be E and the new rules will be extended to cover all leases by 1 April 2023.

With effect from 6 April 2012 an EPC has to be made available prior to marketing. The EPC rating may therefore have an effect on values where those properties with F and G ratings become less marketable if they require material levels of expenditure in order to upgrade to an acceptable rating.

The Energy Act also provides that from April 2016, private residential landlords will be unable to refuse a tenant's reasonable request for consent to energy efficiency improvements where a finance package, such as the Green Deal and/or the Energy Company Obligation (ECO), is available. The Act further provides powers to ensure that from 1 April 2018, it will be unlawful to rent out a residential property that does not reach a minimum energy efficiency standard of E and this will be extended to all leases in 2020.

Asbestos

Under the Control of Asbestos Regulations 2002 (as amended in 2006 and 2012) it is necessary for property owners/occupiers to undertake an inspection for asbestos in all non-domestic properties (to include common parts of shared residential dwellings). Following this exercise there are a number of requirements, including the need for an asbestos management plan to be drawn up and implemented. For valuation purposes we have assumed that no significant costs of a capital nature have/will be identified as part of this investigation process. Should this not be the case then we may wish to review the valuation opinion provided, upon receipt of a costed schedule of the required works.

Flooding

If we have indicated that the Property is located within an area that could be affected by flooding then an enquiry should be made of The Environment Agency to ascertain whether or not there is any history of flooding affecting the Property. For valuation purposes we have assumed that there is no such history and that full insurance cover in respect of flooding risk is available, without payment of an excessive premium.

Landslip / Subsidence

Unless otherwise stated, we are not aware of any evidence of subsidence, heave or landslip at or in the vicinity of the property and have assumed that no such problems exist and that, in any event full insurance cover would be available in respect of all associated risks. We confirm that we have not made any detailed investigations in this regard.

Radon

The National Radiological Protection Board, which merged with the Health Protection Agency on 1 April 2005, to form its new Radiation Protection Division, has identified the areas in which, in more than 1% of dwellings, the levels of radon gas entering the property are such that remedial action is recommended.

If we have indicated that the subject property is situated within such an area, we recommend the use of the relevant test and result service, which is available from the Health Protection Agency. We have provided our Report on the assumption that radon is not detectable at a level which would require remedial action.

Invasive Species and Japanese Knotweed

There are 36 non-native invasive species defined by The Wildlife and Countryside Act 1981, (amended in April 2010); section 14 of the act details the law relating to the introduction of new species and Schedule 9 lists those plants classified

as non-native invasive species. Many invasive plants are of limited importance in the context of value, while most are not commonly identifiable to those who are not experienced botanists.

The most deleterious non-native invasive species is Japanese Knotweed due to its destructive influence on built structures and the difficulty and cost of eradication. Due to the cost of eradication, attempts can be made by owners/vendors to disguise the presence of this plant by removal of surface vegetation and the covering of surfaces with ornamental materials or landscaping features; we have not undertaken an intrusive inspection in this regard. We recommend that enquiries are made of vendors/owners at the legal due diligence stage, when an undertaking should be sought that no infestation of Japanese Knotweed has been experienced at the property.

At the time of inspection, where non-native invasive species have been identified at the property or within the local area, we have detailed the nature of such infestation, its location and a recommended course of action. In the absence of any features which would clearly identify any invasive species our Report is provided on the assumption that no invasive species are present to a level which would require remedial action.

Basis of Value

The Royal Institution of Chartered Surveyors considers that the appropriate basis of value to be used for all valuations or appraisals undertaken for secured lending is 'Market Value'. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion". Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

Any special assumptions made in calculating the Market Value will be agreed with the Client in advance and referred to within the Report. Any other bases of valuation considered appropriate in individual instances will be detailed separately. The Royal Institution of Chartered Surveyors defines Market Rent as "the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Market Rent within our Report, unless otherwise stated, will be assessed upon the assumption that the property is fit for occupation, no premium is required and there are no tenant incentives. It will also assume a new, standard full repairing/insuring commercial lease, without onerous obligations or conditions, of at least a fifteen-year term and a rent review period of no longer than five years.

Estimate of Reinstatement Cost Assessment

If the Report includes an estimate of reinstatement cost assessment, this is an informal guide of the cost for insurance purposes of reinstating the property and is given without liability. A formal assessment for insurance purposes can only be given by a Quantity/Building Surveyor or other professional with sufficient current experience of such costs, following the preparation of a full bill of quantities. This is particularly relevant in the case of Architecturally Listed buildings and those properties situated within Conservation Areas, National Parks and the like or in cramped city centre or other unusual locations. The guide provided within our Report assumes:

- reinstating the property with an equivalent structure
- the use of modern materials and construction techniques
- the adherence to all current statutory requirements
- no allowance is made for inflation
- demolition and site clearance
- professional and statutory fees

However excludes VAT (including that payable on fees) and loss of rent and/or cost of alternative accommodation for the reinstatement period.

Appendix 2 – Additional Photographs

Units 16 and 17



Unit 1



Callico House



Units 22 and 22B



Unit 5



Unit 8, 9 and 7



Owned woodland



Woodland and boundary with Canal



Callico House and parking



Car park



Estate access road



Site plan



Appendix 3 – Tenancy Schedule

Tenant Name	Square Footage	Square Metrage	Price per sq.ft	Basic Rent	Service Charge	Building Insurance	Water Usage	Annual Rent (£)	Lease Start	Next Review Date	Comments
Avanti Conveyors Ltd	4340	403	£4.00	£17,360.00	£1,736.00	£2,170.00	£0.00	£21,266.00	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Avanti Conveyors Ltd	1800	167	£3.50	£6,300.00	£630.00	£900.00	£0.00	£7,830.00	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Avanti Conveyors Ltd	3250	302	£2.78	£9,049.92	£904.99	£1,131.00	£150.00	£11,235.91	01/02/2011	01/02/2022	1 year rolling lease with 3 months notice
Peak Bean	750	70	£3.50	£2,625.00	£262.50	£375.00	£0.00	£3,262.50	01/04/2015	01/04/2022	1 year rolling lease with 3 months notice
Avanti Conveyors Ltd	574	53	£6.00	£3,444.00	£344.40	£287.00	£0.00	£4,075.40	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Avanti Conveyors Ltd	3338	310	£4.50	£15,021.00	£1,502.10	£1,669.00	£0.00	£18,192.10	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Avanti Conveyors Ltd	380	33	£4.50	£1,620.00	£162.00	£180.00	£0.00	£1,962.00	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Raymond Reynolds Ltd	1367	127	£2.82	£3,845.00	£384.50	£662.50	£100.00	£5,012.00	01/10/2016	01/01/2025	3 year rolling lease with 3 months notice
Bespoke Packaging @ McCall's As	975	91	£5.01	£4,880.40	£488.04	£487.50	£0.00	£5,855.94	04/05/2021	01/05/2022	1 year rolling lease with 3 months notice
High Peak Industries	762	71	£4.00	£3,048.00	£304.80	£361.00	£0.00	£3,733.80	01/05/2020	01/05/2022	1 year rolling lease with 3 months notice
Chapel Body Repairs & Co	2140	199	£3.50	£7,490.00	£749.00	£1,070.00	£0.00	£9,309.00	01/05/2019	01/05/2022	3 year rolling lease with 3 months notice
Pyro Gen Ltd	3212	298	£4.33	£13,918.18	£1,391.82	£1,606.00	£0.00	£16,916.00	01/10/2018	01/10/2024	3 year rolling lease with 3 months notice
Pearwalk Engineering Ltd	2638	2445	£2.69	£7,080.91	£7,080.91	£13,159.00	£100.00	£91,008.00	01/10/2018	01/10/2028	10 year lease
Wakefield Fabrication Northwest Ltd	2380	210	£4.00	£9,040.00	£904.00	£1,130.00	£0.00	£11,074.00	01/10/2020	01/10/2022	1 year rolling lease with 3 months notice
Gzero Machining Services Ltd	2636	245	£4.50	£11,067.00	£1,106.70	£1,318.00	£0.00	£14,366.20	05/04/2019	03/04/2022	3 year rolling lease with 3 months notice
Avanti Conveyors Ltd	1452	135	£9.00	£13,068.00	£1,306.80	£726.00	£700.00	£15,800.80	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Avanti Conveyors Ltd	1307	121	£9.00	£11,763.00	£1,176.30	£635.52	£600.00	£14,174.82	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Avanti Conveyors Ltd	118	11	£10.00	£1,180.00	£118.00	£59.00	£100.00	£1,457.00	01/10/2020	01/10/2022	1 year rolling lease with 4 months notice
Centro Consulting Ltd	345	32	£7.50	£2,363.75	£236.38	£172.25	£100.00	£3,114.38	01/08/2015	01/08/2022	1 year rolling lease with 1 months notice
Centro Consulting Ltd	159	15	£7.50	£1,188.75	£118.88	£79.25	£60.00	£1,446.88	01/08/2015	01/08/2022	1 year rolling lease with 1 months notice
Centro Consulting Ltd	397	37	£7.50	£2,977.50	£297.75	£198.50	£100.00	£3,573.75	01/08/2015	01/08/2022	1 year rolling lease with 1 months notice
Jason Wakefield	725	67	£4.00	£2,900.00	£290.00	£362.50	£50.00	£3,602.50	01/09/2020	01/09/2022	1 year rolling lease with 1 months notice
Sam Olinski	2250	209	£0.68	£1,524.00	£152.40	£1,125.00	£0.00	£2,801.40	01/03/2017	01/03/2022	6 month rolling lease
Hippolistry - Catherine Morris	2380	210	£0.27	£610.20	£61.02	£1,130.00	£0.00	£1,801.22	04/08/2017	01/02/2022	3 month rolling lease 1 month notice
The Burton Pudding Company Ltd	2809	261	£4.00	£11,236.00	£1,123.60	£1,404.50	£0.00	£13,764.10	21/09/2020	31/03/2027	7 year rolling lease with 6 months notice
Terry Eaton - Garden Design & Care	245	23	£4.00	£980.00	£98.00	£122.50	£100.00	£1,300.50	01/11/2021	01/11/2022	1 year rolling lease with 3 months notice
Rebound retail Ltd	268	25	£3.25	£871.00	£87.10	£134.00	£100.00	£1,192.10	01/01/2021	01/01/2022	1 year rolling lease with 3 months notice
Terry Eaton - Garden Design & Care	521	48	£4.00	£2,084.00	£208.40	£260.50	£150.00	£2,702.88	01/11/2021	01/11/2022	1 year rolling lease with 3 months notice
Perma Retail Ltd	172	16	£4.00	£668.00	£66.80	£86.00	£100.00	£942.80	01/07/2020	01/07/2022	1 year rolling lease with 3 months notice
Spilotech Uk Ltd	232	22	£4.00	£928.00	£92.80	£116.00	£100.00	£1,236.80	01/10/2020	01/10/2022	1 year rolling lease with 3 months notice
Signs Made Here	214	20	£4.75	£1,016.50	£101.65	£107.00	£100.00	£1,325.15	01/11/2015	01/11/2022	1 year rolling lease with 3 months notice
Spilotech Uk Ltd	445	41	£4.00	£1,780.00	£178.00	£222.50	£200.00	£2,380.50	01/10/2020	01/10/2022	1 year rolling lease with 3 months notice
Signs Made Here	590	55	£4.75	£2,802.50	£280.25	£395.00	£300.00	£3,677.75	01/11/2015	01/11/2022	1 year rolling lease with 3 months notice
Spilotech Uk Ltd	165	15	£10.00	£1,650.00	£165.00	£82.50	£100.00	£1,997.50	01/10/2020	01/10/2022	1 year rolling lease with 3 months notice
PDSVISION Ltd	252	23	£9.39	£2,366.28	£236.63	£126.00	£100.00	£2,828.88	01/04/2021	01/04/2022	1 year rolling lease with 3 months notice
PDSVISION Ltd	252	23	£9.39	£2,366.28	£236.63	£126.00	£100.00	£2,828.88	01/04/2021	01/04/2022	1 year rolling lease with 3 months notice
Chris Teylor	254	24	£10.00	£2,540.00	£254.00	£127.00	£100.00	£3,021.00	01/02/2020	01/02/2022	1 year rolling lease with 3 months notice
Orange Wave	288	27	£7.82	£2,250.91	£225.09	£144.00	£0.00	£2,620.00	01/05/2020	01/05/2022	1 year rolling lease with 3 months notice
Content Capture Services Ltd	804	75	£7.50	£6,030.00	£603.00	£402.00	£300.00	£7,335.00	01/11/2015	01/11/2022	1 year rolling lease with 3 months notice
Roman Design Solutions	840	78	£10.00	£8,400.00	£840.00	£420.00	£300.00	£9,960.00	01/02/2020	01/02/2022	1 year rolling lease with 3 months notice
Solid Solutions	5380	498	£9.50	£45,360.00	£4,536.00	£2,950.00	£0.00	£53,866.00	01/03/2013	01/03/2022	3 year rolling lease with 6 months notice
Totals	76803	7135		£311,529.07	£31,152.91	£38,159.52	£4,210.00	£385,051.50			

Summary of Requirements

Background

You are instructed to provide a report and valuation of the Property for secured loan purposes in accordance with the RICS Valuation - Global Standards 2020 'the Red Book'.

The report is to be addressed to Proplend Security Limited (the "Security Trustee") in accordance with the terms set out in this instruction letter who will rely on the Valuation as Security Trustee.

The Professional Indemnity Insurance Policy must be in your own name effected and maintained with an insurer approved by the Royal Institution of Chartered Surveyors providing you with full cover against your potential liabilities under your report and valuation including without limitation claims for breach of instructions and claims for professional negligence.

You will not do anything which might invalidate any Professional indemnity insurance Policy or to prejudice our entitlement thereunder. You will on request provide us with evidence of the existence and renewal of the Professional Indemnity Insurance Policy, the name of the insurer and proof of payment of the premium.

We never lend on security of property where we are aware that the borrower or any related or connected person uses or intends to use the property as a dwelling. Please report to us who is in occupation of the property and let us know immediately if you believe or suspect that that the borrower or any related or connected person uses or intends to use the property as a dwelling.

Instruction

The report containing your valuation (Valuation Report) should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for the purposes described in this instruction letter by the parties named herein. Please ensure that the Valuation Report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your Valuation 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 and valuation must be undertaken and signed by a qualified valuer with a minimum 2 years PQE. A qualified valuer must be both a member of the Royal Institution of Chartered Surveyors, MRICS/FRICS and an RICS registered valuer. The Lender requires all residential and commercial valuation reports (excluding short form residential templates) are to be countersigned by a Chartered Surveyor, MRICS/FRICS and an RICS registered valuer with a minimum of 5 years PQE.

Content of 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 Valuation Report, and changes in market conditions that you are able to predict, and should include:

- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies;
- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days;
- Market Value of the Property assuming Vacant Possession;
- Estimated rental value for the subject Property(s);
- Estimated Reinstatement Cost for fire insurance purposes, including site clearance costs and professional fees;
- Executive Summary;
- Provide commentary on whether the Property is suitable for loan security purposes;
- Details of tenant(s), including passing rent, lease start/expiry/break dates and any non-recoverable costs etc. For commercial tenancies provide strength of covenant, service charge issues etc;
- Tenure and principle terms of lease for leasehold properties;
- Provide comparable sales and rental evidence to support your assumptions on values;
- Provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let;
- 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
- Valuation methodology including justification of value, calculations and residual appraisals on land with planning valuations;
- If the property is a development, we require information on build costs, comparison to BCIS indices and full commentary to support the build costs adopted within your valuation.
- Provide copies of relevant planning consents and documentation including approved drawings, Section 106 agreements etc and commentary thereon.
- Copy of the most recent Energy Performance Certificate
- Specific commentary concerning access right to the different areas of the Property.
- Purchase history of the Property during the last 10 years. If the Property is on the market, please confirm the selling agent.

- and include a copy of the sales particulars in the report.
- Lending risks both short and medium term
 - Residential element as a percentage of the land area.
 - For new builds / conversions (last 10 years), please comment on the completion date, whether NHBC or similar certification would be required, the number of properties in the development and any recent sales
 - Commentary on any invasive vegetation, contamination, and/or hazardous substances identified upon inspection
 - Any additional reports required on the Property i.e. Ground Investigation Structural Survey, Asbestos Report etc
 - Council tax band / Rateable Value
 - Disability Discrimination Act issues.

Please provide as appendices:

- Sufficient colour photographs of the street scene, exterior (front and rear) and interior of the Property.
- A general location map and a more detailed plan showing boundaries you have assumed for the Property.
- Land registry extract.

Report on Title

The Security Trustee requires that its acting Solicitors arrange to send you a copy of their Report on Title in respect of the Property and obtain your written confirmation that nothing in the report on title has any effect on the valuation report you have provided to the Security Trustee. Please respond to any such request by the acting Solicitors timely and without delay.

Method's Approved Terms and Conditions for the supply/receipt of instructions by Customers/Panel Members, between Customers and Panel Members (the Method Approved Terms and Conditions)

The following terms and conditions apply to the provision and receipt of valuation and/or MIS survey reporting services (and any related work) to the Customer by the Panel Member. These terms and conditions are issued to you to confirm the basis of your instruction for the supply and receipt of these Services.

These terms and conditions are in addition to the framework agreement between (1) Method and (2) the Customer (herein referred to as the Panel Management Agreement) and the framework agreement between (1) Method and (2) the Panel Member (herein referred to as the Panel Services Agreement).

Agreed Terms

1 Interpretation

The following definitions and rules of interpretation apply.

1.1 Definitions

Agreed Fee: means the agreed fee as referred to within the Letter of Instruction.

Applicable Laws: means the laws of England and Wales and any other laws or regulations, regulatory policies, guidelines or industry codes which apply to the activities of the parties under these terms and conditions including those issued by relevant regulatory bodies in the property sector.

Applicant: means any person to whom the Customer is considering making a Mortgage Advance based on the security of the Property Asset and/or Business to be valued.

Charges: means the agreed fee referred to within the Letter of Instruction.

Customer Group: means any holding company or companies of a Customer and any subsidiary or subsidiaries of that Customer or any such holding company, from time to time. Holding company and subsidiary shall be defined according to Section 1159 of the Companies Act 2006.

Customer Materials: all documents, information, items and materials in any form, whether owned by the Customer or a third party, which are provided by the Customer to the Panel Member in connection with the Services.

Customer: means any company that receives Services pursuant to the Letter of Instruction and has entered into a Panel Management Agreement with Method in respect of the Services.

Deliverables: means the reports which are prepared by the Panel Member for the Customer and any documents, products and materials provided by the Panel Member to Method and the Customer.

Instruction: means any communication by the Customer whether through Method or otherwise to prepare a report or perform Services as more specifically detailed in the letter of instruction (the Letter of Instruction) from the Customer to the Panel Member.

Method: means Method Valuation UK Limited (CRN: 08844335).

Method Approved Terms and Conditions: means these terms and conditions as may vary from time to time.

Mortgage Advance: means any advance made or proposed to be made by the Customer to an Applicant secured or to be secured over the Property Asset and/or Business to be valued.

Panel Management Agreement: means the framework agreement between Method and the Customer in relation to the procurement of software and supporting services provided by Method to the Customer.

Panel Member Materials: means any Panel Member confidential information, processes, methodologies, procedures, technologies, techniques, know-how, tools, templates, materials, software, including, without limitation, supplier licensed software and any third-party software, information, data and trade secrets developed or acquired by the Panel Member, or loaned to the Panel Member by a third party.

Panel Member: means any company that supplies Services pursuant to a Letter of Instruction and has entered into a Panel Services Agreement with Method in respect of the Services.

Panel Member's Deliverables: means the valuation reports or MIS reports which are prepared by the Panel Member for the Customer and any documents, products and materials provided by the Panel Member to the Customer in accordance with the Letter of Instruction and these Method Approved Terms and Conditions.

Panel Services Agreement: means the framework agreement between Method and the Panel Member in relation to the procurement of the Services to the Customer.

Personal Data: has the meaning given in applicable Data Protection Legislation from time to time.

Property Asset and/or Business: means the assets to be secured by the Mortgage Advance.

Services: means the provision of valuation and/or MIS services by the Panel Member of the Property Assets and/or Businesses pursuant to the Letter of Instruction.

1.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.3 The Schedules form part of this Agreement and the content of the Schedule or the documents referred to in the Schedule shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedule.

1.4 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.5 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular and a reference to one gender shall include a reference to the other genders.

1.6 This Agreement shall be binding on, and enforce to the benefit of, the parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.

1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.8 A reference to writing or written includes email.

1.9 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

1.10 Any words following the terms including includes, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2 Commencement and duration

The set terms and conditions shall commence on the issue of the instruction Letter and shall continue in force until or unless terminated in accordance with clause 3 below, or on the satisfactory completion of the instruction. These terms shall be deemed to be agreed on your submission of a report in response to this instruction.

3 Customer's obligations

3.1 The Customer shall:

3.1.1 co-operate with the Panel Member and Method as applicable in all matters relating to the Services;

3.1.2 appoint a manager for the Services, who has the authority to contractually bind the Customer on matters relating to the Services;

3.1.3 provide to the Panel Member in a timely manner all documents, information, items and materials in any form (whether owned by the Customer or third party) required under these terms and conditions or otherwise reasonably required by the Panel Member in connection with the Services and ensure that they are accurate and complete in all material respects; and

3.1.4 obtain and maintain all necessary licences and consents and comply with all relevant legislation as required to enable the Panel Member to provide the Services, including the use of all Customer Materials insofar as such licences, consents and legislation relate to the Customer's business, premises, staff and equipment, in all cases before the date on which the Services are to start.

3.2 If the Panel Member's performance of its obligations under these terms and conditions is prevented or delayed by any act or omission of the Customer, its agents,

sub-contractors, consultants or employees, then, without prejudice to any other right or remedy it may have, the Panel Member shall be allowed an extension of time to perform its obligations equal to the delay caused by the Customer.

4 Panel Member's responsibilities

4.1 The Panel Member shall provide the Services and deliver the Deliverables as instructed in accordance with these terms and conditions and:

4.1.1 The Letter of Instruction and Panel Services Agreement;

4.1.2 Good Industry Practice;

4.1.3 Applicable Law;

4.1.4 the rules, regulations and guidance of RICS and/or other Appropriate Professional Body applicable from time to time; and

4.1.5 such policies and procedures of the Customer as notified in writing by Method and/or the Customer as applicable from time to time.

4.2 The Panel Member shall be given instructions pursuant to the Letter of Instruction and shall submit reports via and in accordance with the electronic system as Method may specify from time to time. The Panel Member shall ensure that at all times it has the capability to receive and process instructions and reports using such system specified by Method.

4.3 The Panel Member shall:

4.3.1 co-operate with the Customer where required and act reasonably and in good faith in carrying out instructions and performing its obligations under the terms and conditions always in accordance with clause 4.1;

4.3.2 ensure that it provides and maintains at all times all equipment, systems and materials necessary for the proper performance of the Services, appropriately licensed for the purposes for which it is to be used and at all times in conformance with Applicable Law;

4.3.3 deliver the Services in compliance with these terms and conditions;

4.3.4 provide such advice and assistance as may be reasonably requested to enable the Customer to take the full benefit of the reports and Services. The Panel Member confirms that any such work is included in the Charges for the report and does not constitute additional work for which an additional fee would be chargeable;

4.3.5 supply an electronic copy of each report in the first instance, supplemented by additional hardcopies as required by Method and/or Customers as applicable; such additional hardcopies of such reports being supplied without any additional charge or fee; and

4.3.6 provide such assistance, support and information as reasonably requested by Method and/or the Customer as applicable, in relation to any investigations, questions or complaints arising from the provision of services (or any report) provided by the Panel Member, at no additional cost to the Customer.

5 Warranty and Representation

5.1 The Customer warrants and represents that it has full legal capacity and authority to enter into these terms and conditions and the Letter of Instruction to procure the Services and perform its obligations under and in accordance with these terms and conditions.

5.2 The Panel Member warrants and represents that:

5.2.1 it has full legal capacity and authority to enter into and to provide the Services in accordance with these terms and conditions and the Letter of Instruction;

5.2.2 it has and will maintain throughout the period of these terms and conditions remains in force all Licences, permissions, registrations and other rights, including those required under Applicable Law, necessary to enable it lawfully to provide the Services and to perform its obligations under and in accordance with these terms and conditions; and

5.2.3 the Services shall be performed with all reasonable skill and care by appropriately qualified, experienced and trained personnel devoting sufficient time to the proper performance of the Services and always in accordance with clause 4.

5.3 All conditions, warranties and other terms implied by statute, common law, course of dealing otherwise are excluded to the fullest extent permitted by law.

5.4 The Panel Member shall indemnify and hold the Customer harmless from all claims and all direct, indirect or consequential liabilities (including loss of profits, loss of business, depletion of goodwill and similar losses), costs, proceedings, damages and expenses (including legal and other professional fees and expenses) awarded against, or incurred or paid by, the Customer as a result of or in connection with any claim made against the Customer in respect of any liability, loss, damage, injury, cost or expense sustained by the Customer, Customer Group, Applicant or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relating to or arising from the provision of the Services as a consequence of a breach or negligent performance or failure or delay in performance of these terms and conditions by the Panel Member.

6 Charges and payment

6.1 In consideration of the provision of the Services by the Panel Member, Method on behalf of the Customer shall pay the Charges to the Panel Member in accordance with the Clause 6.

6.2 The Panel Member acknowledges that Method can receive the Charges from either the Applicant or the Customer. The Panel Member further acknowledges that Method is under no obligation to pay the Charges to the Panel Member until Method has received the Charges from the Applicant and/or the Customer.

6.3 Payment of the Charges due to the Panel Member shall be made by Method using Method's online system provided for such purposes within 30 Business Days of receipt of the Panel Member's invoice which shall be issued to Method upon completion of the instruction using Method's online system provided for such purposes.

6.4 The Panel Member shall notify Method in writing of the details of its bank account for payment of the Charges and any changes to the same shall be notified to Method in writing at least 30 days prior to such change becoming effective.

7 Intellectual property rights

7.1 Any information (including but not limited to valuation estimates and valuation reports provided as part of the Services) and any Intellectual Property Rights created by the Panel Member as a result of the provision of the Services shall vest in and are hereby assigned to the Customer. Notwithstanding any other provision of these terms and conditions it is acknowledged that the Panel Member shall be entitled to retain on an anonymised and aggregated basis the valuation estimates set out in the valuation reports for the purposes of maintaining a database of local property valuations for the purposes of providing the Services.

8 Data protection

8.1 The Customer and the Panel Member will comply with all applicable requirements of the Data Protection Legislation. This clause 8 is in addition to, and does not relieve, remove or replace, a party's obligations or rights under the Data Protection Legislation.

8.2 The Customer and the Panel Member warrant that each shall in connection with these terms and conditions:

8.2.1 comply with the Data Protection Act 2018 ("Act"), the UK GDPR and all applicable privacy laws and regulations in any relevant jurisdiction including (to the extent applicable) the General Data Protection Regulations (EU) 2016/679 ("GDPR"); and

8.2.2 not, by act or omission, put any other party in breach of the Act or any other applicable privacy laws and regulations in any relevant jurisdiction.

8.3 The Customer and the Panel Member acknowledge and agree that each of them and Method are Data Processors with respect to all Personal Data processed pursuant to these terms and conditions, the Letter of Instruction, the Panel Management Agreement and the Panel Services Agreement (in all cases capitalised terms used in this clause if not otherwise defined are as defined in the Act). Where Method provides instructions, the Customer and Panel Member acknowledge that Method is doing so as a Data Processor acting under the Customer's instructions, as Data Controller, and an instruction provided by Method in accordance with these terms and conditions shall constitute prior written approval from the Customer to the Panel Member to process Personal Data necessary to carry out such instruction.

8.4 Without prejudice to clause 8.3 to the extent that the Customer and Panel Member are required to process Personal Data on behalf of each other under these terms and conditions, they will:

8.4.1 process such Personal Data only to the extent strictly necessary for the purposes of performing these terms and conditions, and otherwise in accordance with the instructions, and/or the avoidance of doubt it will not disclose any such Personal Data to any third party, except on Method's express written instructions;

8.4.2 acquire no rights in Personal Data and on demand by Method will either return to Method or destroy and/or permanently delete in so far as practicable, from its information technology systems (at the option of Method) all copies of any such Personal Data in its possession and provide to Method a certificate signed by one of its authorised signatories confirming that it has done so;

8.4.3 put and at all times maintain in place appropriate technical and organisational measures against unauthorised or unlawful processing of Personal Data and, having regard to the nature and content of the Personal Data and the damage that may be caused by such unauthorised and unlawful processing, against accidental loss or destruction of or damage to such Personal Data, to ensure compliance by Method and the Panel Member with the seventh data protection principle set out in the Act;

8.4.4 promptly provide Method with such evidence as Method reasonably requests of the technical and organisational measures in place from time to time under Clause 8.4.3;

8.4.5 not transfer any Personal Data outside the UK, except with the prior written consent of Method and in accordance with any additional terms which Method imposes on such transfer, including a requirement to enter into the EU standard contractual clauses (SCCs) (where relevant) or the UK (GDPR) approved equivalent to the SCCs with the transferee. Where transfer is between UK and EEA, such transfer may be made in reliance upon mutual adequacy decisions for so long as they remain approved and in force;

8.4.6 immediately notify Method of any complaint, notice or communication which it receives, and which relates directly or indirectly to the processing of any Personal Data or to either party's compliance with the Act, and provide Method with full co-operation and assistance in relation to any such complaint, notice or communication;

8.4.7 assist Method in responding to any request from a data subject and in ensuring compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;

8.4.8 ensure that all personnel who have access to and/or process Personal Data are obligated to keep the Personal Data confidential; and

8.4.9 notify Method without undue delay on becoming aware of a Personal Data breach and provide Method with all requested assistance in respect of the same.

8.5 The Customer and the Panel Member will not use any Personal Data which either may obtain from Method under these terms and conditions (whether Personal Data to which Clause 8.4.3 applies or Personal Data in respect of which the Panel Member acts as Data Controller, as defined in the Act) for any purpose other than the provision of the Services unless and to the extent otherwise agreed in writing in advance by Method. For the avoidance of doubt, this restriction on use of Personal Data includes sending marketing materials or any other marketing communications of any sort and by any means to any member of Method's staff or to any other Data Subject of that Personal Data and the Customer and Panel Member will under no circumstances transfer any such Personal Data to any third party for use for marketing purposes. This Clause is without prejudice to the generality of Clause 8.3

8.6 The Customer and the Panel Member warrant that each has, and undertakes that it will continue to maintain, a valid, complete and up to date registration or notification to the Office of the Information Commissioner (or any successor) under the Act to process Personal Data under these terms and conditions.

8.7 Nothing in these terms and conditions shall limit any parties' liability for any breach of its obligations under clause 8 of these terms and conditions.

9 Confidentiality

9.1 in respect of information passing between the Customer and the Panel Member in relation to the performance and subject matter of these terms and conditions, the Panel Member and Customer will, in respect of any details of these terms and conditions, or any technical or commercial or valuation information related to the provision of the Services including all Personal Data, details of any Applicant or any Mortgage Advance or Development Loan, details that it receives or creates (the Recipient) from or on behalf of the other Party (the Discloser) or in the performance of or arising under these terms and conditions (Confidential Information):

9.1.1 use that Confidential Information only if and to the extent necessary for the purposes of performing its obligations and/or exercising its rights under these terms and conditions;

9.1.2 not disclose that Confidential Information to any person other than any person employed or engaged by it, its auditors and other professional advisers, or any person having a statutory or other legal right (other than a contractual right) to request and receive that information, including any court of competent jurisdiction or Regulator, provided that the Recipient informs the Discloser prior to such disclosure that it has been required to disclose it (if and to the extent that the Recipient is legally permitted to so inform the Discloser); and

9.1.3 otherwise protect and maintain the confidentiality of that Confidential Information.

9.2 Clause 9.1 will not apply to any information which:

9.2.1 is or becomes public knowledge other than as a result of a breach of this clause 9;

9.2.2 was rightfully in the Recipient's possession before its disclosure to the Recipient under or in connection with these terms and conditions;

9.2.3 following its disclosure to the Recipient under or in connection with these terms and conditions, is received by the Recipient from a third party who is not under an obligation of confidentiality in relation to that information;

9.2.4 is developed independently without access to, or use or knowledge of, the Confidential Information; or

9.2.5 is trivial or obvious.

9.3 Provided that clause 9.2 is not intended to exclude from the application of clause 9.1 any information generated by or on behalf of the Customer for the Panel Member under these terms and conditions (which for the avoidance of doubt will be kept confidential by the Customer in accordance with clause 9.1).

9.4 The Customer and Panel Member agree that damages may not be an adequate remedy for any breach of clause 9.1 and that the Discloser will be entitled to a court order to enforce compliance with this clause or to stop any breach of it, actual or threatened.

9.5 Notwithstanding clause 9.3 nothing in these terms and conditions shall limit the Customer's and Panel Member's liability for any breach of clause 9 of these terms and conditions.

10 Limitation of liability

10.1 Nothing in these terms and conditions limits any liability which cannot legally be limited, including liability for:

10.1.1 death or personal injury caused by negligence;

10.1.2 fraud or fraudulent misrepresentation; and

10.1.3 Breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (89s and quiet possession).

10.2 Subject to clauses 5.4, 8.7, 9.4, and 10.1:

10.2.1 the Customer and the Panel Member shall not be liable to each other whether in contract, tort, or for breach of statutory duty for any indirect or consequential loss arising under or in connection with these terms and conditions;

10.2.2 the Customer's total aggregate liability to the Panel Member in accordance with these terms and conditions and the Panel, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with these terms and conditions shall be limited to the total aggregate Charges paid by the Customer under these terms and conditions.

10.2.3 the Panel Member's total aggregate liability to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with these terms and conditions shall be limited to the aggregate market value and gross development value of all the Property Assets and/or Businesses that are reported by the Panel Member in its provision of the Services to the Customer and the Panel Member's total aggregate liability to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with each report provided as part of the Services shall be limited to the market value or gross development value as applicable of the Property Asset and/or Business that is the subject of such report as reported by the Panel Member.

10.3 The Customer and Panel Member further acknowledge that all potential liability with respect to any reports and the Services provided lies solely with the Panel Member who ultimately provides a report and the Services for the benefit of the Customer and both parties acknowledge and agree that Method is not a party to and has no liability to either party under or in connection with these terms and conditions.

11 Termination

11.1 Subject to clause 11.2 below, the supply and receipt of the Services shall expire upon payment of the Charges.

11.2 Without affecting any other right or remedy available to it, the Customer and the Panel Member may terminate these terms and conditions during the supply/receipt of the Services with immediate effect by giving written notice to each other if:

- 11.2.1 the other commits a material breach of any term of these terms and conditions (which shall include any failure to pay any of the Charges on the date when they are due) which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so;
- 11.2.2 the other repeatedly breaches any of these terms and conditions in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to these terms and conditions;
- 11.2.3 the other suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as if the words "it is proved to the satisfaction of the court" did not appear in sections 123(1)(a) or 123(2) of the Insolvency Act 1986;
- 11.2.4 the other commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors;
- 11.2.5 any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction in which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 11.2.3 to clause 11.2.4 (inclusive);
- 11.2.6 the other suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or
- 11.2.7 The Panel Management Agreement or Panel Services Agreement is terminated for whatever reason.

12 Consequences of termination

12.1 On termination or expiry of these terms and conditions:

- 12.1.1 The Customer shall on request return any of the Panel Member Materials received in the provision of the Services;
 - 12.1.2 the Panel Member shall on request return any of Customer Materials not used up in the provision of the Services; and
 - 12.1.3 the following clauses shall continue in force: clause 1 (Interpretation), clause 7 (Intellectual property rights), clause 9 (Confidentiality), clause 10 (Limitation of liability), clause 12 (Consequences of termination), clause 16 (Waiver), clause 18 (Severance), clause 20 (Conflict), clause 25 (Governing law) and clause 26 (Jurisdiction).
- 12.2 Termination or expiry of these terms and conditions shall not affect any rights, remedies, obligations or liabilities of the Customer that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of these terms and conditions which existed at or before the date of termination or expiry.

13 Force majeure

13.1 Force Majeure Event means any circumstance not within a party's reasonable control including, without limitation:

- 13.1.1 acts of God, flood, drought, earthquake or other natural disaster;
- 13.1.2 epidemic or pandemic;
- 13.1.3 terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- 13.1.4 nuclear, chemical or biological contamination or sonic boom;
- 13.1.5 any law or any action taken by a government or public authority, including imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;
- 13.1.6 collapse of buildings, fire, explosion or accident;
- 13.1.7 non-performance by suppliers or subcontractors (other than by companies in the same group as the party seeking to rely on this clause); and
- 13.1.8 interruption or failure of utility service.

13.2 Provided it has complied with clause 13.4, if the Customer and/or Panel Member is prevented, hindered or delayed in or from performing any of its obligations under these terms and conditions by a Force Majeure Event (Affected Party), the Affected Party shall not be in breach of these terms and conditions or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

13.3 The corresponding obligations of the Customer and/or Panel Member will be suspended, and the time for performance of such obligations extended, to the same extent as those of the Affected Party.

13.4 The Affected Party shall:

- 13.4.1 as soon as reasonably practicable after the start of the Force Majeure Event but no later than five days from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under these terms and conditions; and
 - 13.4.2 use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.
- 13.5 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than four weeks, the party not affected by the Force Majeure Event may terminate this Agreement by giving two weeks' written notice to the Affected Party.

14 Assignment and other dealings

14.1 The Customer and Panel Member shall not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any of its rights and obligations under these terms and conditions without the prior written consent of Method and/or the Customer or Panel Member.

15 Variation

15.1 These terms and conditions may be varied from time to time and it is the Customer's and Panel Member's obligation to ensure that they regularly check Method's website to ensure that they are aware of the most up to date version of these terms and conditions.

16 Waiver

16.1 A waiver of any right or remedy under these terms and conditions or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

16.2 A failure or delay by a party to exercise any right or remedy provided under these terms and conditions or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under these terms and conditions or by law shall prevent or restrict the further exercise of that or any other right or remedy.

16.3 A waiver of a right or remedy provided under these terms and conditions or by law in relation to one party, or taken or fails to take any action against that party, does not affect its rights in relation to any other party.

17 Rights and remedies

The rights and remedies provided under these terms and conditions are in addition to, and not exclusive of, any rights or remedies provided by law.

18 Severance

18.1 If any provision or part-provision of these terms and conditions is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of these terms and conditions.

18.2 If any provision or part-provision of these terms and conditions is deemed deleted under clause 18.1 the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

19 Entire Agreement

19.1 These terms and conditions and the documents referred to in it constitute the entire agreement between the parties and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

20 Conflict

20.1 If there is any conflict between these terms and conditions and the Letter of Instruction then the terms and conditions contained in the Letter of Instruction shall prevail so far as they relate to the Customer's instructions and these Methods Approved Terms and Conditions shall prevail so far as they relate to the obligations of each of the Customer and the Panel Member.

21 No partnership or agency

21.1 Nothing in these terms and conditions are intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

21.2 The Customer and the Panel Member each confirm it is acting on its own behalf and not for the benefit of any other person.

22 Third party rights

22.1 Except as expressly provided in these terms and conditions, a person who is not a party to it shall have no rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise rely upon or enforce any term within these terms and conditions save that:

22.1.1 Method shall be entitled to rely upon and enforce these terms and conditions or any provision which is expressed to be for the benefit of Method as if it were a Party to these terms and conditions but for the avoidance of doubt shall have no obligation to do so and Method shall have no obligations itself under these terms and conditions capable of being enforced by either the Customer, the Panel Member or any third party;

22.1.2 any Regulators of the Customer may enforce any audit rights expressed to be for their benefit; and

22.1.3 all obligations owed by the Customer to the Panel Member under these terms and conditions shall also be owed to and enforceable by any member of the Customer's Group and for those purposes references to the Customer shall be deemed to include any company in the Customer's Group.

22.2 Notwithstanding that these terms and conditions may be enforceable by a person who is not a party to it, these terms and conditions may be varied, modified or amended or terminated by agreement in writing between the parties without the consent of any such third party.

23 General

23.1 The relationship of the Panel Member to the Customer will be that of independent contractor and nothing in these terms and conditions shall render the Panel Member an employee, worker, agent or partner of the Customer and the Panel Member shall not hold itself out as such.

23.2 The Customer and the Panel Member acknowledge and agree that in entering into these terms and conditions it does not rely on any undertaking, promise, assurance, statement, representation, warranty or understanding (whether negligently or innocently made and whether in writing or not) of any person relating to the subject matter of these terms and conditions. The Customer and the Panel Member irrevocably and unconditionally waive all claims, rights and remedies which but for this clause it might otherwise have had in relation to any of the foregoing.

24 Notices

24.1 Any notice given to the Customer and/or Panel Member under or in connection with these terms and conditions shall be in writing and shall be:

24.1.1 delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or

24.1.2 sent by email to the Email address: admin@method-vm.co.uk

24.2 Any notice shall be deemed to have been received:

24.2.1 if delivered by hand, on signature of a delivery receipt;

24.2.2 if sent by pre-paid first-class post or other next working day delivery service at 9.00 am on the second Business Day after posting; and

24.2.3 if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this clause

24.2.3, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt.

24.3 This clause does not apply to the service of any proceedings or any documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

25 Governing law

25.1 These terms and conditions and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

26 Jurisdiction

26.1 The Customer irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these terms and conditions or its subject matter or formation.

Furness Vale Industrial Estate, Callico Lane, Furness Vale, High Peak, Derbyshire, SK23 7SW

 Rebecca MacLeod | BH
To: Method VM

[Reply](#) [Reply All](#) [Forward](#)  

Wed 05/01/2021 11:51

Dear Sir / Madam

We can confirm that we have received your instructions of 15th December 2021 in respect of the above property and can confirm that our valuation will be carried out in line with your standard terms and conditions.

Bradley Hall Limited have a Complaints' Procedure, which is available upon request. Bradley Hall Limited are registered members of the Royal Institution of Chartered Surveyors and may be subject to monitoring under the Institution's Conduct and Disciplinary Regulations.

Kind regards

Rebecca MacLeod
Office Administrator

t: 0181 327 1728
e: rebecca.macleod@bradleyhall.co.uk
www.bradleyhall.co.uk

