

PRO003379/GB/LS

8th May 2019

Meller SSAS
C/o Pension Partnership
Office 12
Venture Wales Building
Pedenbach
Merthyr Tydfil
CF48 4DR

Dear Sirs

42-44 Derby Road, Draycott, Derbyshire, DE72 3NJ

Further to your recent instructions and our agreed Terms of Engagement (a copy of which is enclosed at Appendix 1.0), I confirm that acting as an External Valuer I am now able to set out below my desktop valuation report in accordance with the RICS Valuation – Global Standards 2017:

Client:

This desktop report is prepared on behalf of Meller SSAS. It is for the use only of the party to whom it has been addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Purpose of Valuation:

Advice to Pension Fund Trustees

Subject Property:

42-44 Derby Road, Draycott, Derbyshire, DE72 3NJ

Interest to be valued:

We have not had sight of copies of title deeds and for the purposes of our valuation we have assumed that the interest to be valued is freehold and free from any encumbrances or restrictions of an unusual or onerous nature and that good title can be shown.

For the purposes of our valuation we have further assumed a sale subject to the existing tenancy. More specifically, we have been provided with a copy of the lease which confirms that the subject property is let to Meller Services Holdings Ltd by way of a 25 year lease commencing 8th March 2016 at a current rental of £48,000 per annum exclusive. The lease is drawn on full repairing and insuring terms and provides rent reviews every five years.

Description of property:

As previously mentioned, our valuation has been undertaken on a desktop basis and therefore we have not inspected the property since our previous valuation when the premises was inspected on the 25th July 2017. Consequently, for the purpose of our valuation we have assumed that the property is in the same condition as when we previously inspected and the basic description of this is as follows.

The subject property comprises a detached two storey building of traditional brick construction with rendered elevations situated beneath a pitched tile roof. In addition, there are two single storey elements to the rear of the property one being of brick construction beneath a flat felt roof and the other being of brick construction beneath a pitched tile roof.

Internally, the property comprises two storey office accommodation with the ground floor providing a lobby/reception area along with various offices, boardroom, staff room, shower room and separate male, female and disabled WC facilities. To the first floor there is a large open plan office along with a kitchen and server room. Finally, there is a small mezzanine storage area.

The specification of the office accommodation is good and includes carpet floor coverings, gas fired central heating, suspended ceiling to the ground floor, a mixture of LED and spot lighting, exposed beams to the first floor, comfort cooling/heating to the first floor and a mixture of UPVC and powder coated aluminium frame double glazing throughout.

Externally, there is a good-sized tarmacadam car park to the front of the property along with a rear stoned and grassed area to the rear which is enclosed by timber fencing.

At the time of our inspection some areas of the ground floor were currently being in the process of having a damp proof course installed and therefore for the purpose of our valuation we have assumed that this has been completed along with the re-plastering and re-decoration.

We have calculated the total net internal floor area of approximately 272.3 m² / 2,929 sq ft.

Basis of Valuation:

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 arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Effective Date of Valuation:

8th May 2019

Extent of Valuer's Investigations:

In arriving at our opinion of desktop value, we have relied upon our previous superficial inspection of the property, and upon any verbal or written information supplied. We have not undertaken a structural survey of the property or any part thereof. In addition to any assumptions outlined above, in arriving at our opinion of value we have further made the assumptions, special assumptions, reservations, special instructions or departures outlined within our previously mentioned Terms of Engagement.

Valuation:

Market Value: **£335,000 (Three Hundred & Thirty-Five Thousand Pounds)**

Publication Restrictions

In accordance with the recommendations of the RICS, neither the whole nor any part of this desktop valuation report, nor any reference thereto may be included in any published documents, circular or statement, nor published in any way without our written consent of the form, content or context in which it may appear.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Richardson', with a stylized flourish at the end.

Mark Richardson BSc MRICS APAEWE

e-mail: m.richardson@bbandj.co.uk

APPENDIX 1.0

TERMS OF ENGAGEMENT

Terms of Engagement – Valuation

These **Terms of Engagement** set out the agreed basis upon which the client instructs the Valuer to undertake the relevant valuation.

The client:	Meller SSAS, C/o Pension Partnership, Office 12, Venture Wales Building, Pedenbach, Merthyr Tydfil, CF48 4DR		
Job ref:	TBC		
Purpose of valuation:	Pension fund purposes		
Interest to be valued:	Freehold subject to the existing tenancy		
Full address of property:	42-44 Derby Road, Draycott, Derbyshire, DE72 3NJ		
Type of property:	Office		
Basis of valuation:	<p>Market Value – “The estimated amount for which an asset or liability should exchange on the valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”</p> <p>All valuations will be given in pounds sterling (£).</p>		
Date of valuation:	TBC	Date of inspection unless otherwise agreed:	TBC
Disclosure of any material involvement:	BB&J Commercial have previously valued the subject property for Meller Limited in 2017.		
Valuer:	The property valuation letter has been undertaken by Graham Bancroft BSc (Hons) and under the supervision of Mark Richardson MRICS RICS Registered Valuer, acting as an external Valuer. Mr Bancroft and Mr Richardson have the knowledge, experience and the expertise to undertake the required valuation in this area.		
Assumptions, special assumptions, reservations, special instructions or departures	<p>We have not inspected the Title Deeds in respect of the property and have relied upon the verbal information given to us in respect of tenure, boundaries and the absence of onerous and restrictive covenants.</p> <p>Unless otherwise specified, all items normally associated with the valuation of land and buildings are included in our valuation(s), including:-</p> <p>Fixed space heating, domestic hot water systems, lighting and mains services supplying these, sprinkler systems and associated equipment, water, electricity, gas and steam circuits not serving industrial or commercial processes, sub-station buildings, lifts and permanent structures including crane rails where forming an integral part of the building structure, fixed demountable partitions, suspended ceilings, carpets, drains, sewers and sewerage plants not primarily</p>		

concerned with treating trade effluent, air conditioning except where part of a computer installation or primarily serving plant and machinery

Unless otherwise specified, the following are excluded:-

All items of process plant and machinery, tooling and other equipment not primarily serving the building, cranes, hoists, conveyors, elevators, structures which were ancillary to, or forming part of an item of process plant and machinery, sewerage plant primarily concerned with trade effluent, air conditioning where part of a computer installation or primarily serving plant and machinery, and water, electricity, gas, steam and compressed air suppliers and circuits serving industrial and commercial processes.

Unless otherwise specified, no allowance is made for the cost of repairing any damage caused by the removal from the premises of items of plant, machinery, fixtures and fittings.

Unless otherwise stated, we have not inspected the lease[s], if any, but we understand the letting details where applicable are as contained in our Report. Should any of this information set out in our Report be incorrect, then our valuation may require amendment.

We have not made allowance or taken into account any potential taxation liability under Capital Gains Tax or other taxes in existence or proposed, except in so far as they might influence general levels of value.

Unless specifically requested local searches have not been undertaken. Where considered necessary, verbal enquiries have been made in respect of planning, highways and rating assessments. We understand the position to be as contained in our Report and Valuation and unless specifically referred to, it is assumed that buildings are constructed in accordance with valid Town Planning Consents and Building Regulation Approvals and that there are no onerous restrictions or proposals which may adversely affect the use of the property.

Within the terms of our instructions, we have not applied any tests to any services or drainage installations and we are unable to report, therefore upon their adequacy or condition.

We are not qualified to assess the health or condition of any trees, bushes, shrubs or other forms of vegetation present within – or near to – the boundaries of the property. As such we are unable to take account of any impact upon the value of the property as a consequence of the health or condition of any such forms of vegetation.

Any plans supplied are for identification purposes only, unless otherwise stated. The reproduction of Ordnance Survey sheets has been sanctioned by the Controller of Her Majesty's Stationery office, Crown Copyright Reserved.

Unless otherwise specified, all dimensions and areas are taken from inspection but are nevertheless approximate. Areas quoted are calculated in accordance with the Code of Measuring Practice, published by the RICS and the basis of measurement is specified.

Capital and rental values are stated on a basis exclusive of any VAT liability. It is accordingly assumed for purposes of valuation that a purchaser provides fully taxable supplies and is able to reclaim Value Added Tax in full.

In the case of multiple valuations, the value of each individual property is used to arrive at a total value. It is envisaged that properties would be marketed

	<p>singularly or in groups over an appropriate period of time. If all the properties were to be sold as a single lot, the realisation would not necessarily reach the total of the valuation.</p> <p>The Report and Valuation is confidential to you for the specific purpose to which it refers and it may not be disclosed to any other person without the written approval of BB&J Commercial and neither the whole nor any part of the valuation may be included in any published document, circular or statement or published in any way without BB&J Commercial's written approval of the form or context in which it may appear.</p> <p>Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.</p> <p>We must emphasise that no liability or responsibility to third parties can be accepted in connection with our Valuation.</p>
<p>Extent of Valuer's investigations:</p>	<p>The Valuer will investigate the local and regional market by way of enquiries with other agents, analysis of comparable evidence and through commercial property websites such as CoStar etc.</p>
<p>Information to be relied on:</p>	<p>The Valuer will rely on any information supplied to him by the client or connected parties whether this be documented or verbally. More specifically, the client is to provide the Valuer with a copy of the existing lease document.</p>
<p>Consent / restrictions on publication:</p>	<p>In accordance with the recommendations of the RICS, neither the whole nor any part of this valuation letter, nor any reference thereto may be included in any published documents, circular or statement, nor published in any way without our written consent of the form, content, or context in which it may appear.</p> <p>The valuation letter is for the use of the 'client' only as outlined in these Terms of Engagement. No liability to any other third party is accepted by the Valuer.</p>
<p>Confirmation of valuation standards:</p>	<p>Our valuation letter is to be carried out in accordance with the RICS Valuation – Global Standards 2017 incorporating the International Valuation Standards.</p>
<p>Confirmation of the Valuer's knowledge, skills and understanding:</p>	<p>The property valuation letter is to be undertaken by Graham Bancroft BSc (Hons) under the supervision of Mark Richardson MRICS. The Valuers have sufficient current local, national and international knowledge of the particular market, and the skills and understanding to undertake the valuation competently.</p>
<p>Fee:</p>	<p>The agreed valuation letter fee is £375+VAT and can be paid via BACS to the following account:</p> <p>Account Number: 11661612 Sort Code: 40-19-15</p> <p>Payment of the valuation letter fee is due strictly prior to release of the report and by signing the Terms and Conditions you "The Client" consent that monies paid in advance are not protected by the RICS Client Money Protection Scheme.</p>
<p>Complaints handling procedure:</p>	<p>Should you feel that there is a need to make a complaint, BB&J Commercial have a complaints handling procedure with copies available on request.</p>

**Monitoring
regulations:**

BB&J Commercial are regulated by the RICS and are therefore also monitored by the RICS. Consequently, valuations such as this agreed matter may be inspected for compliance with the RICS Valuation – Global Standards 2017 incorporating the International Valuation Standards although no liability whatsoever will be placed on the client and the information contained within the report will not be made public.

**Approval of
client:**

I/we are authorised to approve the Terms in accordance with those terms:

Signed  (Print name G. CARTLEDGE)

Date 27/2/19