

PURCHASE PROPOSAL – BRYNNA MILL LAND AND OFFICES

PURCHASE DETAILS

Use Of Funds	Land Purchase
Property Type	Commercial Offices & Land
Property Details	Land at Brynna Mill, Church Street, Brynna, PONTYCLUN, CF72 9QP
Purchase Amount	£200,000
Valuation	£200,000
Arrangement Fee	£2,000
Estimated Solicitors Fees	£1,500 plus VAT and Disbursements plus any lease requirements
Est Pension Administrator Fees	£500

VALUATION

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EXECUTIVE SUMMARY

PROPERTY ADDRESS	Office/yard/land. Opposite Brynna Mill, Church Street, Brynna, Pontyclun CF72 9QP
LOCATION	Brynna is a small village community situated approximately 2 miles west Llantrissant, 0.5 miles west of Llanharan with good road access via A479 to junction 35 (Pencoed interchange).
DESCRIPTION	Single storey detached barn conversion to offices, rear builder's yard, rear land on total plot of around 4.2 acres.
PLANNING USE	Consent for conversion of outbuilding into an office (generally 2022); planning application 22/0705/10 – construction of new detached covered store – granted 9 March 2023 with conditions.
TENURE	Freehold.Part of Registered Titlee WA677082
TENANCY (if applicable)	Owner occupied at present. Proposed lease back to Millstone Construction of front office/builders yard, suggest new 10 year lease full repairing and insuring, 5 yearly upwards only rent review, £14,400 per annum.
MARKET RENT	£14,400 per annum.
MARKET VALUE	£200,000 (Office,Yard and rear land)
GENERAL COMMENTS	Semi-rural location adjacent to local authority (RCT) football pitch and community centre and local St Peters Church. Mains services connected to office building.

19 June 2023

**For Attn: Steve Howells and Stephen Dicks
Trustees of The Millstone Executive Pension,
Brynna Mill
Church Street
Brynna
Pontyclun
CF72 9QP**

Dear Sir,

**PROPERTY: OFFICE, BUILDERS YARD AND REAR LAND OPPOSITE BRYNNA MILL, CHURCH STREET, BRYNNA CF72 9QP
VALUATION FOR PROPOSED TRANSFER INTO SASS**

1. INSTRUCTIONS

This valuation for your private purposes is of the existing freehold interest in the above building/land and follows your emailed instructions dated 22 May 2023 which explained the background. The proposal is to transfer the freehold interest currently owned by your company into the SASS and lease back the front storage yard and office at a market rent on a new lease.

The report has been prepared in accordance with **RICS Valuation-Global Standards 2021 (effective from 31 January 2022)**.

We have professional indemnity insurance cover in place up to £1,000,000. Chris Clarke Surveyors Limited is a professional firm regulated by RICS.

We confirm we have no conflict of interest in accepting this instruction. We further confirm we have the knowledge, skills and understanding to undertake the valuation competently.

The subject building/land was inspected on Friday 9 June 2023 by C L D Clarke LLB; FRICS, Director of Chris Clarke Surveyors Limited. **He is an RICS Registered Valuer.** We shall take this date to be the date of valuation, unless otherwise advised.

2. LOCATION

We refer you to the general location plan contained in Appendix B.

The small village of Brynna is situated approximately 0.5 miles west of Llanharan, 2 miles west Llantrisant/Talbot Green where there is a good range of out of town retail and other in town shops including a large Tesco foodstore and petrol station.

The village of Brynna has only limited commercial offering including a small convenience store. However access to the M4 is good via junction 35 at Pencoed (approximately 2 miles south-west).

The subject property is situated on the west side of Church Street opposite Brynna Mill and just north of an RCT community centre and football pitches and St Peters Church.

3. DESCRIPTION

We refer you to the site plan contained in Appendix B and we assume the boundaries are correctly shown edged red. The property comprises the south-west section of Title WA677082 (the north east section is Brynna Mill-a 4 bedroom house with outbuildings).

We believe the overall plot size is around 4.2 acres or thereabouts of which the front office/builders yard is around 0.31 acres.

The front part of the site comprises a detached stone single storey former barn which has been converted in around 2017 into a modern office.

The roof is pitched overlaid with slates, external elevations are in finished unrendered stone and internally the property has plastered internal walls, recessed ceiling spotlights, laminated flooring and modern unisex toilet and adjacent kitchenette. Heating is from LPG gas fired central heating.

Behind the building is a level storageyard with hardcore surface, side partly covered open sided storage by entrance gate, substantial rear yard and on the south-west corner of the yard is an incinerator.

The land behind the yard/office is currently accessed from the yard via a five bar gate and comprises sloping grassed agricultural large field sloping down to the Nant Ciwc river on the north-west side of the site.

Proposed New Detached Store

You provided us with a sketch drawing showing the proposed new detached storage building at the rear of the yard which will comprise a portal steel frame structure of around 77m² with a 3.5m eaves and incorporating Perspex roof lights and a front roller shutter door.

This structure has not yet been built but has received planning consent.

We refer you to our various **photographs in Appendix C.**

4. ACCOMMODATION

N.B. All measurements are in accordance with the **RICS Property Measurement, 2nd Edition, January 2018.**

The office building comprises the following:

Gross internal **50m²/538ft²** comprising:

Front general office	-	19.7m ²
Side general office/store (with wall mounted combi gas boiler)	-	24.3m ²
Rear kitchenette	-	3.45m ²
Unisex WC	-	1.4m ²

Proposed New Detached Store Building – 7m x 11m = 77m²/828ft².

5. SERVICES AND AMENITIES

From enquiry on site we understand the building already constructed has mains electricity, water and drainage but no mains gas. LPG tank gas for heating.

6. SITE AND GROUND CONDITIONS

We have not carried out nor commissioned a site investigation or geographical or geophysical survey and we can give no assurance that the ground has sufficient load bearing strength to support either existing structures or any other structure which may be erected in the future. In addition, we cannot provide assurance that there are no underground mineral or other workings beneath the site or in its vicinity.

Furthermore we have not been provided with any information in respect of ground conditions nor have we carried out any investigations into these or the servicing of the site. We assume that the site can be developed without incurring any abnormal costs in respect of foundations. For the purposes of this advice we have assumed that the ground conditions are satisfactory for a traditional method of construction and further that there are no contaminating or other deleterious materials present which may prevent the development of the site in a traditional method or at normal cost levels. We have further assumed that the site is capable of being serviced at a reasonable cost level, and that there would be no exorbitant or excessive off site costs relating to matters such as drainage, road widening etc.)

7. ENVIRONMENTAL ISSUES

We have not carried out any specific Environmental Investigations of this property. There were no obvious matters that might have an impact on our valuation such as **historic mining activity** or electricity transmission equipment. We make the assumption that no contamination exists to the site (unless stated elsewhere in this report).

FLOODING- We have not made specific enquiries of NRW but assume the property is not at risk from flooding.

RADON

We have been unable to make any enquiries as to whether the property falls within an area of radon gas but we did not notice any radon detectors at this property during our property inspection so assume the property is not affected.

INVASIVE SPECIES

During the course of our property inspection, we did not notice the presence of any invasive species such as: Bats, Birds, Badgers, **Japanese Knotweed** and so believe the property is free of the same. However, we are not qualified to give such assurances and cannot guarantee that the property is entirely free from the same. We are valuing on the basis that there are no invasive species present.

EPCs

Legislative changes under the [Energy Act 2011](#) made it unlawful to rent out and re-let premises with an EPC rating below a minimum level of E from April 2018. This applies to any

property let on a tenancy which is six months or more and less than 99 years in length, and which is legally required to have an EPC. In addition, this legislation will extend to cover existing lettings in 2020 for residential properties and 2023 for commercial buildings.

We have not been provided with an up to date EPC rating for this property and, as such, our valuation is based on the assumption that the subject property will meet the minimum requirements laid down by the legislation and that there will be no adverse impact on value and marketability. It is advisable to obtain an expert's opinion to advise whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements.

We would remind you that, in accordance with your instructions we have not undertaken any detailed site investigations. We would however refer you to our Standard Terms & Conditions of Engagement, a copy of which is attached at Appendix A to this report in this regard.

We recommend that your legal advisors obtain formal confirmation from the current owner and occupiers that no notices have been served on them by the local authority.

8. REPAIR

Chris Clarke Surveyors Limited have not carried out a building survey of the property as this was not within the scope of our instructions, nor have we inspected those parts of the property which are covered, unexposed or inaccessible, and for the purpose of this report, such parts have been assumed to be in good repair and condition.

We cannot express an opinion about, or advise upon the condition of un-inspected parts and this report should not be taken as making any implied representation or statement about such parts. Further, 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.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious materials have been used in the construction of the property, or has since been incorporated and we are, therefore, unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

The property has been valued with due regard to its appropriate existing state of repair and condition, including reference to its age, nature of construction and functional obsolescence. **We believe we have formed a general opinion of the state of repair of the property in so far as it is likely to affect our valuation.**

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.

No building survey undertaken. The office building and yard appear to be in good repair and decorative order. The rear field (undeveloped) will need cutting back following recent periods of dry weather and vegetation overgrowth.

9. **TENURE**

We understand the property is owned freehold by Millstone Construction. The subject site is the south-west section of WA677082. We have not seen the title deeds or a solicitor's Report on Title. We therefore assume the property is not affected by any restrictive covenants or easements which might have an impact on value.

We reserve the right to amend our valuation if information on title is subsequently provided by your solicitor which proves detrimental to the original figure reported to you.

10. **RATING**

The property has been assessed in the **2017 Rating List** as follows:

Description:

Rateable Value:

2023/2024 U.B.R.: 0.535 p in the pound.

11. **TAXATION**

We have not made any allowances in respect of capital taxation such as Capital Gains Tax, Inheritance Tax or Capital Allowances.

In respect of valuations on investment property, we have made due allowance for the payment of appropriate Welsh Government Land Transaction Tax on legal completion of a purchase.

12. **PLANNING**

We have not made formal enquiries of RCT Planning Department in the time available for the preparation of this report.

With regard to the office building you provided a final certificate for Building Regulations dated 4 January 2022 which related to "conversion of outbuilding into an office and associated works".

With regard to the proposed new detached store building, you provided a copy of the full planning permission reference 22/0705/10 granted by RCT on 9 March 2023 for "construction of covered store".

The permission has 2 non-contentious conditions attached to it and refers to various drawings (not seen by us).

13. **TENANCY**

Currently owner occupied by your company, the proposal is post SASS, freehold transfer a lease back to Millstone Construction in respect of the front office/builders yard (benefitting from planning consent for new store).

We recommend a new 10 year full repairing and insuring lease, 5 yearly upwards only rent review, initial rent £14400 per annum.

14. CURRENT UK MARKET CONDITIONS

“The results of the Q1 2023 RICS UK Commercial Property Monitor remain generally subdued as the market continues to contend with higher borrowing costs and a sluggish economic growth outlook. That said, the overall tone to the latest feedback is not as downbeat as last quarter. Indeed, the industrial sector in particular has shown renewed momentum, evidenced by near-term capital value expectations turning marginally positive following the sharp downward adjustment seen at the end of last year as bond yields jumped higher. Overall, although 50% of respondents feel conditions are consistent with a downturn phase of the property cycle, respective shares of 25% and 21% now feel the market has either reached a floor or has begun to turn up (9% and 5% in Q4). Starting with the occupier backdrop, the headline net balance for tenant demand came in at -3% in Q1. Although indicative of a largely flat picture, this marks an improvement on a reading of -20% posted last time. Within this, the industrial sector saw a pick-up in occupier demand, registering a net balance of +16% vs +6% in Q4. Meanwhile, tenant demand was flat to marginally negative for office space (net balance -6%) and continued to fall across the retail sector (net balance -23%). Even so, in both instances, this was less negative than in the previous quarter. Alongside this however, vacant space continued to edge higher within the office and retail segments, prompting landlords to increase to value of incentive packages. Conversely, availability dipped marginally for industrials. Looking at the prospects for rental growth, the net balance of respondents anticipating an increase in prime industrial rents over the next twelve months rose from +40% in Q4 to +58% in Q1, and from +6% to +23% for secondary industrial rents. By way of contrast, the outlook for rents remains negative for prime and secondary retail outlets, although the net balance of respondents expecting falls did moderate compared to Q4. For the office sector, there remains a stark contrast between prime and secondary, with the former expected to see solid rental gains (net balance +29%) while rents are seen falling across the latter (net balance -37%). Anecdotal remarks continue to cite ESG factors as an important driver of demand for some offices. When disaggregated by broad region, a net balance of +38% of respondents foresee prime office rents in London rising in the year to come (up from a figure of +19% beforehand). Although growth in prime office rents is also seen across the South, Midlands and the North, expectations are not quite as elevated as those in London (in net balance terms). On the same basis, industrial rental growth expectations are particularly buoyant across the Midlands, albeit all parts of the country are expected to deliver a solid uptick in industrial rents. At the weaker end of the spectrum, both prime and • Industrial capital value expectations recover slightly, with occupier fundamentals still solid • Secondary offices and retail continue to struggle but prime offices post firmer expectations • Majority of respondents still view the market to be in a downturn although a rising share now feel conditions are stabilising (or beginning to improve) relative to last quarter
rics.org/economics secondary retail rents are projected to fall across most parts of the UK.

Interestingly however, rents are now anticipated to pick-up marginally for prime retail space in London. Turning to the investment market, the headline metric capturing investor demand posted a net balance of -14% in Q1. Although still indicative of a weakening in investor enquiries (for a third straight quarter), the latest figure is less downcast than the reading of -30% seen in Q4. A tighter lending environment continues to present a headwind to investor activity, with the survey's series gauging changes in credit conditions pointing to a fifth successive quarterly deterioration. Even so, the Q1 net balance of -37%, while still signalling a tougher lending backdrop, is the least negative reading seen since Q1 2022. At the sector level, the latest net balances regarding investment demand for offices and retail assets came in at -26% and -27% respectively. Alongside this, industrial buyer demand appeared to stabilise, returning a net balance reading of +4% (compared to -9% last quarter). Notwithstanding this, indicators tracking overseas investment demand remained in negative territory across all three traditional market sectors. Regarding the twelve-month outlook for capital values, the all-property expectations net balance moved to -10% following a reading of -40% previously. Moreover, expectations turned from negative to slightly positive in both the prime and secondary portions of the industrial market. Across the prime office sector, values are now seen holding steady over the year ahead (net balance +6% vs -31% in Q4), although expectations remain deeply negative for secondary office values (net balance -44% compared to -65% previously). Alongside this, respondents still foresee further falls in retail values, both prime and secondary, posting net balances of -19% and -50% respectively. Away from the mainstream sectors, respondents do envisage some positive growth over the year ahead in capital values across aged care facilities, life sciences, student housing and multifamily residential. For hotels, the outlook appears flat to marginally positive. At the other end of the scale, leisure capital values are expected to fall according to a net balance of -24% of respondents. In response to a set of extra questions included in the Q1 survey, just over 50% of respondents stated that they currently assess the extent of potentially 'stranded' assets in the portfolios they are involved with. Furthermore, close to three-quarters of respondents feel that between 10% and 30% of these assets could potentially be 'stranded' if no investment at all is made to enhance them to meet legislative and market requirements."

15. VALUATIONS

(a) Rental Value (Front Office/Builders Yard with planning for detached new material store)

We are of the opinion that the market rental value of the above will be around £ p.a. subject to a new 10 year FRI lease, 5 yearly upward only rent review.

Our rental value is based upon the definition of Market Rent in the Red Book. This is defined as:

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

(b) Capital Valuation

PENSION VALUATION REPORT Office, Builders Yard and Rear Land Opposite Brynna Mill, Church Street, Brynna CF72 9QP/page 7 of 9

We are of the opinion that the entire site comprising front office building, rear yard (with planning for new store) and rear expansion land has a current Market Value of around:

£200,000 (Two hundred thousand pounds)

Market Value is an internationally recognised basis and is defined 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 arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Market Value is our estimate of the price that would be agreed, with no adjustment made for the costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

16. VALUATION ISSUES

METHOD OF VALUATION: Market Approach

Back in 2019 we undertook a valuation for RCT of the adjacent community centre/football pitch land which had been leased to the local Brynna Community Centre for 21 years from 1 October 2003.

The total demised area was around 4 acres including 2 football pitches and a single storey 1980s community centre building. We recommended a new lease rent of £7,400 per annum payable monthly, restricted to a use as community centre facility and sports field.

Some local industrial rental comparables in the area include the following:

Innovation Centre, Station Terrace, Pontyclun

4,911ft² unit was let for 5 years from July 2019 at £7.13 per ft² to Nautilus Roofing.

Units D1-D6 Coedcae Lane Industrial Estate, Talbot Green

Tool Station took a new 5 year lease from May 2019 on a 2,369ft² unit at £5 per ft².

Units C1-C6 Coedcae Lane Industrial Estate

Pontyclun Electro Technical Training leased a small 1832ft² unit on a new 3 year lease from April 2019 at £5.74 per ft².

We feel the builders yard behind the front HQ office building has a commercial value way in excess of agricultural land values for the area and it should reflect the planning permission for the detached portal steel frame storage unit.

You have also advised that the local council may wish to negotiate a further purchase of part of your rear land to extend their existing 5-a-side football pitch area.

In arriving at our valuation figures we have assumed that all information with which we have been supplied is correct and that the property of freehold tenure, unless otherwise advised.

Our market value assumes a marketing period of up to 9 months.

We confirm our valuation(s) accord with the RICS Valuation-Global Standards 2021 Red Book as subsequently amended and referred to above.

17. GENERAL CONDITIONS

This report is provided for the stated purpose and only for the use of the party to whom it is addressed. No responsibility is accepted to any other party.

Our report will be Private and Confidential to Millstone Construction/S Howels Esq/Stratford/Collins IFA. **It may not be disclosed to any third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in the report.**

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

Yours faithfully



Chris Clarke LLB FRICS

**RICS Registered Valuer
Chris Clarke Surveyors Limited**

APPENDIX A – INSTRUCTIONS AND TERMS OF ENGAGEMENT

Office, Builders Yard and Rear Land Opposite Brynna Mill, Church Street, Brynna CF72 9QP

Chris Clarke Surveyors Limited

Terms of Engagement-January 2023

Generally

Application

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

Appointment

The client appoints Chris Clarke Surveyors Limited a regulated firm to provide the agreed services exercising reasonable skill and care. This document and the acknowledgement letter are to be read together as a single document. Any variations to these terms agreed following the initial settlement of the terms are to be recorded in writing and agreed by all the relevant parties.

Performance standards

We confirm that the valuations and appraisals will be carried out in accordance with the latest 2020 edition of the RICS Valuation – Global Standards (the Red Book) as amended..

Compliance with the **RICS Rules of Conduct** and the **Red Book** is mandatory for chartered surveyors in the interests of maintaining high standards of service and for the protection of clients.

Liability and duty of care

Chris Clarke Surveyors Ltd owes to the client a duty to act with reasonable skill and care in providing the service and complying with the client's instructions where those instructions do not conflict with these terms or applicable law and professional rules.

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

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

We confirm that Chris Clarke Surveyors Limited holds professional indemnity insurance in respect of the service to be provided.

The limit of our liability will be the lower of the value reported or £1,000,000.

The client's obligations

The client agrees to pay the fees for the work carried out in accordance with the rates or structure set out in the acknowledgement letter.

The client will be responsible for the timely provision of all information and cooperation reasonably, including that from third parties engaged directly by the client, required by us to assist in the performance of the service. We will assume that the information provided is complete and correct.

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

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

Jurisdiction

English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in England. In the event of any dispute arising in connection with the valuation, including any third party using the valuation, the parties will submit to the jurisdiction of the English courts only.

Regulated Purpose Valuations

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

The status of the valuer

The valuation will be the responsibility of a named suitably qualified valuer who will be acting either as an [external valuer/independent valuer (as appropriate)].

Where the valuation is a Regulated Purpose Valuation, the acknowledgement letter will include a statement as to our policy on the rotation of the valuer having responsibility for the subject valuation. The report will also include statements in relation to the length of time the valuer has been continuously the signatory to valuations provided for you for the same purpose as the report, the extent and duration of the relationship of Chris Clarke Surveyors Limited with you, and an indication of the proportion of fees relative to the total income of [the firm] within a range of five percentage points.

Complaints

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

Valuation conditions and assumptions

Generally

Inspections and investigations will be carried out to the extent necessary to produce a valuation which is professionally adequate for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in the acknowledgement letter and the report.

Subject to the comments in the following paragraphs, we shall make certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we will not verify as part of the valuation process, but treat them as a 'supposition taken to be true'. In the event these assumptions prove to be incorrect then our valuations will need to be reviewed.

Bases of valuation

The **RICS VALUATION-GLOBAL STANDARDS** recognises four bases of value:

- **market value**
- **market rent**
- **investment value (worth)**
- **fair value.**

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

1. In making the report, the **following assumptions** will be made:
 - a) The valuation is based on the assumption that the property is being sold with vacant possession and unless otherwise stated for owner occupation;
 - b) That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and that good title can be shown unless revealed from routine enquiries;
 - c) That the property and its value are unaffected by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use, is or will be unlawful unless revealed from routine enquiries;
 - d) That the property is not subject to any adverse planning regulations or conditions, building warrants, onerous restrictions etc. unless revealed from routine enquiries;
 - e) It is assumed that unless otherwise stated, roads, sewers and services outside the curtilage of the property are the responsibility of the local relevant statutory body.
 - f) The Valuer will also assume, unless otherwise stated, that all services, roads etc. are available under normal terms unless revealed from routine enquiries;
 - g) That subsequent inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially;
 - h) That the **property is free from other environmental considerations such as abnormal ground conditions, historic mining quarrying or landfill, coastal erosion, flood risk, high voltage equipment and/or cables, invasive vegetation etc. unless evident from our inspection and/or revealed from routine enquiries.**
 - i) That the property is **free from contamination, or potential contamination**, of poisons, pollutants, Radon gas, Mundic or other materials requiring invasive treatment works unless evident from our inspection and/or revealed from routine enquiries;
 - j) That **no high alumina cement concrete**, calcium chloride additive, woodwool shuttering or other potentially deleterious material was used in the construction of the property or has since been incorporated unless evident from our inspection and/or revealed from routine enquiries; (This may only be relevant to commercial properties?)
 - k) That **no asbestos or any other hazardous substances**, materials or techniques was used in the construction of the property or has since been incorporated unless evident from our inspection and/or revealed from routine enquiries.

N.B. Where evident from the inspection or revealed from routine enquiries, these matters above will be detailed in the report accordingly.

2. The construction of property over the years and particularly the finishes used may have contained hazardous materials, these are impossible to detect without specific tests and these are beyond the scope of this report. We would draw your attention particularly to the fact that **there is a strong possibility that property built or modernised in the 20th century may contain asbestos in one or more of its components or fittings.** The use of asbestos has been extremely diverse from acting as an insulant in boilers to being added to decorative finishes to improve the binding. It is frequently unexposed and as it was used as an additive to products such as cement based guttering and insulation and roofing sheeting, its presence can only be confirmed by testing. It is beyond the scope of this inspection to test for asbestos if you have any concerns then you should arrange for a specialist to undertake appropriate tests. Asbestos becomes a particular health hazard when its fibres are released into the air. Therefore it should be not disturbed, sanded ready for decorating, drilled, cut etc. and should only be removed by experts. Consequently, we have assumed that the property is free from asbestos and any other hazardous materials unless evident from our inspection and/or revealed from routine enquiries

We shall, however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

Ground conditions and environmental risks

Unless provided with information to the contrary, our valuation will assume that:

- the site is **physically capable of development or redevelopment**, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure;
- there are **no archaeological remains** on or under the land which could adversely impact on value;
- the property is not adversely affected by any form of pollution or contamination; and
- there is **no abnormal risk of flooding (unless specifically stated)**.

We shall, however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

Title and tenancies

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

Tenant status

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

Planning and highway enquiries

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

Floor areas and age

All measurements will be taken in accordance with the RICS *Property Measurement, 2nd Edition including IPMS (where applicable)*. The floor areas in our report will be derived from measurements taken on site or that have been scaled from the drawings supplied and checked by sample measurements on site. Where the age of a building is estimated, this is for guidance only.

Plant and equipment

We will include in our valuations those items of plant and equipment normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting. We will exclude all items of process plant and machinery and equipment, together with their special foundations and supports, furniture and furnishings, vehicles, stock and loose tools, and tenants' fixtures and fittings.

Development properties

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

Disposal costs and liabilities

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

Reinstatement assessments

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

Definitions of bases of valuation

These definitions are reproduced from the 2020 Red Book:

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.'

Market rent

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

Investment value (worth)

'The value of an asset to the owner or a prospective owner for individual investment or operational objectives.'

Fair value (IVS)

'The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.'

OR

Fair value (IFRS)

'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

CLIENT AGREEMENT TO JANUARY 2023 CCS LTD TERMS OF ENGAGEMENT

.....SIGNATURE

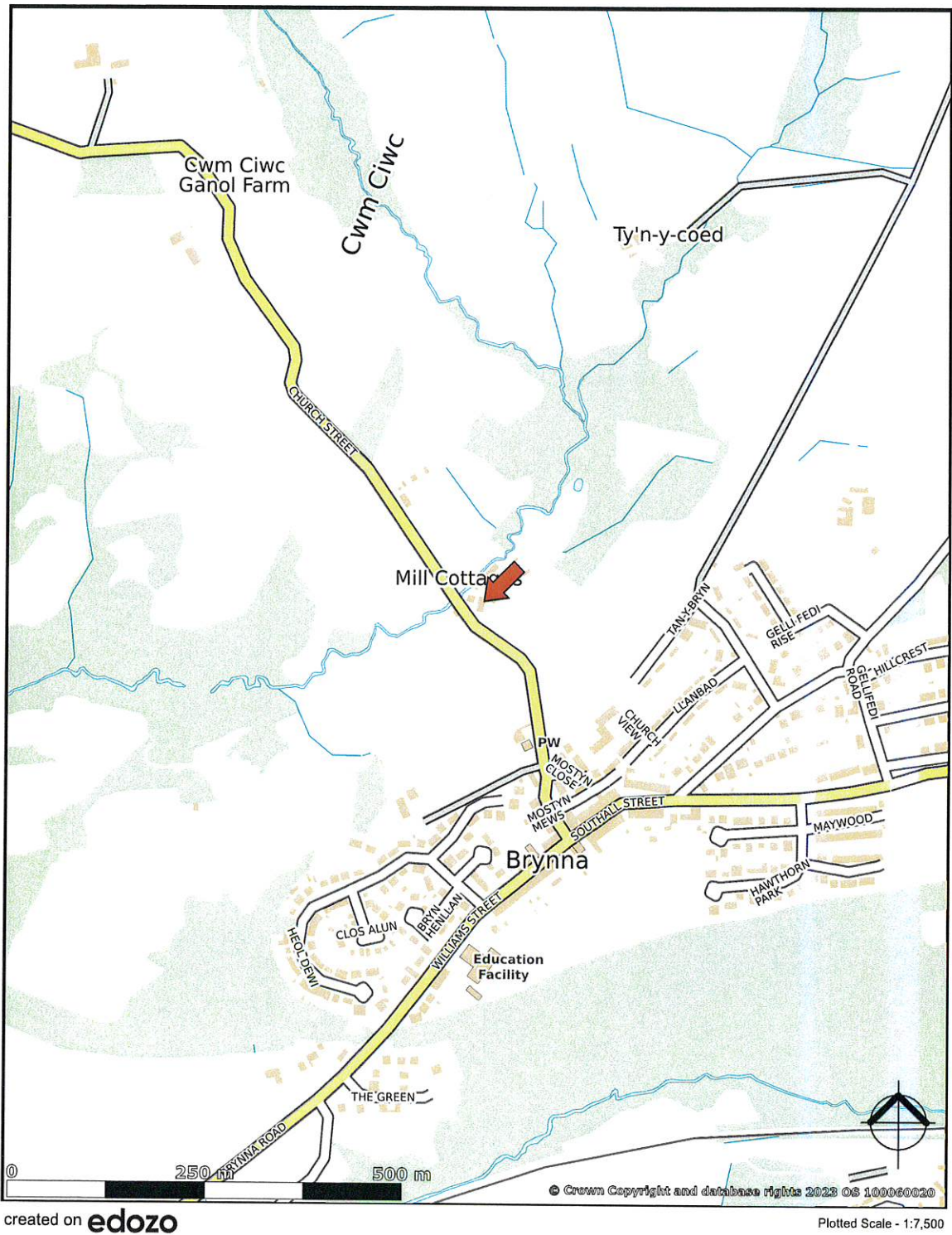
.....NAME

.....DATE

APPENDIX B - LOCATION MAP AND SITE PLAN

Office, Builders Yard and Rear Land Opposite Brynna Mill, Church Street, Brynna CF72 9QP

Brynna Mill, Church Street, Brynna, Pontyclun, CF72 9QP



This map is published for convenience of identification only and although believed to be correct, is not guaranteed and it does not form any part of any contract



This map is for reference purposes only. You are not permitted to copy, sub-license, distribute or sell any of this data to third parties in any form.
Data last updated 10:00pm 19 MARCH, 2015

Map scale 1:2500

APPENDIX C – PHOTOGRAPHS

Office, Builders Yard and Rear Land Opposite Brynna Mill, Church Street, Brynna CF72 9QP

MILLSTONE CONSTRUCTION, CHURCH STREET, BRYNNA RCT



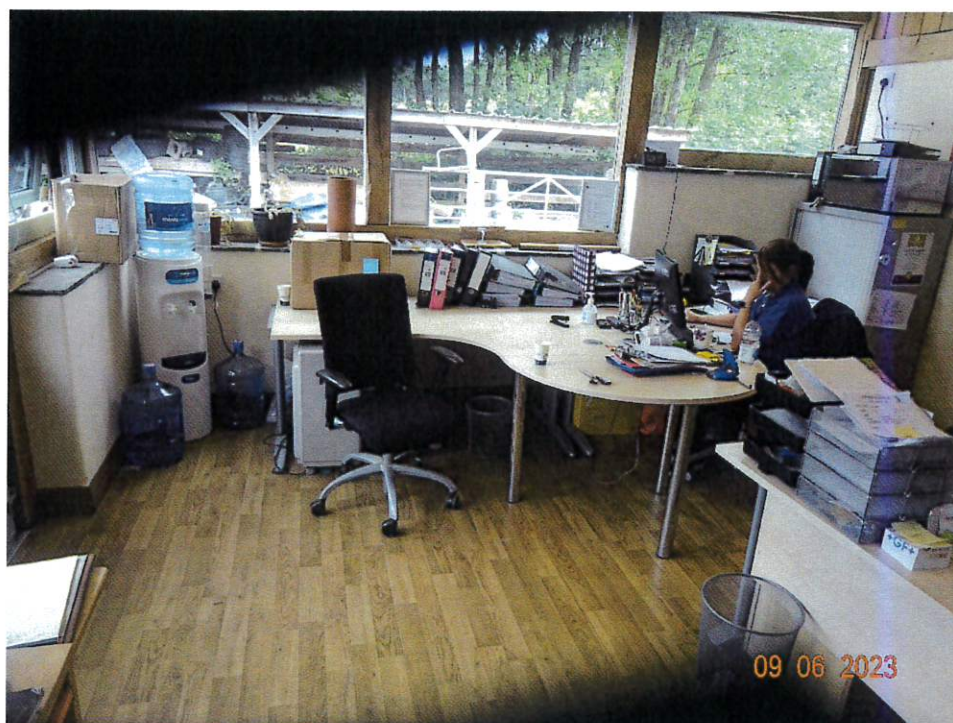
SITE ENTRANCE



OFFICE BUILDING-FRONT ELEVATION



OFFICE BUILDING-REAR



FRONT RECEPTION OFFICE



STORAGE YARD



REAR YARD WITH INCINERATOR



PART OF REAR LAND (FOOTBALL ITCH BEHIND TREES)



PART OF REAR LARGE FIELD TOWARDS RIVER

SSAS RESOLUTION

SSAS INVESTMENT RESOLUTION

At a meeting of the trustees of the Millstone Executive Pension held on 10th June 2023, it was resolved that:

1. The member trustees have agreed to purchase the commercial land and offices at Brynna Mill, Church Street, Brynna, Pontyclun, CF72 9QP. The trustees intend to lease the property for commercial gain as well as considering the long term potential planning opportunities that may arise. In order to take advantage of this opportunity the scheme trustee namely STEPHEN JOHN HOWELLS of Brynna Mill, Brynna, Pontyclun Mid Glamorgan CF72 9QP and STEVEN DICKS of Oakland House Tondy, Bridgend, Mid Glamorgan, CF32 0EH and STUART PEARSON of Caer Gymrig Farm, Caer Gymrig, Maesteg, CF34 0JD (The Member/Trustees) have agreed to make such a purchase. Therefore in accordance with their powers under the scheme trust documentation, assets of the fund shall be used to purchase the commercial land and offices detailed above.
2. Investment powers and duties in relation to this transaction are delegated under the trust documentation to the Member Trustees above and have agreed for the transaction to be carried out on behalf of the scheme.
3. All necessary documentation has been viewed by the Member Trustees before agreeing to the purchase in addition to commissioning an independent solicitor and an independent RICS surveyor.
4. The Member Trustees are satisfied that the above loan is an acceptable and commercial transaction and in keeping with the scheme legislation and has agreed the purchase subject to valuation and all legal searches being satisfactory.
5. The member/trustees have appointed the following independent solicitor to carry out all necessary searches and conveyancing to completion. John Potter of Spencer Skuse & Potter Solicitors, 17 Lambourne Crescent, Llanishen, Cardiff, CF14 5GF
6. In addition to any indemnities conferred on them by law or under the trust documentation, the scheme Administrators "The Practitioner Partnership LP, Retirement Capital" and all associated companies or delegates are not liable for any act or omission of the Member Trustees or his advisers or their delegates in relation to the exercise of the powers referred to in 1. Above.
7. The Member Trustees confirm that "The Practitioner Partnership LP, Retirement Capital" and any associated companies or delegates will not be liable for any unauthorised payment charge, unauthorised payment surcharge, scheme sanction charge or other tax charge that may be levied by HMRC in connection with this loan should one ever arise.

8. The Member Trustees have agreed for the purchase funds to be made available by bank transfer from funds held on deposit with Metro Bank to the following Solicitors Client account ahead of exchange of contracts:-

Bank:	Lloyds Bank Plc
Account name:	Spencer Skuse & Potter Client Acc
Account number:	18604460
Sort code:	30-67-64

9. The agreed purchase price is £200,000 for Land and offices at Brynna Mill, Church Street, Brynna, Pontyclun, CF72 9QP. Funds will be transferred from the scheme bank account to the nominated Solicitor's account to cover the purchase price and the Solicitors fees.
10. The Member Trustees hereby confirm and agree to the scheme investment as described in 1. over and paid in line with 9. above.

Signed (*Trustee*) _____

Name (*printed*) STEPHEN HOWELLS

Date _____

Signed (*Trustee*) _____

Name (*printed*) STEVEN DICKS

Date _____

Signed (*Trustee*) _____

Name (*printed*) STUART PEARSON

Date _____

SCHEME DISCLAIMER

Date:

Waiver of Liability Agreement for the Millstone Executive Pension BETWEEN:

- 1) **The Trustees of the Millstone Executive Pension** being **STEPHEN JOHN HOWELLS** of Ridgebrooke Nursery, Colwinston, Cowbridge, CF71 7NL, **STEVEN DICKS** of Oakland House Tondy, Bridgend, Mid Glamorgan, CF32 0EH and **STUART PEARSON** of Caer Gymrig Farm, Caer Gymrig, Maesteg, CF34 0JD (the "**Trustees**"); and
- 2) **Registered Scheme Administrator Limited** (Company No 09508411) whose registered office is situated at Venture Wales, Pentrebach, Merthyr Tydfil, Wales, CF48 4DR (the "**Scheme Administrator**").

WHEREAS

- A. **Millstone Executive Pension Scheme** (the "**Scheme**") is a registered pension scheme currently governed by a Trust Deed Adopting Replacement Provisions dated 23rd December 2022.
- B. The Trustees are the present trustees of the Scheme.
- C. The provisions of this Agreement shall have effect on and from the date of this Agreement.

Provisions

- 1) The Scheme Administrator shall not be liable for any investment decisions made by the Trustees at any time and the Trustees consent to this decision.
- 2) The Scheme Administrator shall not be liable for any tax payment and penalties that may be imposed by HMRC connected with the responsibilities imposed on the Trustees as Scheme Administrator.
- 3) The liability of any other matters that do not fall within Parts 1 and 2 of this agreement shall fall within the professional indemnity insurance policy maintained and held by the Scheme Administrator from time to time.
- 4) Electronic signatures adopted in accordance with Electronic Signatures Regulation 2002 (SI 2002 No. 318), whether digital or encrypted, by any and all the parties included in this document are intended to authenticate this document and shall have the same force and effect as manual signatures.
- 5) Delivery of a copy of this document contemplated hereby bearing an original or electronic signature by electronic mail in portable document format (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

Signature:

Stephen Howells

Signature:

Steven Dicks

Signature:

Stuart Pearson

Signature:

For and on behalf of Registered Scheme Administrator Limited