

48 High Street South,
Dunstable, Bedfordshire LU6 3HD
Telephone: (01582) 699990
Facsimile: (01582) 699412
Email: professional@alexanderandco.co.uk
Website: www.alexanderandco.co.uk

Our Ref: GGA/II

8th February 2012

The Trustees of Priory Gate
SSAS
3 The Pastures
Garret Close
Dunstable
LU6 3EG

Celebrating
42
Years in Business
1970-2012

Dear Sirs

Re: Carlton House, 42-44 West Street, Dunstable LU6 1TA

Further to receipt of your instructions for which we thank you, please find attached two copies of our report together with our account for fees.

Should you have any queries please do not hesitate to contact me accordingly.

With Kind Regards

Yours sincerely



Geoff Alexander
Alexander & Co: Commercial & Industrial

Enc:



**Commercial and Industrial Estate Agents
Property Managers, Surveyors and Valuers**

Geoffrey G. Alexander BSc (Soc). Dip IA, FRICS

Alexander and Co: Commercial and Industrial is an
Appointed Representative of Genavco Insurance Limited
who are authorised and regulated by the Financial
Services Authority.



Alexander & Co: Commercial & Industrial is a
division of Alexander and Co 1970 registered at
Companies House No: 07205934

REPORT AND VALUATION ON

**CARLTON HOUSE
42 - 44 WEST STREET
DUNSTABLE
BEDS
LU6 1TA**

**ON BEHALF OF
THE TRUSTEES OF PRIORY GATE SSAS**

**PREPARED BY
ALEXANDER AND COMPANY COMMERCIAL & INDUSTRIAL**

CONTENTS

1. PRELIMINARIES
 - 1.1 INSTRUCTIONS
 - 1.2 CONDITIONS OF ENGAGEMENT
 - 1.3 DEFINITIONS OF VALUATION REQUIRED
2. VALUATION
3. THE PROPERTY
 - 3.1 LOCATION
 - 3.2 DESCRIPTION
 - 3.3 ACCOMMODATION
 - 3.4 SERVICES
 - 3.5 GENERAL CONDITION
 - 3.6 ENVIRONMENTAL ISSUES: CONTAMINATED LAND
 - 3.7 TOWN AND COUNTRY PLANNING, STATUTORY REQUIREMENTS
 - 3.8 TITLE/TENURE
4. OTHER MATTERS
 - 4.1 MARKET CONDITIONS
 - 4.2 VALUATION COMMENTARY
 - 4.3 GENERAL
 - 4.4 DATE OF INSPECTION/NAME OF SURVEYOR

APPENDICES

- | | |
|--------------|--|
| APPENDIX I | INSTRUCTION LETTER AND ALEXANDER AND COMPANY LETTER CONFIRMING OUR INSTRUCTIONS. |
| APPENDIX II | ALEXANDER AND COMPANY: CONDITIONS OF ENGAGEMENT |
| APPENDIX III | LOCATION PLAN |
| APPENDIX IV | SITE PLAN |
| APPENDIX V | PHOTOGRAPHS OF PROPERTY |

1. PRELIMINARIES

1.1 INSTRUCTIONS

We are instructed by The Trustees of Priory Gate SSAS, 3 The Pastures, Garrett Close, Dunstable, LU6 3EG to provide a report and valuation in respect of the freehold office building Carlton House, 42 – 44 West Street, Dunstable, LU6 1TA with the assumption of full vacant possession. This report is prepared in accordance with the Practice Statements, Guidance Notes and Appendices contained in the RICS Appraisal and Valuation Standards 7th Edition. We are instructed to provide our opinion of:

- a) Open Market Value (MV)
- b) Market Rent (MR)
- c) Fire reinstatement value

Our instructions were confirmed by letter dated December 2011 and our written letter of acceptance instruction dated 20th December 2011: a copy of this is attached at Appendix I.

1.2 CONDITIONS OF ENGAGEMENT

In accordance with our standard practice our report and valuation is subject to our standard terms of engagement as set out in Appendix II: these conditions follow the recommendation of the RICS Valuation Standards 7th Edition.

1.3 DEFINITIONS OF VALUATIONS REQUIRED

- a) Market Value

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

- b) Market Rent

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

- c) Reinstatement Value For Fire Insurance Purposes

In respect of the insurance estimate it is assumed that the policy is on an indemnity basis with a fully operative reinstatement clause and no special conditions. We have assumed an instantaneous basis of value and

have had no regard to any variation in building costs subsequent to the date of our estimate.

The figure reflects the current condition of the property and excludes all items of plant and machinery, trade fixtures and other materials which do not form an integral part of the structure. The figure includes an estimate of costs of demolition, site clearance, shoring or propping up (where appropriate) together with all professional and statutory fees which will be incurred in the reconstruction. We have assumed that the nature of the building and the ground conditions of the site would not give rise to the need for any special construction techniques such as raft foundations, piling etc and we have assumed that there are no contaminated ground conditions or other factors that might add to the reinstatement costs.

The insurance building value is given as a guide only without responsibility as a formal valuation for insurance purposes can only be given by a Chartered Building Surveyor or Quantity Surveyor with sufficient current experience with regard to replacement costs. If such a valuation is required we can arrange this separately.

In respect of a) and b) above:

- 1) No allowances have been made for the expense of realisation or for any taxation which may arise in a sale of the whole or any part of the property.
- 2) Value Added Tax: unless otherwise stated all prices and rents are quoted exclusive of Value Added Tax.

2. VALUATION

- a) The Market Value of the property is in our opinion in its present condition with full vacant possession fairly represented in the sum of:

£280,000

- b) The Market Rent of the property is in our opinion in its present condition fairly represented in the sum of:

£31,000 per annum exclusive.

We have assumed that repairs/upgrading have been carried out and a five year fully repairing and insuring lease subject to tenant option to break at end of 3rd year.

- c) Reinstatement figure inclusive of VAT at 20% for fire insurance purposes:

£1,090,000

3. THE PROPERTY

3.1 LOCATION

The property is situated on the western edge of Dunstable town centre with frontages to both West Street and Victoria Street: pedestrian access from Victoria Street. Adjoining the premises to the east is a multi storey office building and to the north a public house. The surrounding area in respect of Victoria Street is primarily residential and in respect of West Street a variety of retail, restaurant/fast food and office premises. Immediately opposite the property on the south side of West Street is the local police station and a public car park.

Parking is prohibited to this section of West Street and Victoria Street but with some restricted street parking nearby together with public car parks within a short walking distance off West Street and off Matthew Street. Whilst located in a secondary town centre commercial area the property benefits from a prominent main road location facing directly onto the B489 – the principle road west out of Dunstable.

The town centre of Dunstable is within a short walk providing a range of shops to main road frontages and an established shopping centre together with a theatre, leisure centre and college. Dunstable is situated at the junction of the A5, A505, B489 and is congested at certain times of the day in terms of traffic queuing. However, the town is conveniently located within approx 3 miles of the M1 (J11) and 6 miles of the M1 (J9). The towns of Luton, Milton Keynes, St Albans and Leighton Buzzard readily accessible. Thameslink mainline railway station approx 5 miles and London Luton International airport approx 8 miles.

We attach at Appendix III an extract from the local road atlas showing the approximate location of the property marked by a red dot.

3.2 DESCRIPTION

Erected 1950's a three storey detached office building of concrete framed construction with brick/blockwork elevations (incorporating crittall metal window frames set within timber frames, single glazed, albeit with fitted secondary glazing) under a flat felt roof. Concrete floors.

The accommodation provides reception hall to ground floor with staircase to each of the other floors and single cloakroom to ground floor, two cloakrooms to first floor and two cloakrooms to the second floor. Accommodation lends itself to occupation as three separate suites of accommodation one per floor or as a single unit of accommodation.

The ground floor accommodation provides timber studwork partitioning to provide a range of offices, suspended ceiling with Cat II lighting to main areas,

single cloakroom although facility to provide a further cloakroom to adjacent storage room, kitchen with dated units. Gas fired radiator heating.

The first floor is timber studwork partitioned to provide two large open plan office areas, two further offices, kitchen and mainly Cat II lighting. Gas fired radiator heating. Comfort Cooling provided by seven cassette units five of which appear to be some age.

The second floor provides demountable partitioning to main area to provide a range of open plan and individual offices together with a kitchen. Offices areas are mainly fluorescent tubes, spots to reception area and suspended ceiling with Cat II lighting to one office. Gas fired radiator heating. Comfort Cooling by two cassettes. Other cassettes are of some age, we advise not operational and we have disregarded for purposes of this assessment.

Floor coverings, carpet tiles/carpets except "timber" floor to one room on second floor.

The property provides disabled access by way of stair lift to first floor only and no disabled toilet provision. Whilst one toilet has been provided with additional grab handles the door width is not sufficient for wheelchair access.

Externally steel framed fire escape stairwell adjacent to the east elevation of the building. Car parking within steel gated undercroft providing two spaces or four if double parked together with two spaces to West Street frontage.

We attach at Appendix IV site plan and Appendix V photographs of property.

3.3 ACCOMMODATION

From measurements taken on site, we calculate that the property provides the following approximate accommodation, measured in accordance with the R.I.C.S. Code of Measuring Practice calculated on a net internal area basis.

Ground Floor

Offices	100.12 m ²	1078 ft ²
---------	-----------------------	----------------------

First Floor

Offices	172.40 m ²	1856 ft ²
---------	-----------------------	----------------------

Second Floor

Offices	157.94 m ²	1695 ft ²
---------	-----------------------	----------------------

Total	430.46 m²	4629 ft²
--------------	-----------------------------	----------------------------

Rateable Value

According to the valuation office agency as of April 2010 website the property is assessed as three separate floors as follows:

Ground floor: £9,100
First floor: £16,250
Second floor: £10,500

Uniform Business rate for the financial year commencing April 2012: 45.8 pence per pound of rateable value. (For financial year commencing April 2011 43.3 pence per pound)

3.4 SERVICES

Mains drainage, water, electricity and gas fired radiator heating with separate boiler for floor. We are advised facility to meter electricity and gas per floor.

Comfort Cooling cassettes fitted to part of the property.

We would stress that we have not tested any of the drains or services and for the purposes of this valuation we have assumed (with exception of the Comfort Cooling cassettes to the first floor where investigation/some attention may be necessary) no repairs are necessary. Should this not be the case we reserve the right to review our assessment.

3.5 GENERAL CONDITION

We would confirm that our inspection of the property is limited to that adequate for valuation purposes. Our inspection was limited by office furniture/storage and fitted carpets, carpet tiles throughout. The east flank wall mainly abutts adjoining office building and accordingly we are unable to comment on its condition.

The property is in tired condition and items requiring investigating/attention are as follows:

- 1) Repair external window frames where effected by rot and thereafter redecorate. Alternatively upgrade to replacement double glazed windows.
- 2) Redecorate concrete framed structure externally.
- 3) Repair small balcony/facia to West Street.
- 4) Repaint steel fire escape.
- 5) Investigate and repair as necessary Comfort Cooling cassettes.

- 6) Strip out former occupier's fixtures and fixings and redecorate thereafter. Replace carpets to most of accommodation. According to user upgrade lighting to Cat II lighting to second floor.
- 7) According to particular occupier investor requirements option to strip out all internal demountable partitioning, make good and carry out works necessary thereafter to electric system, heating system, ceilings and lighting, redecorate and recarpet.
- 8) Provide a fire risk assessment in respect of those parts of building not covered by report and carry out recommendation.

We 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 uninspected 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 except for: please note comments above in respect of Comfort Cooling cassettes.

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 have 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.

We have not carried out or 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 any assurance that there are no underground mineral or other workings beneath the site or in its vicinity.

3.6 ENVIRONMENTAL ISSUES:

Contaminated Land

We are not aware of any contamination affecting the property or neighbouring properties which will affect our valuation. We understand from Central Bedfordshire Council Environmental Health that they are unable to provide formal advice as to potential contamination.

Asbestos

Under the Control of Asbestos at Work Regulations 2006 occupiers and/or owners are now placed under a comprehensive duty to carry out an assessment of their property and to manage the risk from exposure from asbestos for all persons on their premises.

The regulations require a written management plan to be in place if asbestos is identified stating the measures for managing and controlling the risk from asbestos present. If such a management plan does not exist, since this is a legal requirement one should be prepared by the duty holder and the recommendations carried out. Specialist advice should be sought.

3.8 TITLE/TENURE

We have not inspected any documents of title and for the purpose of this valuation we have assumed that the subject interest is unencumbered and free from any unduly onerous or unusual easements, restrictions, outgoings, covenants or rights of way and that it is not affected by any local authority proposals. We attach site plan (Appendix IV) with extent of property as advised by owner edged red.

We have not carried out investigations as to the rights of public utilities over the property, and we have assumed that any such rights would not impose any undue restrictions thereon. We have also assumed that all roads adjoining the property, or providing access thereto are adopted by the local authority and maintainable at public expense, unless otherwise stated.

Important Note: We understand the second floor is occupied by Priory Gate Limited on an informal basis with no rent being paid. We are instructed to disregard this occupancy and assume the property has full vacant possession. If this should not be the case we reserve the right to amend our assessment.

4. OTHER MATTERS

4.1 MARKET CONDITIONS

As a result of the recent and continuing major economic recession and current financial crisis in the UK, Europe and America and with the impact of government cuts in expenditure, employment and increases in taxation, demand for office accommodation in the area freehold or leasehold is extremely poor particularly for dated building of this type and there continues to be pessimism in respect of rental and capital values. In addition the commercial property market has been severely affected by extensive cutbacks in the availability of funds and where funds are available substantial changes in respect of loan to valuation ratios, arrangement fees and interest rates.

In respect of Dunstable whilst it has the benefit of proximity to the M1 motorway and London Luton International Airport it lacks a mainline railway station (albeit Thameslink at Luton). The town has been particularly severely hit by the recession with a substantial number of vacant retail units and available office accommodation. The Dukeminster estate providing industrial and office units are in the process of being demolished due to the lack of demand and redevelopment for residential purposes. In the future with the construction currently under way of the Luton/Dunstable translink to provide direct access to Luton mainline railway station (Thameslink) and London Luton International Airport together with the proposed new link road from the northern edge of Dunstable to the M1 perception of Dunstable and value should improve.

4.2 VALUATION COMMENTARY

In assessing the value of the premises we have endeavoured to use the comparative method but due to relatively few transactions we have also referred to properties not let as well as using our intuitive judgement and knowledge of the market.

We set out below some comparisons:

Open Market Value

Kensworth Gate, High Street South, Dunstable:

A modern office development comprising a range of two and three storey office buildings, three storeys with lift with secure surface and underground car parking approx 1 mile south of Dunstable town centre.

Unit 1 Kensworth Gate:

Completed November 2011 being a two storey end of terrace office building extending to approx 1187 ft², four parking spaces and gas fired radiator heating. Virtual freehold sold at £187,000: £157.54 per ft².

Unit 2 Kensworth Gate:

Similar to the above but mid terraced sold March 2011 for £185,000: £155.86 ft².

Unit 4 Kensworth Gate:

Sold March 2011 on a sale and leaseback basis: three storey building of 1637 sq ft with 5 parking spaces and some Comfort Cooling cassettes sold in the sum of £230,000 at a rental of £18,000 pax (£11 per ft²: gross yield 7.83%) for a term of 6 years subject to tenant break at the end of the third year. Invariably sale and leasebacks must be viewed with some caution and we consider the rental to be high and the yield low.

Project House, Craddock Road, Luton:

A modern detached two storey office building situated on a small industrial estate on the borders of Dunstable/Luton and within a short drive of the M1 (J11). The premises provided 3475 sq ft of accommodation with particularly high parking – approx 30 spaces and a reasonable office fit out. The sale completed towards the end of last year in the sum of £360,000: £103.60 per ft². Or alternative analysis after adjusting say 10 parking spaces required for a property of this size to give an effective rate of £89.20 per ft².

43 High Street North, Dunstable:

Substantial three storey town centre building circa 1900's or earlier formerly solicitors offices extending to 3521 ft² (net internal area) plus basement and planning consent for conversion of upper floors to 7 one bedroom apartments to provide a gross internal area of 3572 ft² together with ground floor A1/A3 retail unit. The property was on the market for some 12 months and completed in October 2011 for the sum of £230,000 with purchase for conversion to residential. No car parking.

67 High Street North, Dunstable:

Detached substantial modern three storey office building constructed behind retained period front facade. The ground floor has been subject to a recent substantial tenant fit out and the upper floors are mostly open plan served by a single eight person lift. Gas fired radiator heating. Suspended ceiling with Cat II lighting. The accommodation extends to 11580 ft² being 3469 ft² to the ground floor, 4420 ft² to the first floor 3510 ft² to the second floor. The ground floor is let to Addaction Limited for a term expiring 21st April 2021 with break clauses October 2012, 2015 and 2018. Penalty payment £21,000 at first break, 3 months rent payment at 2nd break: we have not established payment at 3rd break. The ground floor tenant has agreed a 9 year lease co-terminus to lease of ground floor to the first floor at a rental of £17,500 pax and 4 yearly rent reviews: £3.95 per ft².

The property was sold by auction 1st December 2011 at £440,000. The price reflects substantial vacant rate liability: possibility of tenant on ground floor exercising break clause 2012 and not completing lease of first floor: significant period of time that may be necessary to find tenant and incentives. Whilst a substantially larger and better quality building than the subject premises, it does demonstrate the difficult current office market with a simplistic analysis rate of: £37.99 per ft².

In considering the value of the freehold property as an investment or for owner occupation prospective purchasers will note the following:

- a) Dated 1950's style building albeit with open plan accommodation subject to removal of 'semi-permanent' timber stud partition walls to ground and first floor, demountable partitioning to second floor. However the existing layout without removal of partitioning provides a range of open plan and individual offices.
- b) Limited onsite parking with provision for 2 spaces to West Street and 2 in Victoria Street (4 if small cars and double parked). However there are two public car parks nearby directly across the road off West Street and off Macey Street.
- c) The cost of refurbishing/upgrading the accommodation the extent of which would depend on an occupier or investors perception. We would anticipate as a minimum redecoration and repair of windows, checking/possible repair to comfort cooling system, strip out existing former tenant's fixtures and fittings, redecoration to some of the accommodation and replacement of carpets to part of the accommodation. Upgrade lighting to Cat II lighting where not present. In the alternative carrying out a major upgrade/refurbishment.
- d) The lack of investor appetite for such buildings due to lack of tenant demand, costs of holding a vacant property – rates liability, insurance, security and general maintenance, need for upgrading to achieve lettings.

- e) Lack of appetite for bank lending for buildings that are vacant restricting purchasers to those with cash or a substantial cash element.
- f) Attraction to an occupier to be refurbished to their own particular requirements for a total occupation or initial partial occupation with facility to let part to assist with the funding and to allow for future expansion into this space at a later date.

We assess the rental value of the building at £31,000 per annum (please see section below open market rental value) and on an owner occupier basis a yield of 10% adjusted to reflect the basic repairs to provide a value of £280,000. We have not made any adjustment for purchaser costs since in our experience at this price level the majority of purchasers will not.

In the alternative we have considered purchase on an investor basis but after taking account of costs: cost of substantial refurbishment/upgrade albeit with lift in rental value: higher yield required compared with owner occupation: adjustment to reflect period of time taken to find a tenant, rent free periods and costs of finding a tenant - legal and lawyers fees, a lower value is applicable.

We have also looked at the possibility of converting to residential accommodation to provide a total of say 8 two bedroom flats and with the benefit of planning consent would achieve a slightly higher figure than £280,000 but without the benefit of planning consent and allowing for costs of obtaining planning, risk/uncertainty we anticipate the same or slightly lower price. We should add that different builders/investors will have different views as to selling prices, construction costs etc and the above can be regarded as a guide only.

With current very depressed market conditions and relatively few transactions to relate to a precise valuation is a difficult one and our assessment should be regarded as a guide only with price being determined by market response. We anticipate a purchaser being an owner/occupier for which there are attractive options in terms of total occupation or partial occupation and letting part to assist funding and to allow for future expansion of Occupiers Company.

Open Market Rental Value

We set out below some comparisons.

Icknield House, 40 West Street, Dunstable:
Erected in the 1980's and abutting the subject premises a three/four storey office building with modern open plan accommodation, suspended ceilings, Cat II lighting and car parking where we are currently marketing suites from 1324 ft² to 6245 ft² at a rental of £9 per ft². Letting recently completed on part of the first floor extending to 2425 ft² with 3 parking spaces, gas fired radiator heating and good specification fit out for a term of 10 years subject to 5 year tenant break at a rent of £9 per ft² with 3 months rent free: equating to £8.55 per ft². Due to the possibility of a major tenant taking most of the building the landlord subsequently required a facility to break at the end of 12 months which the tenant has accepted.

8 Cotswold Business Park, Caddington:

An attractive modern single storey office building on a small office park of 8 self contained units just outside the village of Caddington. Accommodation extends to 1735 per ft² with 10 parking spaces and good specification to include gas radiator heating, suspended ceiling with Cat II lighting leased June 2011 for a term of 9 years subject to tenant breaks and in the 3rd and 6th year at a rental of £10 per ft². The property had been marketing for some 18 months.

Eastgate House, Church Street, Dunstable:

Modern three storey office building providing three self contained floors of accommodation with attractive entrance hall. The second floor open plan accommodation extends to 210 sq ft with gas fired central heating and 1 parking space, 2 if double parked and marketed at £8 per ft². The accommodation has been vacant for some 3 years and landlord extremely flexible in terms of rent: will consider £2 to £3 per ft² for year one.

31 High Street North, Dunstable:

Modern four storey building comprising retail units to ground floor with separate entrance to offices on three floors above with lift, suspended ceilings with Cat II lighting and gas fired radiator heating. The third floor extending to 1589 ft² with 3 car parking spaces on the market for the last 18 months at a quoting rent of £7 per ft² but marketed with a rent at £4 per ft² for the first year.

In considering the value of a property on a rental basis we note the following:

- a) The property will be difficult to let in its present condition except perhaps the second floor. Whilst the property could be marketed in its present condition and a rent free period offered to allow a tenant to carry out works in practice in order to achieve lettings work will be required to be carried out **and our assessment assumes these works have been carried.**
- b) Limited on site parking as noted in our comments under 'Open Market Value'.
- c) The depressed nature of the office market and availability of space.
- d) The requirement to provide a rent free period of up to 6 months.

We assess the rental value of the property at £6.50 per ft² to the ground floor, first floor £7 per ft² (to reflect comfort cooling) and £6.50 per ft² second floor to reflect second floor to give a rental value of £31,016 say at £31,000 per annum. In the current market a letting could take 6 months to 2 years to take place and a rent free period 3 – 6 months negotiated dependant on term of lease taken. If let on floor by floor basis we would anticipate similar rental levels. We would anticipate a lease for a term of 5 years and probably need to grant a break option at end of 3rd year.

4.3 GENERAL

1. Taxation: No allowance has been made for any expense of realisation or taxation that would arise upon the disposal or development of the whole or any part of the property described herein. Nor has allowance been made for any deferred taxation that may be charged to the property or any mortgage debenture or loan for which the property may be security.

Our valuation is exclusive of VAT unless otherwise stated. The applicable VAT legislation may affect company or applicant, particularly if it is not registered or liable to be registered for VAT or partially exempt for VAT purposes.

2. Building Service Installations: For the avoidance of doubt we would confirm that our valuation includes building service installations normally associated with a building, but excludes all items of plant, machinery and equipment which may have been installed wholly or primarily in connection with the process carried out by the occupying company.

3. Assumptions: Should the assumptions which we have made in good faith during the preparation of this report, or information given to us, which could materially affect the value of the property, subsequently prove to be ill founded we reserve the right to amend our opinion of value as appropriate.

4. The nature and source of information to be relied on by the valuer: it is agreed that the valuer can safely rely upon any information supplied by the client or by a third party that the valuer is directed to by the client.

5. The requirement of consent to publication: Neither the whole nor any part of this report nor any reference to it may be included in any published document, circular, or statement, nor published in any way without the valuer's prior written approval of the form and context in which it may appear.

6. The limits and/or exclusions of liability to parties other than the client: the report is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and the client's professional advisors and no responsibility whatsoever will be accepted to any parties other than the client.

4.4 **DATE OF INSPECTION:** 8th January 2012

NAME OF SURVEYOR: Geoff Alexander FRICS

WEATHER CONDITIONS

AT TIME OF INSPECTION: Dry and sunny.

In conclusion we trust our report quite fairly advises you but if you have any queries, please do not hesitate to contact us accordingly.

QSA

.....
Geoff Alexander FRICS
Registered RICS Valuer
Alexander and Co: Commercial & Industrial
48 High Street South
Dunstable
Beds LU6 3HD
Tel: 01582-699990
Fax: 01582-699412
(Date: to be inserted)

APPENDIX I

Our Ref GA/II

8th February 2012

The Trustees of Priory Gate
SSAS
3 The Pastures
Garrett Close
Dunstable
LU6 3EG

Celebrating
42
Years in Business
1970-2012

Dear Sirs.

Re: Carlton House, 42/44 West Street Dunstable LU6 1TA

Further to your letter dated 31st October 2011 and our subsequent conversation I write to confirm and thank you for your instructions to undertake a valuation of the above property and set out below relevant matters:

- a) We understand you require a report and valuation in conjunction with the proposed sale of the property. Our report will follow the guidelines issued by the RICS Valuation Standard 7th Edition.
- b) You require a valuation on the basis of the Market Value (MV) and Market Rent (MR)
- c) Our fee for undertaking this inspection and report will be £550 plus cost of Ordinance Survey map plus VAT.
- d) The Royal Institution of Chartered Surveyors recommend that clients should be advised of conditions of engagement when valuation instructions are accepted and for this reason we enclose a copy of our Standard Conditions of Engagement in respect of the valuation of commercial and residential property, which will be appended to our Report. We would specifically draw your attention to the limitations of our investigations and reporting and the restrictions regarding confidentiality and publication. Please return a copy of these conditions duly signed and dated.

To our knowledge neither this company or any of its Partners, Directors or Employees have any foreseeable fee earning relationship concerning the subject property.

Page 1 of 2



Alexander & Co: Commercial & Industrial is a
division of Alexander and Co 1970 registered at
Companies House No: 07205934



**Commercial and Industrial Estate Agents
Property Managers, Surveyors and Valuers**

Geoffrey G. Alexander BSc (Soc). Dip IA, FRICS

Alexander and Co: Commercial and Industrial is an
Appointed Representative of Genavco Insurance Limited
who are authorised and regulated by the Financial
Services Authority.

We propose carrying out an inspection on Thursday 5th January 2012 at 10.00am and would be obliged if you could confirm this is convenient.

Assuring you of my personal attention.

Yours Sincerely



Geoff Alexander
BSc (Soc). Dip IA, FRICS
RICS Registered Valuer
Alexander & Co: Commercial & Industrial

The Trustees of Priory Gate SSAS
3 The Pastures
Garrett Close
DUNSTABLE
LU6 3EG

Mr G Alexander
Alexander & Co
48 High Street South
DUNSTABLE
LU6 3HD

December 2011

Valuation of Carlton House, 42-44 West Street, DUNSTABLE LU6 1TA

Dear Sirs

We the trustees request that you undertake an independent capital and rental valuation of the above premises, based on open market values.

The report must be addressed to the trustees and will need to include (but is not necessarily limited to):

- location and address of the property;
- description of the property covering the approximate date of construction, materials used (including the presence, or otherwise, of asbestos within the property), accommodation and existing condition;
- confirmation of approved planning permission for current use;
- reference to any environmental and contamination issues affecting, or likely to affect, the property and/or surrounding areas;
- market value and reinstatement value of the property;
- market rental value of the property.

Your invoice should be addressed to the pension scheme sponsoring employer Priorygate Ltd at Carlton House in the agreed sum of £550 plus VAT and disbursements.

Yours sincerely



David Curran
Trustee



Annette Curran
Trustee

APPENDIX II

Celebrating

40

Years in Business
1970-2010

VALUATION OF COMMERCIAL PROPERTY:
TERMS OF ENGAGEMENT

Re: Valuation Report: Carlton House, 42/44 West Street, Dunstable LU6 1TA

In accordance with the RICS Valuation Standards 6th edition relating to the valuation of the above property the following terms are applicable: -

- a) **The client:** The Trustees of Priory Gate SSAS
- b) **The purpose of the valuation:** Proposed sale of property
- c) **The subject of the valuation:** Carlton House, 42/44 West Street, Dunstable
- d) **The interest to be valued:** The above premises on a vacant possession basis
- e) **The type of property and how it is to be used or classified by the client:**
Offices
- f) **The basis of value:** Market Value and Market Rent as defined by RICS Valuation Standards 7th Edition.
- g) **The date of valuation:** 5th January 2012
- h) **Disclosure of any material involvement or a statement that there has not been any previous material involvement:** None that we are aware.
- i) **Status of the Valuer:** External.
- j) **Currency to be adopted:** UK pounds sterling.



**Commercial and Industrial Estate Agents
Property Managers, Surveyors and Valuers**

**Geoffrey G. Alexander BSc (Soc). Dip IA, FRICS
Associate: David Rice-Oxley BSc (Hons), MRICS**

*Alexander and Co: Commercial and Industrial is an
Appointed Representative of Genavco Insurance Limited
who are authorised and regulated by the Financial
Services Authority.*



Alexander & Co: Commercial & Industrial is a
division of Alexander and Co 1970 registered at
Companies House No: 07205934

k) **Assumptions, special assumptions, reservations, special instructions or departures:** Should the assumptions including the following made in good faith or as a result of information given to us during the preparation of the report, which could materially affect the value of the property, subsequently prove to be incorrect we reserve the right to amend our opinion of value as appropriate.

(i) **Title:** It is assumed that there are no restrictions on title. Any assumptions in respect of legal documentation must be checked by the client's legal advisors; no responsibility or liability will be accepted by the valuer for the true interpretation of the client's legal title in the property.

(ii) **Condition of the building:** We will not carry out a building survey of the property as this is not within the scope of our instructions and we assume that the building is in good repair except for any defects specifically noted.

We will not inspect those parts of the property which are covered, unexposed or inaccessible and for the purpose of this report such parts will be assumed to be in good repair and condition. We cannot express an opinion about, or advise upon the condition of uninspected parts and the report should not be taken as making any implied representation or statement about such parts. Further, we will not test any of the drains or other services, and for the purpose of this valuation we assume that they are all operating satisfactorily and no allowances have been made for replacement or repair.

We will not carry out or commission 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 any assurance that there are no underground mineral or other workings beneath the site or in its vicinity.

(iii) **Services:** We assume that the services and any associated controls or software are in working order and/or free from defect.

(iv) **Planning:** We will make only verbal and informal enquiries of the Local Planning Authority and will assume that the uses being carried out are an authorised planning use and that all buildings, extensions and additions have been erected with full planning permission. We have also assumed that the properties and their value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or by any statutory notice and neither the properties nor its condition nor its present or intending uses are or will be unlawful.

- (v) **Contamination and hazardous substances/environmental matters:** We are not aware of the content of any environmental audit or any other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. We are not specialist in this matter and accordingly have not carried out land quality statements or other environment surveys.

We will not arrange 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 have 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 will assume that such investigation will not disclose the presence of any such material to any significant extent.

For the purposes of this valuation report we have assumed that there is no such level of contamination on the site as to affect the value of the property. We do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land to establish whether there is any potential for contamination from these uses and will make an assumption that none exist. Should it be established from subsequent investigations that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this may greatly reduce the values now reported and we reserve the right to amend our valuation.

Under the Control of Asbestos at Work Regulations 2006 occupiers and/or owners are now placed under a comprehensive duty to carry out an assessment of their property and to manage the risk from exposure to asbestos for all persons on their premises. We have not been supplied with a copy of an asbestos report and for the purposes of this valuation have assumed that there are no asbestos containing materials within the property. Should this not be the case we reserve the right to amend our valuation.

We are not aware that the property is in an area prone to flooding and we assume that there are no flood plains in the immediate vicinity that would impact the unit. Should this prove not to be the case we reserve the right to amend our valuation.

- (vi) **Statutory requirements:**

Fire Safety Legislation: The Regulatory Reform (fire safety) Order 2005 requires the 'responsible person' to make a suitable and sufficient assessment of the risks and to identify the fire precautions required to comply with the Order. Such fire regulations may include adaptation of building and installation of fire safety equipment but in all cases they must include: signage, fire safety action plans, staff training, identifying duty holders and routine maintenance/monitoring via signed and dated checklist.

We assume the premises will comply with this regulation although this will vary according to the requirements and occupation of the particular user.

Disability Discrimination Act

The Quality Act 2010 which came in to effect 1st October 2010 largely replaced the Disability Discrimination Act 2005 as well as consolidating numerous other anti discriminatory laws. With regard to disability the Act imposes a duty on employees and businesses offering a service to the public to make reasonable changes to practices and procedures to enable disabled people to do their jobs or remove or alter any feature that makes it impossible or unreasonably difficult for a disabled person to make use of the services provided.

- (vii) **Taxation:** No allowance has been made for any expense of realisation or taxation which would arise upon the disposal or development of the whole or any part of the property described herein.
Nor has allowance been made for any deferred taxation which may be charged to the property or any mortgage debenture or loan for which the property may be security. Our valuation is exclusive of VAT unless otherwise stated. The applicable VAT legislation may affect the company or applicant, particularly if it is not registered or liable to be registered for VAT or if it is partially exempt for VAT purposes. Furthermore, there may be important options open to the company which could improve its VAT position in certain cases. This should be fully researched with the company's tax advisers prior to entering into any commitment.
- (viii) **Building Service Installations:** For the avoidance of doubt we would confirm that our valuation includes building service installations normally associated with a building, but excludes all items of plant, machinery and equipment which may have been installed wholly or primarily in connection with the process carried out by the occupying company.

l) The extent of our investigations will include inspection of:

- (i) The characteristics of the surrounding area and the availability of communications and facilities, which affect value.
- (ii) The characteristics of the property.
- (iii) The dimensions and areas of the land and buildings.
- (iv) The construction of any buildings and their approximate age.
- (v) The uses of the land and buildings.

- (vi) The fixtures, fittings and improvements.
- (vii) Any plant and equipment, which would normally form an integral part of the building.
- (viii) The apparent state of repair and condition.
- (ix) Environmental factors.

In respect of all of the above and other investigations please note specific limitations and assumptions noted under section K.

- m) **The nature and source of information to be relied on by the valuer:** it is agreed that the valuer can safely rely upon any information supplied by the client or by a third party that the valuer is directed to by the client.
- n) **The requirement of consent to publication:** Neither the whole nor any part of the report nor any reference to it may be included in any published document, circular, or statement, nor published in any way without the valuer's prior written approval of the form and context in which it may appear.
- o) **The limits and/or exclusions of liability to parties other than the client:** the report will be provided for the stated purpose and for the sole use of the named client. It is confidential to the client and the client professional advisor and no responsibility whatsoever will be accepted to any parties other than the client. If the valuation is required for lending on commercial property in the event of a proposal to place the loan on the subject property in a syndicate no liability is accepted to further parties.
- p) The valuation will be undertaken in accordance with the RICS Valuation Standards 7th Edition.
- q) The valuer has the knowledge, skills and understanding to undertake the valuation competently.
- r) **The fee:** The fee has been agreed between the valuer and client and has been confirmed by the valuer in writing. The client will pay to the valuer this fee and the amount of any value added tax on the fee. In addition if similarly agreed/confirmed in writing, the client will reimburse the valuer the cost of all reasonable out of pocket expense which may be incurred and any value added tax thereon.
- s) This firm has a complaints handling procedure in accordance with the RICS Rules of Conduct and a copy is available on request.

- t) This valuation may be investigated by RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

I/We hereby agree to the Limitations of Survey and Conditions of Acceptance noted above.

Name: D Curran

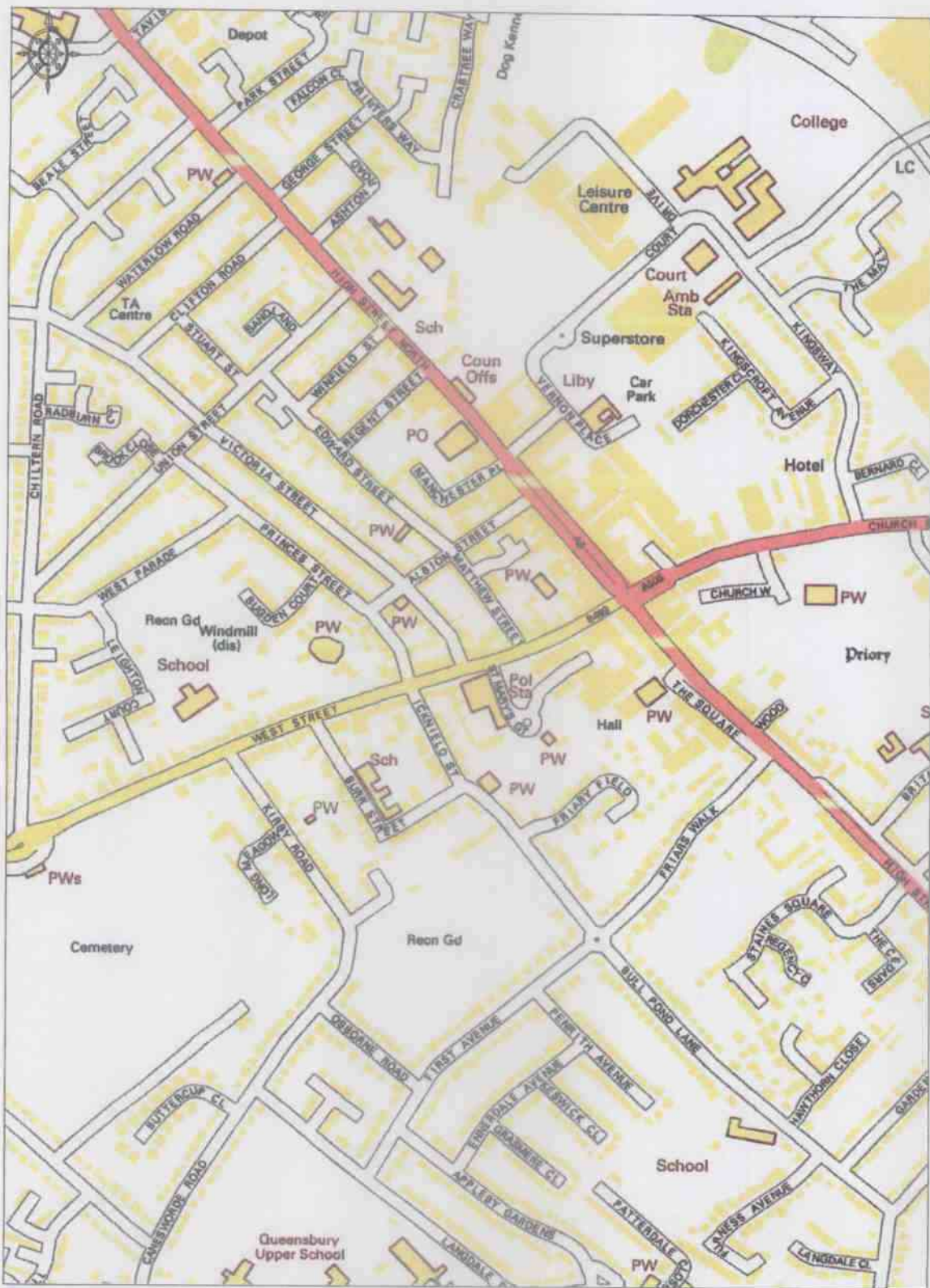
Signed:  Date: 22/12/2011

Name: A Curran

Signed:  Date: 22/12/11

(for and on behalf of The Trustees of Priory Gate SSAS)

APPENDIX III



Ordnance Survey © Crown Copyright 2012. All rights reserved.
License number 100020449. Printed Scale - 1:1990

42-44 West Street, Dunstable LU6 1TA

APPENDIX IV

H. M. LAND REGISTRY

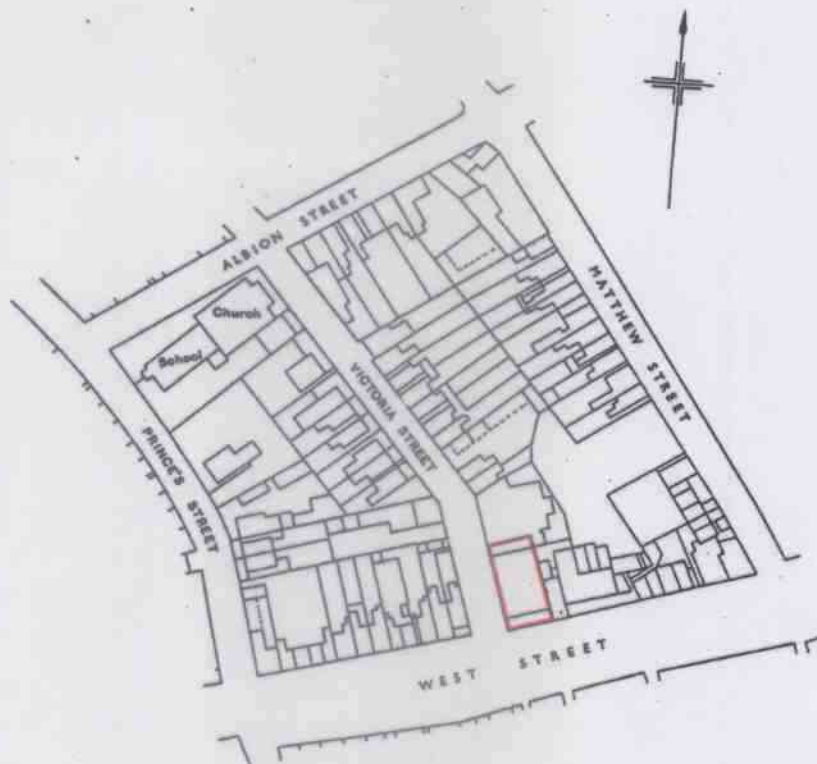
BEDFORDSHIRE

SHEET XXXII 2

Scale 1/1250

Enlarged from 1/2500

DUNSTABLE PARISH



Made and printed by the Director
General of the Ordnance Survey,
Chesham, Surrey, 1962 for HM/LA
© Crown Copyright 1962

Filed Plan of Title No. **BD 8679**



This is a copy of the title plan on 27 JAN 2012 at 13:07:44. This copy does not take account of any application made after that time even if still pending in the Land Registry when this copy was issued.

This copy is not an 'Official Copy' of the title plan. An official copy of the title plan is admissible in evidence in a court to the same extent as the original. A person is entitled to be indemnified by the registrar if he suffers loss by reason of a mistake in an official copy. If you want to obtain an official copy, the Land Registry web site explains how to do this.

The Land Registry endeavours to maintain high quality and scale accuracy of title plan images. The quality and accuracy of any print will depend on your printer, your computer and its print settings. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. See Land Registry Public Guide 7 - Title Plans.

This title is dealt with by Land Registry, Peterborough Office.

© Crown Copyright. Produced by Land Registry. Further reproduction in whole or in part is prohibited without the prior written permission of Ordnance Survey. Licence Number 100026316.

APPENDIX V



Victoria Street frontage



West Street frontage



Ground floor office



First floor office

Carlton House



2nd floor office



2 floor office



2nd floor kitchen

Carlton House