

September 2022

Valuation Report

Property:

Auto Turned Products Ltd,
1 North Portway Close,
Northampton,
Northamptonshire,
NN3 8RD

Prepared for:

Proplend Security Limited
15 Little Green,
Richmond, TW9 1QH

Customer:

Brian Bartaby

Your Reference:

21958

CONTENTS

Paragraph	Subject	Page
1.	Introduction	1
2.	Executive Summary	2
3.	Information Provided	4
4.	Location	4
5.	Description	7
6.	Accommodation	11
7.	Repair and Condition	11
8.	Services	12
9.	Site and Ground Conditions	13
10.	Energy and Environment	13
11.	Tenure and Title	14
12.	Tenancies	15
13.	Rating	15
14.	Town and Country Planning	15
15.	Property Taxation	16
16.	Market Commentary	16
17.	Comparables	18
18.	Valuation Considerations	19
19.	Methodology, Approach and Reasoning	20
20.	Valuation	21
21.	Security Considerations	22
22.	Reinstatement Cost Assessment	23
23.	Limitations on Liability and Publication	23

APPENDICES

- A Instructions / Confirmation letter
- B Terms of Engagement
- C Valuation Calculations

**Proplend Security Limited,
15 Little Green,
Richmond,
TW9 1QH**

For the attention of: Brian Bartaby

Your Reference: 21958

Customer: Jacqueline Edge

Property: Auto Turned Products Ltd, 1 North Portway Close, Northampton, NN3 8RD

We report as follows:

1.0 INTRODUCTION

- 1.1 We refer to your instructions dated 23 August 2022 requesting a Valuation Report in respect of the freehold interest in the above property. We enclose within Appendix A a copy of the instructions and within Appendix B a copy of our Terms of Engagement. Assumptions and any Special Assumptions are as per our Instructions and Terms of Engagement unless specifically amended or stated otherwise in the body this report.
- 1.2 This Report has been prepared for the purpose of assisting you in assessing the suitability of the property as security in the application for a loan.
- 1.3 This Report has been prepared in accordance with the Royal Institution of Chartered Surveyors (“RICS”) Valuation – Global Standards: (which incorporate the International Valuation Standards) Effective from 31st January 2022 and the RICS Valuation UK National Supplement effective from January 2019 (“the RICS Valuation Standards”).
- 1.4 Adam Rock BSc (Hons) FRICS IRRV (HONS) was responsible for the preparation of this report and confirms that he is an Independent Valuer in accordance with the RICS Valuation Standards. The Valuer also confirms that he is an RICS Registered Valuer and possesses sufficient skills, knowledge and understanding to undertake the valuation competently, objectively and without bias.
- 1.5 It is confirmed that we have no previous, current or anticipated involvement with the borrower, prospective borrower or the property to be valued, or with any other party known by us to be connected with the transaction for which lending is required.
- 1.6 The property was inspected on 30 August 2022 and for the avoidance of doubt we confirm that the date of valuation is 30 August 2022 (“the Valuation Date”). would draw your attention to the fact that values change over time and a valuation given on a particular date may not be valid on an earlier or later date.
- 1.7 We are not aware a transaction is proposed in connection with this valuation.

2.0 EXECUTIVE SUMMARY

LOCATION

The property is located on the Round Spinney Industrial Estate which is situated 5 miles north east of Northampton town centre. There is dual carriageway access to Junction 15, M1 (6 miles) via the A43. North bound, the A43 provides single carriageway access to the A14 (A1/M1 link) towards Kettering.

DESCRIPTION

The property is a large industrial building off steel portal frame construction under profile sheet, pitched roofs. The building consists of four main bays with single storey office block to the front.

ACCOMMODATION

Total GIA: 4,559.73 sq m (49,081 sq ft)

Total Site Area: 0.837 hectares (2.068 acres)

TOWN & COUNTRY PLANNING

Industrial B2 and B8

TENURE

We are advised that that the property is held Freehold and this has been assumed for the purposes of this report and valuation. Your solicitors should confirm this to be the case as this may have a significant effect on the values reported.

TENANCIES

We have not had sight of any tenancy documentation. We are advised by the bank that the rear two bays are let at a passing rent of £98,000 per annum. Furthermore we are advised by the bank that the remainder of the site is to be vacated by the owner occupier and leased to a third party at a provisional rent of £196,000 per annum.

MARKET RENT

£294,000
(Two Hundred and Ninety Four Thousand Pounds)
Per annum

MARKET VALUE – Subject to tenancies

£2,875,000
(Two Million Eight Hundred and Seventy Five Thousand Pounds)

MARKET VALUE – Vacant Possession

£2,425,000
(Two Million Four Hundred and Twenty Five
Thousand Pounds)

REINSTATEMENT COST

£4,875,000
(Four Million Eight Hundred and Seventy Five
Thousand Pounds)

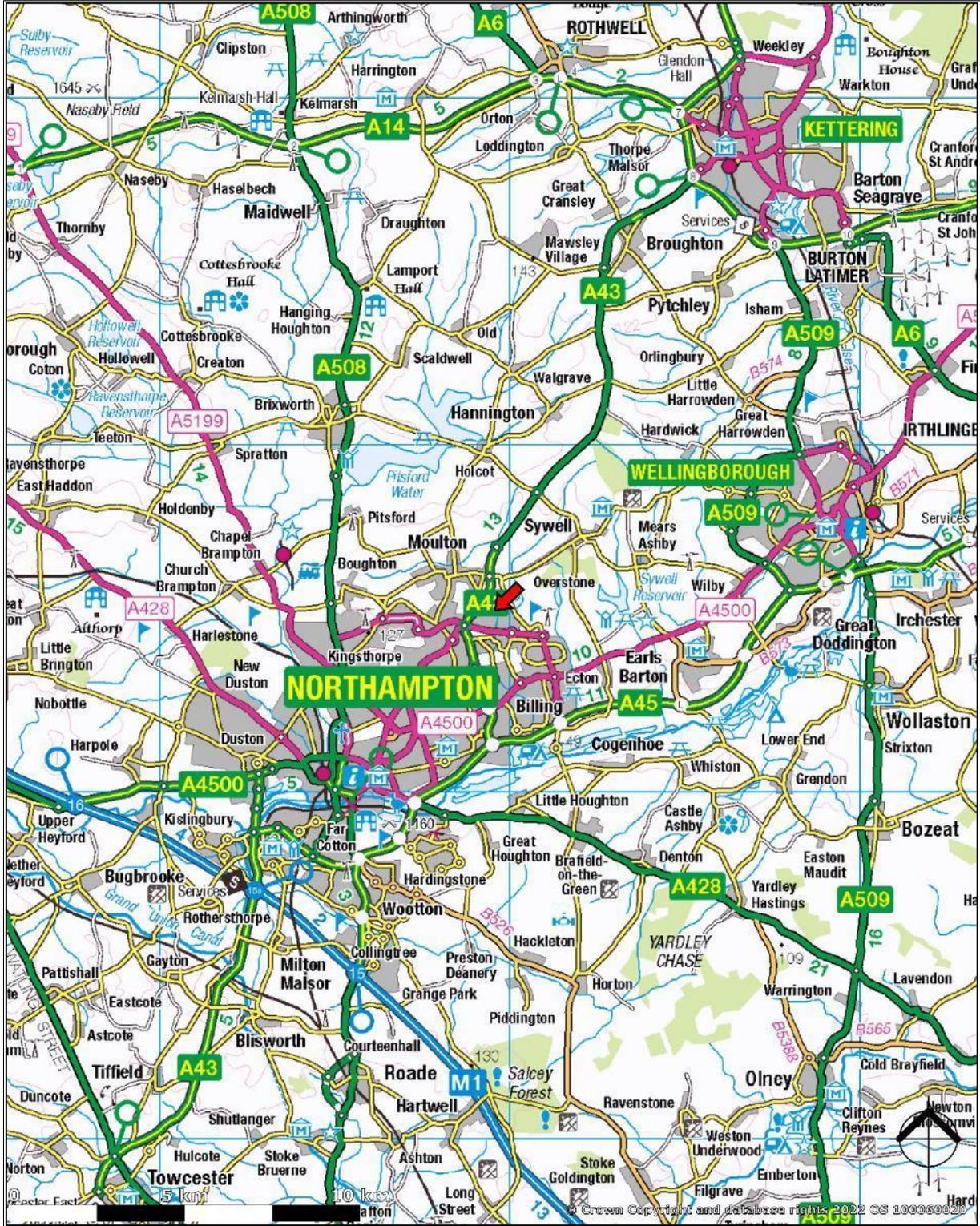
**IMPORTANT: This summary must not
be used or relied upon in isolation from
the whole of the accompanying report**

3.0 INFORMATION PROVIDED

3.1 The bank and the customer have not provided information upon which we have relied.

4.0 LOCATION

- 4.1 Northampton is a market town and civil parish in the East Midlands of England, on the River Nene, 60 miles (97 km) north-west of London and 50 miles (80 km) south-east of Birmingham.
- 4.2 The county town of Northamptonshire, Northampton is one of the largest towns in England and it had a population of 212,100 at the 2011 census.
- 4.3 Northampton is one of the most important industrial markets in the UK, sitting within the 'Golden Triangle' and at the heart of the country's motorway network.
- 4.4 Northampton is served by junctions 15, 15a and 16 of the M1 motorway which connects the town with London at its most southern point and Leeds at its most northern. Both the A45 and A43 link Northampton with the other major towns in Northamptonshire and beyond and can be accessed by a partially completed ring road.
- 4.5 The A14 is close by to the north of Northampton, providing links to East Anglia and a secondary route to the areas of the Midlands which are situated to the north of the town.
- 4.6 Northampton railway station is on the Northampton Loop of the West Coast Main Line and has services southbound to London Euston and northbound to Birmingham and Crewe provided by West Midlands Trains. Avanti West Coast also provide two daily services to London.
- 4.7 The property is situated within the Round Spinney Industrial estate which is a well-established estate approximately 5 miles to the north of the town centre.
- 4.8 We enclose a plan showing the location of the property and a site plan showing our understanding of the freehold boundaries edged with a red verge. We have not seen a Title Plan and for the purposes of this valuation we have assumed that our boundaries are correct.



Property:
Lender:
Date:

Auto Turned Products Ltd, 1 North Portway Close, Northampton, NN3 8RD
Proplend Security Limited,
September 2022



5.0 DESCRIPTION

- 5.1 The property is a large industrial building off steel portal frame construction under profile sheet, pitched roofs.
- 5.2 The building consists of four main bays with single storey office block to the front.
- 5.3 The offices span the full frontage and provide a main reception room, a mix of open plan and private offices, conference room, kitchen/canteen and toilet facilities. In addition there is a first aid room.
- 5.4 The office predominantly have carpet covered floors, painted plastered walls and suspended acoustic tiled ceilings with inset fluorescent box lighting.
- 5.5 Beyond the offices are two parallel bays that are inter linked. These are currently the main production areas on the site and thus accommodate rows of machinery and tools.
- 5.6 To the rear of the main areas is a further two bays. These are tenanted and are used for storage by the tenant. These bays are accessible via the side yard area leading to a rear passageway suitable for loading and unloading.
- 5.7 There are five roller shutter doors in place all having a similar width from approximately 3.12m and working access height of from 3.80m.
- 5.8 The minimum working height within the bays is approximately 4.70m.
- 5.9 Within the main bays are some site offices , facilities and a works canteen. Above this area is a mezzanine suitable for additional storage.
- 5.10 Within the rear bay there is an integral office block providing works offices/stores.
- 5.11 To the front of the property is a parking area which can accommodate approximately 28 vehicles with 4 electric vehicle charging points.
- 5.12 To the side of the main buildings is a hard surfaced yard and partial canopy over the main loading areas.
- 5.13 Photographs of the main elevations of the subject property are set out below.

PHOTOGRAPHS



Frontage



Side yard, access and canopy



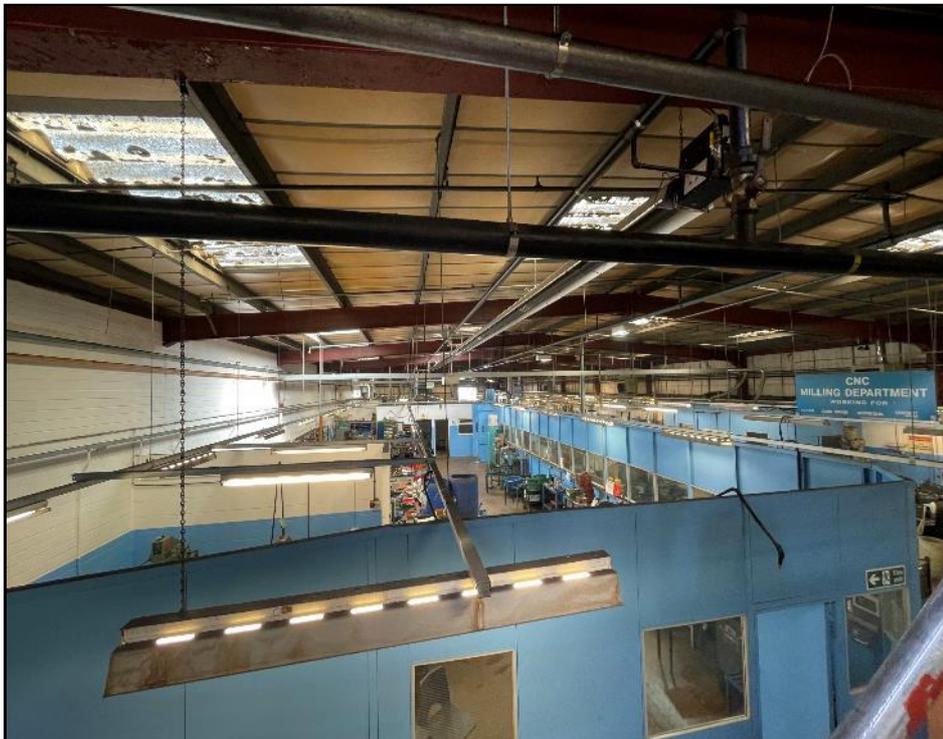
Reception



Example office



Warehouse



Warehouse

6.0 ACCOMMODATION

6.1 From measurements taken on site, we calculate the property provides the following approximate accommodation. Areas have been assessed in accordance with the RICS Professional Statement: Property Measurement 2nd Edition (January 2018) and the RICS Code of Measuring Practice (6th Edition):

<u>Floor / area:</u>	<u>m²</u>	<u>ft²</u>
Offices	385.20	4146
Bay 1	1192.25	12833
Mezzanine	88.87	957
Bay 2	1232.14	13263
Mezzanine	73.10	787
Bay 3	670.88	7221
	00	
Bay 4	826.04	8892
Mezzanine	91.25	982
Total Gross Internal Area:	4,559.73 m²	49,081 ft²

6.2 The RICS is keen to see standardisation of property measurement on a global basis, which may have benefits in some markets. With that aim it encourages use of International Property Measurement Standards floorspace definitions, which are different to the definitions set out in the Code of Measuring Practice employed above. It is our experience that IPMS definitions are not used in the market appropriate to the subject property. We have not, therefore, calculated or reported IPMS floor areas.

6.3 Using digital mapping we calculate a total site area of 0.837 hectares (2.068 acres) or thereabouts.

7.0 REPAIR AND CONDITION

7.1 We have not carried out a building or structural survey as this was beyond the scope of our instructions and neither have we inspected areas of the property which are covered, unexposed or inaccessible. No warranty can be given therefore, as to the structural condition of any building, neither can it be reported as being free from rot, infestation or any other defect.

7.2 We have not tested any of the drains or other services, and for the purpose of this valuation we have assumed that they are all operating satisfactorily and no allowances have been made for replacement or repair.

7.3 No tests have been carried out to establish whether high alumina cement products, calcium chloride, asbestos or wood wool slabs used or other deleterious materials have been used in the construction, modification or extension of the premises. Our valuation is on the assumption that the buildings do not incorporate these or similar products and are free from infestation.

- 7.4 The associated costs of maintaining, repairing or altering a building where there are asbestos-containing materials can be significantly higher than in the absence of those materials because of the need for specialist contractors and precautions that are necessary under the Control of Asbestos Regulations 2006 and this can impact on the value of a property. We have assumed for the purposes of this report that, unless indicated otherwise, there would not be evidence of asbestos or deleterious materials in the building in circumstances where it is likely to adversely affect health or safety. We recommend that confirmation is sought as to the existence of an asbestos survey, or in the absence thereof that one be obtained with a management plan implemented, where appropriate.
- 7.5 Due note has been made of the various forms of construction and apparent state of repair of the property and which have been reflected in our valuation figure.
- 7.6 It is assumed that normal periodic maintenance will be carried out to maintain the property in a state of repair fit for its present use.
- 7.7 In our opinion the property has a remaining economic life in excess of 25 years assuming regular and ongoing maintenance and repair.
- 7.8 The property appeared to be in a reasonable condition commensurate with its age, use and construction.
- 7.9 This valuation does not take into account the rights or liabilities of the occupiers under the Defective Premises Act, the Office Shops and Railway Premises Act or the Health and Safety at Work Act. We have assumed that the premises comply with all Statutory and Local Authority requirements. Under The Regulatory Reform (Fire Safety) Order 2005, fire certificates are no longer issued and have been superseded by 'Risk Assessments' by a 'Responsible Person' as defined in the Order. We have not seen any such 'Risk Assessment' in relation to the property and have assumed for the purposes of this report it does comply with the associated regulations.
- 7.10 The Equality Act 2010 has replaced all previous equality legislation such as the Race Relations Act, Disability Discrimination Act and Sex Discrimination Act. Whilst not experts in this field with particular regard to the subject property, its use and access by people with varying disabilities we consider that the property appears to comply with the above Act and we thus make no provision within our valuation calculation for non-compliance.

8.0 SERVICES

- 8.1 We understand that the premises have the benefit of mains water, electricity, drainage and gas. However, no tests or checks have been carried out with regard to these services and it has been assumed, therefore, that they are free from defect and would satisfy the requirements of any appropriate statutory bodies.
- 8.2 We have assumed that the capacity of the services is adequate for the future use of the property but have been unable to verify that this is the case.

9.0 SITE AND GROUND CONDITIONS

- 9.1 We have not carried out or commissioned a site investigation, geotechnical or geophysical survey and we can give no assurance of the ground's load bearing strength to support either existing structures or any other structure which may be erected in the future. We have assumed that any development or future extensions on the site can be carried out using conventional foundations and at no unusual or extraordinary costs.

10.0 ENERGY AND ENVIRONMENTAL

- 10.1 By virtue of The Energy Act 2011 and associated Minimum Energy Efficiency Standards ("MEES"), from 1st April 2018, it will not be possible to let commercial (or residential) properties below a minimum energy rating in England and Wales of E, unless one of a small number of exceptional criteria is met (e.g., Listed buildings or buildings less than fifty m²). Notably, the same restriction will apply to continuing lettings from 1st April 2020 and 2023 for residential and commercial property, respectively.
- 10.2 The government have indicated that they may revise the minimum energy rating to Band C from 2028, although this is yet to be confirmed.
- 10.3 We confirm that the Government website (www.ndepcregister.com or www.epcregister.com) indicates the property has an "C" Energy Performance rating under reference 0277-8985-9029-6753-8375 which is valid until 23 August 2032. Although re-assessment can sometimes produce a different rating the current assessment means the property is free from the letting restrictions imposed by the MEES regulations.
- 10.4 We are not aware of the contents of any Environmental Audit 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. In undertaking our work we have assumed that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses, either of the property or on any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites and have therefore assumed that none exist.
- 10.5 However, should it be established subsequently that contamination, seepage or pollution exist at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, we reserve the right to amend the values reported and confirm that this situation would probably result in the values reported being reduced and may affect suitability as loan security
- 10.6 Non-native invasive plant species can pose a threat to properties and one of the most damaging is Japanese Knotweed (*Fallopia Japonica*). The Environmental Protection Act 1990 classifies it, including soil containing its rhizomes as controlled waste and must be disposed of safely at a licensed landfill site, if removed from the site of origin. Landowners can be prosecuted for failing to manage and dispose of it responsibly or sued for costs and damages if they fail to prevent it from spreading to a neighbouring property. Whilst it is emphasised we are not botanical experts, from our inspection of the property, we can confirm that we did not observe the presence or see any other signs suggesting the presence of Japanese Knotweed within the accessible and visible parts of the site during the course of our inspection.

- 10.7 The principle sources of flood risk to properties generally comes from water courses such as rivers and the sea or pluvial flooding associated with heavy rainfall due to inadequate drain and sewer facilities combined with increased development. In relation to the risk from rivers, the sea and surface water, our enquiries of the Environment Agency website (www.gov.uk/check-long-term-flood-risk) have confirmed the property is situated within an area categorised as very low risk for flooding from rivers and sea, medium risk for flooding from surface water.
- 10.8 The risk from rivers and sea are categorised as 'Very Low Risk'. This means that each year this area has a chance of flooding of less than 0.1%. This takes into account the effect of any flood defences in the area. These defences reduce but do not completely stop the chance of flooding as they can be overtopped or fail.
- 10.9 The risk from surface water is categorised as 'Medium Risk'. This means that each year this area has a chance of flooding of between 1% and 3.3%. Flooding from surface water is difficult to predict as rainfall location and volume are difficult to forecast. In addition, local features can greatly affect the chance and severity of flooding.
- 10.10 In the absence of any information to the contrary having been disclosed to us and for the purposes of this report we have assumed that the property has not been and is unlikely to be affected by pluvial flooding. We have also assumed for the purposes of this report that the property is capable of being the subject of full insurance without significant additional premium to cover flood risks and we have, therefore, not made any adjustment to our valuation in respect of flood risk issues.
- 10.11 We have checked on the Health Protection Agency "Radon in Homes in England & Wales: 2016 Data Review" and can advise that the Postcode District NN3 has a total of 30,000 dwellings of which 12,300 were checked and with 470 of those having a reading above the accepted level of 200 becquerels per cubic metre. The average geometric reading was 31 becquerels per cubic metre although the highest was 1,900 becquerels per cubic metre. We consider it to be highly unlikely that there would be a radon issue at the premises and have assumed this to be the case for the purposes of this report.

11.0 TENURE AND TITLE

- 11.1 We are informed that the premises are freehold but we have not seen documents relating to Title and have assumed, therefore, that it is free from any unusual or onerous covenants or restrictions, encumbrances or outgoings which would materially affect value.
- 11.2 We understand and have assumed that the principal roads serving the premises are adopted and maintainable at public expense and that unrestricted access is available to and from the property from the adjoining public highway.
- 11.3 No investigations as to the rights of public utilities over any parts of the property have been carried out and we have assumed that any such right would not impose any undue restrictions or constraints and therefore materially affect value.
- 11.4 We would recommend that your legal advisers are instructed to verify the above information.

12.0 TENANCIES

- 12.1 We have not had sight of any tenancy documentation. We are advised by the bank that the rear two bays are let at a passing rent of £98,000 per annum.
- 12.2 Furthermore we are advised by the bank that the remainder of the site is to be vacated by the owner occupier and leased to a third party at a provisional rent of £196,000 per annum.
- 12.3 We do not know the who the existing or incoming tenant are or the terms of the tenancy agreements.

13.0 RATING

- 13.1 Online enquiries made to the Valuation Office Agency indicate that the premises are assessed for non-domestic rating purposes in the current rating list (2022/2023) as follows:

Premises	Description	Rateable Value
1 North Portway Close, Northampton, NN3 8RD	Factory and Premises	£103,000

- 13.2 The uniform business rate for 2022/23 is 51.2 pence in the pound but for “small” properties with an RV of less than £51,000 the small business rate multiplier of 49.9 pence is applicable. Also, hereditaments with an assessment of £12,000 or less benefit from 100% relief.
- 13.3 We have not investigated whether the property is subject to any transitional relief or phasing and are unable to comment in that respect.

14.0 TOWN AND COUNTRY PLANNING

- 14.1 We have made online enquiries of West Northamptonshire Council, the Local Planning Authority, as detailed below but in general terms have presumed that all buildings, structures and operations currently existing within the various curtilages have the benefit of formal planning permission, building regulation and other required approvals and are, therefore, immune from any form of enforcement or action for termination by the respective authorities.
- 14.2 It should be noted that no formal Search has been instigated and we recommend that verification be obtained from your legal advisers that the position is correctly stated in our report.
- 14.3 In the absence of information to the contrary and so far as it is material to value, we have assumed that planning permissions are of a perpetual nature for the benefit of the premises.

14.4 Following enquiries made of the Planning Authority we summarise the following pertinent planning decisions:

App. Ref	Details	Decision	Date
N/1998/303	Side and rear extension, single storey, to existing production unit	Approved	24 June 1998
N/1993/861	Change of use to allow the property to be used for b2 industrial purposes.	Approved	22 December 1993
N/1987/745	Erection of 3 no. flagpoles in concrete base	Approved	16 September 21987
N/1986/5048	The erection of an illuminated fascia sign	Approved	26 June 1986

14.5 The property is not Listed and does not fall within a Conservation Area.

15.0 PROPERTY TAXATION

15.1 We are not aware as to the property's VAT registration status. Accordingly, we have assumed that either the Landlord has not elected to Waive Exemption status or that if he has it has no adverse effect on rental or capital value.

15.2 We are not aware of whether or not there are any capital allowances that might transfer with the property. Such capital allowances are dependent upon the tax position of an individual purchaser and it is not feasible to make reliable enquiries in this regard. Accordingly, we have assumed that no allowances would be available and have not adjusted our valuation. It should be noted, however, that should a purchaser be able to use significant capital allowances, this might enable him to improve his bid for the property, which could result in increasing the purchase price above our valuation.

16.0 MARKET COMMENTARY

National Commercial Outlook

16.1 The Q2 2022 RICS UK Commercial Property Survey results signal a more cautious tone now coming through in the feedback from respondents, with a weakening outlook across the broader economy anticipated to weigh on the market going forward.

16.2 Furthermore, following the series of interest rate hikes sanctioned by the Bank of England in recent months, a net balance of -42% of respondents cited a deterioration in credit conditions in Q2. This appears to have dampened momentum behind investor activity in particular, with headline capital value projections turning flat on the back of this.

- 16.3 In terms of occupier market, an aggregate net balance of +17% of respondents reported an increase in tenant demand during Q2. That said, this is down from a figure of +32% beforehand, with the sector breakdown showing occupier enquiries fell for retail space and only grew modestly for offices. By way of contrast, feedback remains comfortably positive regarding tenant demand in the industrial sector, even if the latest net balance of +49% is the least elevated figure since Q4 2020.
- 16.4 With respect to availability, both the office and retail sectors continue to see a rise in vacant leasable space, returning net balances of +22% and +27% respectively. As such, in both cases, this is prompting landlords to further increase the value of incentive packages on offer to tenants according to survey participants. At the other end of the scale, supply continues to tighten across the industrial market, with the latest net balance of -35% signalling an extended run in which the availability of stock has continued to shrink.
- 16.5 At the headline level, near-term rental growth expectations now sit in modestly positive territory, having eased somewhat compared to Q1 (net balance +14% vs +19%). On a twelve month view, both prime and secondary industrial rents are still seen rising, albeit expectations are not quite as buoyant as was the case back in Q1. Alongside this, prime office rents are envisaged picking up by a net balance of +32% of contributors (+42% back in Q1), although expectations slipped deeper into negative territory for secondary office rents (posting a net balance of -26% in comparison to -9% previously).
- 16.6 At the same time, respondents envisage prime and secondary retail rents coming under pressure over the year to come, returning respective net balances of -22% and -43%. Moreover, this general direction of travel expected for rents at the sector level is replicated across all broad regions of the country.
- 16.7 Looking at trends on the investment side of the market, the headline net balance for investment enquiries eased to +12% following a much stronger reading of +32% last quarter. Although still slightly positive, this latest figure marks the softest reading posted since the Q1 2021. Beneath the headline figure, a solid pick-up in demand across the office sector seen last quarter lost momentum, evidenced by the latest net balance slipping to -1% from +23% previously.
- 16.8 Likewise, the investment enquiries indicator fell back into negative territory across the retail sector, posting a net balance of -13% (down from +3% in Q1). While demand conditions remain more resilient for industrials, the latest net balance of +42% of respondents reporting a rise in buyer enquiries is the least elevated reading since Q3 2020.
- 16.9 Lastly, a noteworthy shift in sentiment can be seen in the feedback around the current stage of the property cycle. Whereas 53% of contributors felt the market was in the early to middle stages of an upturn last quarter, this share fell to just 22% in Q2. Instead, 43% of respondents now sense the market is entering the early stages of a downturn. Significantly, this picture is mirrored across all regions/countries of the UK, with the 'early downturn' option becoming the most widely selected answer across all areas during Q2.

17.0 COMPARABLES

17.1 In addition to our wider market experience and expertise, the following pieces of comparable evidence have been taken into consideration:

Rental Value Evidence and Analysis

- **Units 1-9 - Grafton Trade Park, Quorn Way, Northampton, NN1 2PN**
Let in April 2022 at a rent devaluing to £7.02 per sq ft is this 5,552 sq ft unit. The property comprises a terrace of industrial units of steel construction with brick cladding, providing accommodation over two floors with some units having mezzanine accommodation.
- **Westgate Industrial Estate, 12 Gambrel Road, Northampton, NN5 5BB**
Let in July 2022 at a rent devaluing to £8.59 per sq ft. The property comprises a 30,280 sq ft building of steel portal frame construction set over a ground and partial first floor. Industrial accommodation is provided with ancillary office space in addition to a cold storage area.
- **Units 1-4 - Round Spinney Industrial Estate, Gatelodge Close, Northampton, NN3 8RJ**
Let agreed in December 2021 at £6.53 per sq ft. Thus 5,358 sq ft industrial/warehouse building is of steel portal frame construction with brick and blockwork elevations surmounted by profile steel cladding to eaves with a pitched roof which has been lined internally and incorporates translucent roof panels. Two floor office/ancillary accommodation is provided to the front of the property. The property was constructed in 1978.
- **Units 3-4 - Sovereign Court, South Portway Close, Northampton, NN3 8RH**
Let in April 2022 at £7.75 per sq ft. The 10,354 sq ft property comprises two adjoining industrial/warehouse units of steel portal frame construction with brick and profiled sheet clad elevations.
- **10 North Portway Close, Northampton, NN3 8RQ**
Let agreed in January 2021 at £5.87 per sq ft. This property comprises a building of steel construction arranged over 2 floors offering 10,218 sq ft accommodation within.
- **Round Spinney Industrial Estate, 7-8 Edgemoor Close, Northampton, NN3 8RG**
Let in May 2022 at £6.50 per sq ft. The 5,392 sq ft property comprises a pair of warehouse/production units together with office space under a pitched asbestos roof within a shared secure gated yard complex.

Capital Value Evidence and Analysis

- **Moulton Park Industrial Estate Pond Wood Close, Northampton, NN3 6RT**
Sold in September 2021 at £990,000 equating to £49.37 per sq ft and a net initial yield of 7.97%. Kensons Holdings has sold the freehold interest in Unit 7 to an undisclosed buyer for £990,000 as an investment sale. The property asking price was £1,000,000.

- **Leo House - Weedon Road Industrial Estate, Ross Rd, Northampton, NN5 5AX**
 Sold in September 2021 at £3.2m equating to £65.68 per sq ft and a net initial yield of 8.00%. A private investor has purchased the freehold interest of Leo House in Weedon Road Industrial Estate, comprising of 48,719 sq ft industrial space from a private vendor for £3,200,000. The property is currently tenanted to Dynamic Office Seating with a current passing rent of £272,500 per annum. The property comprises an industrial building of steel frame construction with a combination of cavity brick/blockwork and steel cladding to elevations, beneath a pitched corrugated asbestos roof incorporating translucent roof lights. To the front of the main production area is an office block arranged over two floors.
- **Lodge Way, Northampton, NN5 7SL**
 Sold in September 2021 at £1.65m equating to £117.17 per sq ft and a net initial yield of 7.18%. The property extends to some 14,009 sq ft and The property is located at Lodge Farm Industrial Estate is located 3.50 miles from J15 and 5 miles from J16 of the M1 motorway.
- **49 Caswell Road, Northampton, NN4 7PW**
 Sold in December 2021 at £5.6m equating to £245.80 per sq ft and suggests a net initial yield of 5.70%. The property extends to some 22,783 sq ft and Urban Logistics REIT plc have purchased the investment.
- **BAE Systems, 8-10 Burcote Road, Towcester, NN12 6TF**
 Sold in August 2021 at £3.3m equating to £62.43 per sq ft and a net initial yield of 8.80%. This 52,540 sq ft unit comprises a detached research and development facility built in approximately 1930, being of a brick construction pitched in four bays, incorporating two storey offices. The property is situated within a predominately residential district, benefitting from extensive linear frontage to Burcote Road, at its junction with Saxon Way and within 5 minutes drive time of the A5 and Town Centre.
- **65-79 Bunting Rd, Northampton, NN2 6EE**
 Sold in August 2021 at £145,000 equating to £159.87 per sq ft and a net initial yield of 8.28%. This 18,003 sq ft unit comprises terraced industrial/warehouse units of steel portal frame construction with brick and blockwork elevations surmounted by profile steel cladding to eaves. Above there is a pitched corrugated asbestos clad roof which has been lined internally and incorporates translucent roof panels.
- **Tungsten Park, Bilton Way, Lutterworth, LE17 4JA**
 Sold in March 2022 at £842,000 is this 15,000 sq ft unit. The sale price devalues to £168.40 per sq ft and a net initial yield of 8.42%. The property is of steel construction and comprises a single storey of industrial/ warehouse space.

18.0 VALUATION CONSIDERATIONS

- 18.1 We are advised that that the property is held Freehold and this has been assumed for the purposes of this report and valuation. Your solicitors should confirm this to be the case as this may have a significant effect on the values reported.
- 18.2 The property is situated with in a well-established industrial estate sitting within the 'Golden Triangle' and at the heart of the country's motorway network.

- 18.3 The property is a large building at almost 50,000 sq ft havening the flexibility to be let as a whole or sub-divided for multiple tenancies at relative ease.

Rents, Tenants and Leases

- 18.4 We have not had sight of any tenancy documentation. We are advised by the bank that the rear two bays are let at a passing rent of £98,000 per annum. This devalues to approximately £5.73 per sq ft overall.
- 18.5 Furthermore we are advised by the bank that the remainder of the site is to be vacated by the owner occupier and leased to a third party at a provisional rent of £196,000 per annum. This would devalue to £6.13 per sq ft overall. We are advised that there is to be a 12 month rent free period.
- 18.6 We do not know the who the existing or incoming tenant are or the terms of the tenancy agreements. We are unable to provide credit details on the occupiers.

19.0 METHODOLOGY, APPROACH & REASONING

- 19.1 In arriving at our opinion of Market Value we have had regard to the use, location, tenancy, tenure, size, specification and configuration of the subject property, the above comparable evidence and agent sentiment as well as the prevalent market conditions as at the valuation date.
- 19.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable sales to owner occupiers, investment and rental transactions within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.
- 19.3 The Investment method can be applied to determine the market value of a freehold or leasehold interest in a property from its potential to generate future income. It is typically used for the main forms of properties where a tenant is providing the landlord with an investment return on the capital cost (purchasing the building). This method involves reflecting risk, return and expectations of growth through the use of a yield obtained through comparable transactions.
- 19.4 The rental value has been assessed on the basis of Market Rent, assuming a new lease(s) is drawn on standard, effective full repairing and insuring terms for a term of 5 years.
- 19.5 The passing rent for the rear bays at £5.73 per sq ft and the proposed rent of the remainder of the site that would devalue to £6.13 per sq ft appear to be in line with the market evidence obtained at the time of writing this report. As such we have adopted these rents as our opinion of market rent.
- 19.6 The total rent would be £294,000 per annum.
- 19.7 Capitalising this at 8.50% after reflecting an initial void of 16 month void would suggest a market value of £2,875,000 after deducting purchasers costs of 6.43% (£185,028).
- 17.0 With regard to vacant possession, we have assumed a similar methodology although increase the initial void period to 24 months and adopted a net initial yield of 9.50%. This suggests £2,425,000 after deducting purchasers costs. The Initial void periods reflect time to secure a tenant and rent free periods.

20.0 VALUATION

Market Value – Subject to Tenancies

- 20.1 Having regard to the comments and assumptions we have made in this report we are of the opinion that the freehold interest has a Market Value as defined below, subject to and with the benefit of existing tenancies as detailed, for loan security purposes, as at the Valuation Date, exclusive of VAT, of: -

£2,875,000

(Two Million Eight Hundred and Seventy Five Thousand Pounds)

- 20.2 In our opinion, under market conditions prevailing at the valuation date, a marketing period (measured from receipt of instructions to exchange of contracts) of 6-9 months would be necessary. This can only be an estimate, depending on participants in the market at a given time and assuming no significant changes in market conditions during that period.

- 20.3 Market Value is defined in the RICS Valuation UK National Supplement effective from January 2019 (“the RICS Valuation Standards”) as follows: -

‘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 arms-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.

- 20.4 In arriving at our figure no allowance has been made for any liability which may arise on the disposal for payment of Corporation or Capital Gains Tax and the figure stated is exclusive of any VAT which may apply. Furthermore, no allowance has been made for any expenses of sale which might arise in the event of a disposal. We confirm, however, that we have deducted purchaser’s costs at 6.43%.

Market Value – Vacant Possession

- 20.5 On the Special Assumption that the property benefits from full vacant possession but otherwise having regard to the comments and other assumptions we have made in this report we are of the opinion that the freehold interest has a Market Value as defined above, for loan security purposes, as at the Valuation Date, with the same marketing period stated above exclusive of VAT, of :-

£2,425,000

(Two Million Four Hundred and Twenty Five Thousand Pounds)

Market Value – Restricted Marketing Period

- 20.6 We also confirm, on the assumption that the marketing period for the property was to be restricted to a maximum of 90 days, that our opinion of the Market Value on otherwise the same basis as in 20.1, above, would be:

£2,150,000
(Two Million One Hundred and Fifty Thousand Pounds)

- 20.7 For the avoidance of doubt we confirm that the above Market Values above assume an exchange of contracts on the date of valuation and that the appropriate marketing period has already taken place.

Market Rent

- 20.8 We consider the Market Rent of the property at the valuation date assuming new lease(s) is/are drawn on standard, effective full repairing and insuring terms for no less than 5 years and otherwise on institutionally acceptable terms as at the Valuation Date, exclusive of VAT, to be: -

£294,000
(Two Hundred and Ninety Four Thousand Pounds) Per annum

- 20.9 Market Rent is defined in the RICS Valuation UK National Supplement effective from January 2019 (“the RICS Valuation Standards”) as follows: -

‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arms-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.

- 20.10 In our opinion, under market conditions prevailing at the valuation date, a marketing period (measured from receipt of instructions to completion of a lease) of 3-6 months would be necessary. This can only be an estimate, depending on participants in the market at a given time and assuming no significant changes in market conditions during that period. Typical incentives currently available to a prudent tenant taking a property of this nature comprise 3-6 months rent free.

21.0 SECURITY CONSIDERATIONS

- 21.1 In our opinion, the property is suitable loan security assuming normal lending terms and criteria.
- 21.2 We have no details of the proposed loan to value ratio or term.
- 21.3 If information relating to a recent sale or agreed sale comes to light before any lending is finalised, details must be referred to the undersigned valuer for further comment before proceeding. There may be an impact on value.

22.0 REINSTATEMENT COST ASSESSMENT

22.1 We would estimate that the Reinstatement Cost of the premises is in the sum of: -

£4,875,000

(Four Million Eight Hundred and Seventy Five Thousand Pounds)

22.2 The Reinstatement Cost for insurance purposes is given as a guide which may be varied and should not be regarded as a formal valuation for these purposes. A formal estimate for insurance purposes can only be given by a Quantity Surveyor or other person with sufficient current experience of replacement costs.

22.3 It is assumed that the policy is on a "day one", indemnity basis with a fully operating reinstatement clause and no special conditions.

22.4 We have assumed that an instantaneous basis of value has no regard to variation of building costs subsequent to the date of our estimate. The figure we have given reflects the buildings in their present form, excluding all items of plant and machinery, trade fixtures and fittings and furniture which do not form an integral part of the structure of the building. The figure includes an allowance for site clearance, demolition, insuring and propping together with appropriate Architects', Surveyors' and Engineers' fees likely to be incurred in the reconstruction works.

22.5 Whether or not an insurer will recognise VAT in a claim usually depends on the VAT status of the insured. Our calculation does not allow for any VAT, nor does it make any allowance for the effects of inflation over the period of the policy. It does not include any estimate of the cost of alternative accommodation during the works of reinstatement or provision for loss of rent. We recommend consultation with the insurer or broker in order to ensure appropriate and adequate cover is in place.

23.0 LIMITATIONS ON LIABILITY AND PUBLICATION

23.1 This report, including assumptions, caveats and all Appendices, should be read as a whole so that no part may be taken out of context.

23.2 Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval of the form or context in which it may appear.

23.3 Our liability is limited as per the Terms of Engagement attached unless a Service Agreement is in place which overrides that provision.

23.4 This valuation is for the stated purpose and for the sole use of the client, **Proplend Security Limited**, and is confidential to them and their professional advisors. We accept no responsibility whatsoever to any other party.



.....
ADAM D ROCK BSc (Hons) FRICS IRRV (Hons)
DIRECTOR
RICS No: 113593



.....
SIMON P DARE BSc (Hons) MRICS
DIRECTOR
8RICS No: 0079010

FOR AND ON BEHALF OF INNES ENGLAND LIMITED

Tel: 0121 387 3300
Email: arock@innes-england.com / sdare@innes-england.com
Issued: 5th September 2022

APPENDIX A

INSTRUCTIONS / CONFIRMATION LETTER

Proplend Security Limited Letter of Instruction

Method xi System Ref: 21958
Our Ref: Not Provided

Aug 23, 2022

Innes England Limited
Peat House,
1 Waterloo Way,
Leicester,
LE1 6LP

Dear Sirs

Instruction: 21958

Property Address: Auto Turned Products Ltd, 1 North Portway Close, Northampton, Northamptonshire, NN3 8RD

Applicant: Jacqueline Edge

Further to recent communications, we write to instruct with regard to the Property/Business/Development on the terms set out below.

1. Property/Business/Development

Property/Business/Development Address:	Auto Turned Products Ltd, 1 North Portway Close, Northampton, Northamptonshire, NN3 8RD.
Type of Property/Business/Development:	Industrial.
Brief Description:	48,000 sq ft industrial unit on an overall site of 2 acres. Currently let to one tenant paying £98k p.a. rental, with another soon to be in situ, paying £196k rent per annum after an initial 12-month rent-free period.
Estimated Value:	£2,500,000.00.
Estimated GDV (if applicable):	£2,500,000.00.
Interest:	TBC.

2. Client Details

Your report should be addressed to: Client Name: Brian Bartaby, Proplend Security Limited,
15 Little Green, Richmond, TW9 1QH

Client Address: 15 Little Green, Richmond, TW9 1QH.

Please note that we are your client in this matter and not the applicant or their finance broker, even where they are paying for the report.

Minimum Professional Indemnity Cover: £5,000,000.00.
Professional Indemnity Cover duration: During the continuance in force of these terms and conditions and for six years after termination maintain professional indemnity insurance. If you cease trading prior to six years after termination of the Method's Approved Terms and Conditions for the supply/receipt of instructions by Customers/Panel Members between Customers and Panel Members, you shall ensure adequate run-off cover to fulfil your PII obligations.

Other: Market Value to be less than PII limit.
Surveyor Qualifications: Signatories RICS Registered Valuer with at least 3 years Post Qualification Experience.
Counter Signatories RICS Registered Valuer with at least 5 years Post Qualification Experience.

If you do not meet this minimum criteria do not accept this instruction.

5. Other

Distance of Valuer to Property/Business/Development: 27.3 miles.

6. Please Note

If we have any Guidance Notes these will be available through the Valuer Portal of the Method xi system. In the event of a conflict between the contents of our Guidance Notes and our standard instruction letter, please note that our standard instruction prevails. It is your responsibility to make sure you understand our requirements.

Method's Approved Terms and Conditions and the Lender's Guidance Notes are hereby incorporated into this letter of Instruction which is submitted on the basis that:

1. Method's Approved Terms and Conditions prevail in respect of the Customer's obligations;
2. Method's Approved Terms and Conditions prevail in respect of the Panel Member's obligations and
3. In respect of the instructions the terms and conditions contained within the Letter of Instruction will prevail.

Do not accept this instruction unless you are happy with the instruction being on this basis.

By undertaking this instruction you agree that you will be deemed to unequivocally accept this condition.

Any variations to these terms, you seek to impose by issuing your own terms of business shall be of no effect whatsoever, even if mistakenly signed on our behalf.

Given the framework in place between us as the lender, the panel manager and yourselves, we do not require you to issue Terms of Business. You may provide a copy of you Acceptance of Instruction letter/ Terms of Engagement, but these are not to include any variations to the established terms of business.

We trust that these instructions are clear; however, should you wish to discuss the contents of this instruction letter please contact Method (admin@method-vm.co.uk).

Yours faithfully
Proplend Security Limited

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 IMS 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 Members (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: 08894835).

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 licensed 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 IMS 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 IMS 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 enure 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, include, 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 9 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 or 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 this 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:

8.1.1 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

8.1.2 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 for 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 ICO's 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 8.1 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 8 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 (title 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)(e) 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 to 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 8 (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 its 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 takes 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 supersedes and extinguishes 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 Instruction 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.

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45/51 Newhall Street
Birmingham, B3 3QR
arock@innes-england.com
0121 387 3300

23rd August 2022
Our Ref: ADR/SB
Your Ref: Not provided
Method Ref: 21958

Private & Confidential

Brian Bartaby,
Proplend Security Limited,
15 Little Green,
Richmond
TW9 1QH

Dear Sirs

Re: Auto Turned Products Ltd, 1 North Portway Close, Northampton, Northamptonshire, NN3 8RD. (the "Property")
Confirmation of Instruction Letter and Our Standard Terms and Conditions of Engagement

We confirm that we have received instructions from the Bank to value the above property. We understand that you require a valuation for secured lending purposes to be carried out in accordance with your terms and conditions (of which we have a copy and understand fully the requirements).

In addition, we confirm the following:

1. We confirm that the valuation will be carried out by Adam Rock BSc (Hons) FRICS (IRRV (Hons)), who is both a fellow of the RICS and is a RICS Registered Valuer and has experience and knowledge of valuing land and buildings properties/developments of the particular type specified.
2. To our knowledge, this company and any of its Partners, Directors or employees have no recent or foreseeable fee earning relationship concerning the subject property or the concern of the Borrower, apart from the service pertaining to the instruction and the associated fee. We also confirm that we have no significant financial interest or management involvement with the Borrower(s) concerned.
3. That the Valuer does not have a material connection or involvement with the Property or the parties to the Valuation. In accordance with our normal practice, we confirm to the best of our knowledge and belief, we have had prior dealings with the Property. We can accept these instructions and we can act independently;
4. That the Valuer has the appropriate current local, regional and national knowledge of the particular market and has the sufficient skills and understanding to undertake the Valuation competently;
5. The Valuation Report is given by Innes England and neither the Valuer nor any other partner, member, employee or consultant of Innes England assumes any personal responsibility for it or shall owe any duty of care in respect of it.
6. The subject of the Valuation Report is the freehold interest in the above-mentioned Property;

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Registered in England (No. 3455762) | VAT No. 545 2300 54



7. The Valuation is to be provided in £s Sterling;
8. The Valuation Report is to be provided for Loan Security purposes. We highlight, we shall have no responsibility or liability to any party in the event that the Valuation Report is used outside the purposes for which it was intended;
9. The basis of Valuation will be Market Value. We have also been asked to provide Valuations subject to special assumptions which are detailed herein. Our standard terms and conditions of engagement contain a full definition of Market Value and Market Rent. From our existing knowledge of the Property and your requirements, we can confirm that we consider this to be the most appropriate basis of Valuation;
10. The date of Valuation will be the date of inspection unless stated otherwise;
11. The Valuation will be completed with no limitations or restrictions to the inspection, enquiries and analysis, which can reasonably be expected to be undertaken as part of the Valuation; this may be subject to change as our investigations are undertaken and we will provide further confirmation within the Valuation Report;
12. When undertaking the Valuation we will place reliance upon information provided by the Lender and their Customer, which will include but is not limited to tenure documentation, property information and environmental documentation;
 - A) Market Value 2 – Vacant Possession Value (Bricks and Mortar)
 - B) Market Value 3 – Vacant Possession Value (Bricks and Mortar) making the special assumption of a restricted marketing period of 90 day.
 - C) Market Rent
13. Subject to paragraphs 14 (below), the Valuation Report shall be addressed Autarky Capital Limited solely for its own benefit and for the purpose identified in paragraph 8 (above) and may only be relied upon by Autarky Capital Limited or that purpose. It may not be disclosed to or relied on by any other person, or used for any other purpose without our prior written consent.
14. This Valuation Report may be disclosed:
 - where required by law;
 - on a non-reliance basis to your professional advisers, auditors, insurers and regulators.
15. Any transferee, successor or assignee relying upon the Valuation Report shall be deemed to be bound by this letter and our Standard Terms and Conditions of Engagement. Our liability shall be no greater in either amount or duration as a result of extending reliance to those third parties;
16. The Valuation will be prepared in accordance with the RICS Valuation – Global Standards (effective from 31 January 2020), VPS 3 and the International Valuation Standards 2020 (IVS);
17. Our fee for providing a valuation in accordance with the Bank's requirements and the instructions received from yourselves will be in the agreed sum of £xxx plus VAT.

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45/51 Newhall Street
Birmingham, B3 3QR
arock@innes-england.com
0121 387 3300

18. Arrangements are being made to immediately contact the Borrower/representative with a view to arranging an appropriate inspection and subsequently providing our full written report. In the event that further instructions are required as a result of matters discovered during the course of our enquiries then we will revert to you for additional instructions to be given.
19. When undertaking the Valuation we will place reliance upon information provided by the Lender and their Customer, which will include but is not limited to tenure documentation, property information and environmental documentation;
20. Inness England follows documented procedures to deal with all complaints, as part of our Quality Assurance Certification. A copy of our complaints handling procedure is available on request;
21. The Valuation Report may be subject to monitoring under the Royal Institution of Chartered Surveyors conduct and disciplinary regulations;
22. We confirm that we have Professional Indemnity Insurance cover in the sum of £10,000,000, with an excess of £50,000.

Yours faithfully



Adam Rock BSc (Hons) FRICS IRRV (Hons)
RICS Registered Valuer
Director – Head of Birmingham
For and behalf of Innes England

Enc: Standard Terms and Conditions of Engagement (STC)

Registered Office: Peat House, 1 Waterloo Way, Leicester LE1 6LP
Registered in England/No. 3459762 | VAT No. 545 2300 54



APPENDIX B

TERMS OF ENGAGEMENT

Terms of Engagement: Valuation

Client Details

Name of Client: Proplend Security Ltd c/o Method Valuations UK
Contact name and address: 4 The Staithes, Watermark, Gateshead, Tyne & Wear NE11 9SN
Telephone: 01642 269 306 **Email:** admin@method-vm.co.uk
Customer: Brian Bartaby

Property Details

Property Address: Auto Turned Products Ltd,
1 North Portway Close,
Northampton,
Northamptonshire,
NN3 8RD **Type of Property:** Industrial
Tenure: Freehold **Special Assumptions:** None
Interest to be Valued: Freehold

Job Details

Purpose of Valuation: Secured Funding **Term of Loan:** N/A
Basis of Value: Market Value **Report Format:** Written report.
Name of Valuer: Adam Rock FRICS **Status of Valuer:** RICS Registered Valuer
Email address: arock@innes-england.com **Telephone Number:** 07939 504818
Knowledge and Skills: We confirm that the Valuer responsible is an RICS Registered Valuer, with sufficient current local or national (as appropriate) knowledge of the particular market, and the skills and understanding necessary to undertake the valuation competently, objectively and without bias.
Report Timescale: ASAP **Instruction Date:** 23rd August 2022
Valuation Date: Date of Inspection **Currency:** GBP
Fee Basis: Agreed with Method **Disbursements Included:** Yes
Payment Terms: 21 days. **Point of Invoice:** With report
Previous Involvement: None
Conflicts of Interest: None known
RICS Valuation Standards: We confirm that the valuation will be prepared in accordance with the RICS Valuation – Global Standards January 2022 in particular the requirements of VPS3 (Valuation Reports) which incorporate the International Valuation Standards, and the RICS

06/09/2022

Page 1 of 7

Valuation UK National Supplement effective from January 2019 ("the RICS Valuation Standards").

- RICS Regulation:** (i) Compliance with these Standards may be subject to monitoring under the RICS conduct and disciplinary regulations.
(ii) Where payment of our fee is made in advance those funds will not be treated as "client money" and will not, therefore, be subject to the protection of the RICS Client Money Protection Scheme.
- Complaints:** A copy of our Complaints Handling Procedure is available on request.
- Information:** We have not relied on any information provided by the client.
- Disclosure:** If you are aware of a recent sale or purchase of the property then details should be provided to us before completion of our report please.

Basis of Value

Our valuation will be on the basis stated, which will one or more of;

- Market Value:** 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 arms-length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion.
- Market Rent:** 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 arms-length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion.

Verification of Information

It is an essential part of most valuation instructions that we seek and obtain information from a wide variety of third party sources. It is often not possible to fully verify all information provided to us within the budgetary and timescale constraints agreed. We will seek to use the most reliable information sources available and use our professional judgement in considering and applying information obtained and the level of due diligence required. It is sometimes unavoidable that we rely on third party information at face value. If that information proves inaccurate there may be an impact on our conclusions.

Assumptions

In providing our valuation advice, we shall make the following assumptions unless agreed with you in advance. If, after inspection or investigation, we consider an assumption to be inappropriate, or should be a special assumption, we shall discuss and agree these with you prior to the conclusion of the valuation and the delivery of the report.

Unless it is made apparent by our express statement to the contrary in the report, we will be under no duty to verify our assumptions. If any of them are subsequently found to not be valid, we may wish to review our valuation as there may be an impact on it.

Town and Country Planning

06/09/2022

Page 2 of 7

We shall make verbal and/or internet based enquiries of the relevant local planning authorities, but in general terms will assume that all buildings, structures and operations currently existing within the various curtilages have the benefit of formal planning permission, building regulations and other required approvals and are, therefore, immune from any form of enforcement or action for termination by the respective authorities.

However, no formal search shall be instigated and we recommend that verification be obtained from your legal advisers that the position is correctly stated in our report.

In the absence of information to the contrary and so far as it is material to value, we shall assume, that planning permissions are of a perpetual nature for the benefit of the property.

Title and other Statutory Investigations

We shall assume:

- a) That there is good and unencumbered title to the property, free from onerous covenants, easements, restrictions or other encumbrances or outgoings. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. Unless stated we shall not inspect the Title Deeds or Land Registry Certificate. Any legal assumptions made must be checked by your legal advisors and no responsibility or liability will be accepted for the true interpretation of your legal title in the property.
- b) That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in our report is complete and correct.
- c) That the information provided by the Local and Statutory Authorities is correct and complete and that a local search would not reveal any matter that would have an adverse effect upon the value of the property, nor liability to the Client, or Client Lender (for a secured lending valuation);
- d) That the property and any alterations or extensions thereto complies in all respects with current legislation affecting the property and its use, or its intended use.
- e) That the principal roads serving the property are adopted and maintainable at public expense and that there is unrestricted access to and from the subject property from the adopted highway.
- f) No investigations as to the rights of public utilities over any parts of the property will be carried out and we will assume that any such right would not impose any undue restrictions and therefore materially affect value.

Services

Unless informed otherwise we shall assume that the property has the benefit of mains water, electricity, drainage and gas. However, no tests or checks will be carried out with regard to these services and we will assume that they are free from defect and would satisfy the requirements of any appropriate statutory bodies.

We will assume that the capacity of the services is adequate for the future use of the property but may be unable to verify that this is the case.

In respect of development sites, we will assume that all relevant services are available at the site and that water, electricity, drainage, gas and telecommunications can be connected at normal cost and that there are no on or off site, abnormal infrastructure or service provision costs which are required.

06/09/2022

Page 3 of 7

Contamination and Environmental Issues

We will assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We will not carry out any investigation into past or present uses, either of the property or on any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites and will assume that none exist.

However, should it be established subsequently that contamination, seepage or pollution exist at the property or on any neighbouring land, or that the property has been or is being put to a contaminative use, we reserve the right to amend the values reported and confirm that this situation would probably result in the values reported being reduced.

We will make internet-based enquiries of The Environment Agency in respect of flooding. Where this shows that the property has a 1 in 75 (1.3%) chance of flooding or worse, we will assume that the property is the subject of full insurance without significant additional premium to cover flood risks and we will not make any adjustment to our valuation in respect of flood risk issues.

We will not carry out or commission a site investigation, geotechnical or geophysical survey and will give no assurance of the grounds load bearing strength to support either existing structures or any other structure which may be erected in the future. We will assume that any development or future extensions on the site can be carried out using conventional foundations and at no unusual or extraordinary costs.

We will investigate any Energy Performance Certificate ("EPCs") relating to the property and comment accordingly. We will not be able to cost any works necessary to improve an EPC rating. Consequently, in the event of a rating below E our valuation may need to be qualified.

Extent of Inspection and Reporting

We will undertake a visual inspection of so much of the exterior and interior of the property as is accessible with safety and without undue difficulty, 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 service, having regard to its purpose.

Unless specifically requested otherwise by the Client or stated otherwise by us, where our instructions relate to residential or office property, any measurement will be carried out in accordance with the latest edition of the RICS Code of Measuring Practice, not with the International Property Measurement Standards ("IPMS"). This is because it is not relevant market practice to use IPMS measurements and therefore we do not consider IPMS measurements will have any impact on the substance or purpose of these instructions. Please contact us before confirming the terms set out herein if that is not understood and accepted.

We will not carry out a building or structural survey and will not inspect areas of the property which are covered, unexposed or inaccessible. No warranty can be given therefore, as to the structural condition of any building, neither can it be reported as being free from rot, infestation or any other defect.

No measurement or calculation will be made of the load bearing capacity of foundation, floors or other elements of the structure which will be assumed are suitable for the present or proposed uses.

Although regard will be had to the apparent state of the property, defects may exist that are latent or would be revealed in a more detailed survey.

06/09/2022

Page 5 of 7



Due note will be made of the various forms of construction and apparent state of repair of the property which will, as far as possible and if specifically stated, be reflected in our valuation figure.

We will not test any of the drains or other services, and for the purpose of our valuation we will assume that they are all operating satisfactorily and no allowances will be made for replacement or repair.

No tests will be carried out to establish whether high alumina cement products, calcium chloride, asbestos, dangerous cladding or wood wool slabs used in structural formwork or other hazardous or deleterious materials have been used in the construction, modification or extension of the property. Our valuation will assume that the property does not incorporate these or similar products and is free from infestation.

Our valuation will not take into account the rights or liabilities of the occupiers under the Defective Premises Act, the Health and Safety at Work Act, the Control of Asbestos at Work Regulations, or the Disability Discrimination Act 1995. We will assume that the property complies with all Statutory, Local Authority requirements and the Regulatory Reform (Fire Safety) Order 2005.

We will assume that normal periodic maintenance will be carried out to maintain the property in a state or repair fit for its present use.

In respect of newly built property we will assume that a full package of guarantees and collateral warranties are available from the design, professional and build team responsible for the erection of the subject property. We will recommend that your solicitors are instructed to confirm that the warranties etc. are acceptable.

The valuation will assume that any more detailed reports, tests, calculations would not reveal any materially adverse conditions.

Reinstatement Cost Assessments

Any Reinstatement Cost for insurance purposes will be given as a guide which may be varied and should not, therefore, be regarded as a formal valuation for these purposes. A formal estimate for insurance purposes can only be given by a Quantity Surveyor or other person with sufficient current experience of replacement costs.

We will assume that the policy is on an indemnity basis with a fully operating reinstatement clause and with no special conditions.

We will assume that an instantaneous basis of value has no regard to variation of building costs subsequent to the date of our estimate. The figure we give will reflect the buildings in their present form, excluding all items of plant and machinery, trade fixtures and fittings and furniture which do not form an integral part of the structure of the building. The figure will include an allowance for site clearance, demolition, insuring and propping together with appropriate Architects', Surveyors' and Engineers' fees likely to be incurred in the reconstruction works.

It will not allow for VAT, except on fees, nor will it make any allowance for the effects of inflation over the period of the policy. It will not include any estimate of the cost of alternative accommodation during the works of reinstatement.

06/09/2022

Page 6 of 7

Limits on Liability and Publication

Our valuation report, including assumptions, caveats and the Appendices, should be read as a whole so that no part may be taken out of context.

Neither the whole nor any part of our valuation report or any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval of the form or context in which it may appear.

Our maximum aggregate liability to you (whether in contract, tort, negligence or otherwise) in relation to the Services to which these Terms of Engagement apply shall not in any circumstances exceed the lower of 25% of the Market Value or £1 million. Nothing in these Terms of Engagement shall exclude or limit our liability to you for death or personal injury caused by our negligence or for fraudulent misrepresentation.

Our valuation report will be for no purpose other than the stated purpose and is for the sole use of the named Client and will be confidential to them and their professional advisors. We accept no responsibility whatsoever to any other party.

.....
Signature of Client or Authorised Representative
(If signing on behalf of Company or Partnership, state capacity)



.....
Date:

.....
Signature of Authorised Representative of Innes England

.....
Date: 24th August 2022

APPENDIX C

VALUATION CALCULATIONS

Auto Turned Products Ltd, 1 North Portway Close, Northampton

Valuation Date:	05/09/2022		
Freehold Value:	2,875,412	Net Initial Yield	0.000%
Net Rent:	0	Nominal Equivalent Yield:	8.500%
Total ERV:	294,000	True Equivalent Yield:	8.917%
Total Area:	0 sqft	Reversionary Yield:	9.606%

Whole, ATP

Current	Gross income	0		
	Net Income		0	
	YP (8.500% for 1 year and 6 months)	1.3550		0
Feb 2024	Gross income	294,000		
	Net Income		294,000	
	YP (8.500% in perpetuity deferred for 1 year and 6 months)	10.4097		3,060,439

Unit Gross Value **3,060,439**

Summary of Unit Values

Whole, ATP	3,060,439
Total of Unit Values	3,060,439

Buyers Costs

Agents Fees	1.0000%	-34,505	v
Legal Fees	0.5000%	-17,252	v
Stamp Duty	(=4.6348%)	-133,271	
Total (=6.4348% of Say Value):			-185,028

Net Value **2,875,412**

Total VAT Amount: 8,626

Running Yield Report

Date	Cumulative Capital Invested	Capital Adjustment	Gross Income	Net Income	Running Yield	Cap Adj Running Yield
05/09/2022	3,060,439	0	0	0	0.000%	0.000%
01/03/2024	3,060,439	0	294,000	294,000	9.606%	9.606%

Assumptions

All dates for capitalisation calculations taken from the nearest month start/end.
 Running Yields and Net Initial Yield are based on say value plus buyer's costs 3,060,439.
 Formulae as in Parry's Tables: rent annually in arrears.
 Stamp Duty is progressive and derived from the set "HMRC (UK exd Scotland, 2019-)"
 Cap Adj Running Yield is based on cumulative capital invested.
 VAT rate of 20.00% applied where applicable.

Auto Turned Products Ltd, 1 North Portway Close, Northampton

Valuation Date:	05/09/2022		
Freehold		Net Initial Yield	0.000%
Value:	2,426,540	Nominal Equivalent Yield:	9.500%
Net Rent:	0	True Equivalent Yield:	9.996%
Total ERV:	294,000	Reversionary Yield:	11.391%
Total Area:	0 sqft		

Whole, ATP

Current	Gross income	0		
	Net Income		0	
	YP (9.500% for 2 years)	1.7473		0
Aug 2024	Gross income	294,000		
	Net Income		294,000	
	YP (9.500% in perpetuity deferred for 2 years)	8.7791		2,581,044

Unit Gross Value **2,581,044**

Summary of Unit Values

Whole, ATP	2,581,044
Total of Unit Values	2,581,044

Buyers Costs

Agents Fees	1.0000%	-29,118	v
Legal Fees	0.5000%	-14,559	v
Stamp Duty	(=4.5673%)	-110,827	
Total (=6.3673% of Say Value):			-154,505

Net Value **2,426,540**

Total VAT Amount: 7,280

Running Yield Report

Date	Cumulative Capital Invested	Capital Adjustment	Gross Income	Net Income	Running Yield	Cap Adj Running Yield
05/09/2022	2,581,044	0	0	0	0.000%	0.000%
01/09/2024	2,581,044	0	294,000	294,000	11.391%	11.391%

Assumptions

All dates for capitalisation calculations taken from the nearest month start/end.
Running Yields and Net Initial Yield are based on say value plus buyer's costs 2,581,044.
Formulae as in Parry's Tables: rent annually in arrears.
Stamp Duty is progressive and derived from the set "HMRC (UK excl Scotland, 2019-)"
Cap Adj Running Yield is based on cumulative capital invested.
VAT rate of 20.00% applied where applicable.