

BROADWAY



FLORIDA & EUROPEAN SPECIALISTS

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URGENT - USE WITHIN 28 DAYS

02/000506/771 113

Mr Hasnain Rajan
10 Lowick Road
HARROW
HA1 1UW

28 March 2011

Your Ref: HMRC-PSA-ORG

Pension Schemes for Administrators Activation Code

Dear Mr Hasnain Rajan

The Broadway Travel Service (Wimbledon) has enrolled to use the Pension Schemes for Administrators service on behalf of your organisation. Before this service can be used, it must be activated using the code contained in the sealed area at the bottom of this letter.

If they are authorised to use this service, please ensure that they receive this letter as soon as possible and ask them to follow the instructions below. If they are not authorised to be enrolled on behalf of your organisation please telephone the Pension Schemes for Administrators Helpline on 0845 60 55 999 for assistance.

You may be able to activate the service on the site where you enrolled by following the on screen instructions.

Alternatively, you can activate the service at the Government Gateway as follows:

1. Visit www.gateway.gov.uk and select "Enter the Gateway"
2. Log in using your User ID and Password or your digital certificate
3. On the Your Services page, select the relevant service to be activated
4. Enter this Activation code. The code will not be needed again and can be discarded.

Note: If you have enrolled for multiple online services, you will receive a different Activation code for each service and the process should be repeated. This code can only be used to activate this service.

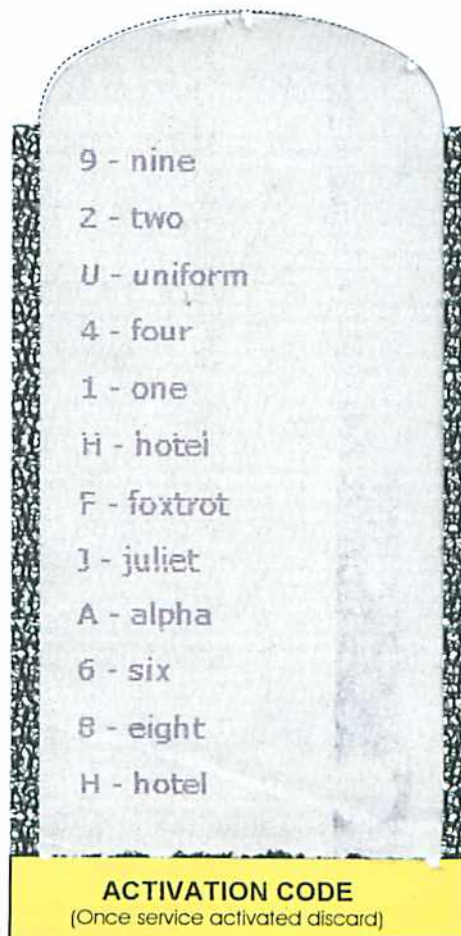
The service must be activated within 28 days of the date of this letter or the Activation code will expire and you will have to repeat the enrolment process.

If there are any problems activating this service, please telephone the Pension Schemes for Administrators Helpline on 0845 60 55 999.

Thank you for using the Government Gateway.

Have you tried?

www.businesslink.gov.uk
Practical advice for business



VALUATION REPORT

AS AT 8 APRIL 2011

IN RESPECT OF GROUND FLOOR

20 VIVIAN AVENUE

LONDON NW4 3XP

Prepared by: Mrs R Weller BSc MBA MRICS
Our reference: 1610/CO938

Date: 8 April 2011

ADDENDUM REPORT

This report should be read in conjunction with the valuation report dated March 2010. The Terms and Conditions which governed the 2010 report also govern this addendum report.

The definitions and reservations stated in the previous report apply also to this report.

INSTRUCTIONS

Instructions were received from Hussein Rajan of Juma Law Practice Solicitors on 31 March 2011.

The RICS Valuation Standards (6th edition) requires us to value the property to Market Value which is defined as follows:

“the estimated amount for which an asset 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.”

INSPECTION

The location, description of the property, its state of repair, services, town planning and environmental issues are presumed to be as stated in the previous report.

Floor Areas

From measurements taken on site in 2010, in accordance with Royal Institution of Chartered Surveyors Code of Measuring Practice 6th Edition, I estimate that the Net Internal Areas of the property are as set out below:-

Ground Floor

The area of the ground floor is 98.39 sq metres, 1060 sq ft.

This is a retail location and the floor areas have been zoned on the basis of 20 ft zones:

Zone A (excluding disabled WC)	320 sq ft	ITZA 320
Zone B (excluding kitchen)	337 sq ft	168.5
Zone C (excluding shower and steps)	201 sq ft	50.25
Zone D Bike store and kitchen (excluding WC)	202 sq ft	<u>25.25</u>
	Total ITZA	564

There is a change in levels with 4 steps up, towards the rear of the unit, in front of the bike store. In order to reflect this change in level, I have valued all the area to the rear of the change in level as zone D, some of which would otherwise be in the more valuable zone C.

BUSINESS RATES

We understand from enquires made to the Valuation Office Agency (VOA) that the property is assessed for rating purpose as Shop and Premises with the following Rateable Value.

Rateable Value is £17,000 in the 2010 Rating List based on £330 per sq metre

EXISTING LEASE TERMS

The lease terms are set out in full in the previous report.

It should be noted that the tenant has the benefit of an option to break the lease on 1st December 2012, subject to the tenant giving 6 months prior written notice. There is no penalty for the tenant exercising the break.

VALUATION METHOD

The comparable and investment methods were used for this rental and capital valuation. I can confirm that there is no conflict of interest to the best of my knowledge. I would further certify that the property described in this report has been inspected by Mrs R Weller in 2010 and that she has the appropriate qualifications and experience to carry out the valuation together with suitable professional indemnity cover. The report has been supervised by a director of S H Professional Limited.

COMPARABLE EVIDENCE

There is adequate comparable evidence in the locality to establish the current market rental value of the property. I would further confirm that the value of the subject property is likely to follow general market trends for this type of business premises in the locality.

The previous report contained a schedule showing the comparable evidence and transactions in the area. This should be referred to together with the schedule of evidence in Appendix 1 of this report.

Again our research has highlighted that rents have been achieved for similar shops in the region of £27 - £28 per sq ft ITZA. However, there is new evidence of a nearby better located property achieving only £28 per sq ft. In Vivian Avenue there is continuing evidence of rent reviews not being implemented.

MARKET CONDITIONS

The previous report advised that market conditions for retail property are difficult with lettings proceeding slowly if at all and with incentives. The market for secondary shopping parades has and continues to deteriorate.

The covenant strength is excellent. However the break clause in December 2012 does affect the value negatively because of the introduction of uncertainty into the term.

RENTAL AND CAPITAL VALUATION

My opinion of rental value and market value is set out below:-

Description	Sq ft	£/per sq ft	Value £
Ground Floor: Sales Area Zone A	320	27	8,640
Ground Floor: Sales Area Zone B	337	13.5	4,550
Ground Floor: Sales Area Zone C	201	6.75	1,357
Gound Bike Store and Kitchen Area:	202	3.50	707
Sub Total:			15,254
Estimated Rental Value			15,000

Calculation of Capital Value:

I am of the opinion that the premises are over rented. I am not aware as to whether or not there has been any attempt to increase the rent at the review date of 1st December 2010. This property benefits from The Metropolitan Police as a tenant, an extremely strong covenant. The concern is the tenant's option to break at December 2012. Having invested in the property, the Metropolitan Police Authority may choose not to operate this break clause but the possibility cannot be ruled out altogether. In addition bank lending for secondary property remains restricted. There are still individuals and companies with large cash sums which are not earning a high level of interest in a bank and there is good demand for the smaller lots from this sector of the market.

VALUATION

Our calculations of market value are shown in Appendix 2. This shows a range of values between £209,000 and £233,000. I am of the opinion that the market value of the freehold interest in 20 Vivian Avenue, London NW4 on the assumptions set out above is in the region of £220,000 (Two hundred and twenty thousand pounds sterling) as at 8 April 2011.

STATEMENT

If any of the assumptions stated in this report are incorrect this may have an impact on the value reported herein.

This Report has been prepared in accordance with the Practice Statements in the RICS Valuation Standard (6th edition) and the valuation has been carried out by an independent valuer who conforms to the requirements of these Practice Statements.

Neither the whole nor any part of the report nor any reference to it may be included in any published documents circular or statement nor published in any way without the valuer's written approval of the form and context in which it may appear.

We trust that this report is satisfactory for your purposes but should you have any queries, please do not hesitate to contact us.

Yours sincerely



Mrs R Weller BSc MBA MRICS
For and on behalf of:
S:H Professional Ltd

8 April 2011

Appendix 1: Comparable Evidence

Vivian Avenue	Tenant or Trading Name	Previous rent	rent £	zone A	Date	Transaction	Term	Comments	Rateable Value - 2010 Valuation
24	Save the Children	£16,000	£16,750	£27.13	April 2006 and 2011	rent review		ITZA 594 rear ancillary 211sq ft at £3 per sq ft The tenant has written requesting that the rent for the rent review due in 2011 remain at £16,750.	£18,000
32	Simon Hair and Beauty		£16,250	approx £28	Aug-10	lease renewal	8 year lease with rent review after 4 years	This comparable was referred to in the previous report as being with solicitors and it is now completed.	£16,750
40	Thai Massage		average rent £13,400	approx £26 to £27	Jan-11	open market letting	5 year term	areas from particulars 470 sq ft retail and 437 sq ft store. Outside toilet across the covered yard.	£17,750
62	vacant formerly a dry cleaners		asking £14,000					Agent advised that he was previously asking £12,000 per annum and only increased to £14,000 because another agent was asking this	£15,000

25	Help the Aged		£10,000	£22.37	July 2007 and July 2011	rent review	20 years from July 1991, 4 yearly upwards only rent reviews	Ground floor sales 603 sq ft (net) ITZA 447.50. The landlords agreed to document the 2003 rent review at nil increase. The rent review at July 2007 was not implemented. The lease is due to expire in 2011. The tenant surveyor says he will serve a Section 26 Notice to obtain a rent reduction. Internal and repairing and insuring lease, with contribution towards a service charge.	£12,250
18 Watford Way	Richard James Estate Agents		average rent £14,000	£28.57	agreed January 2010	open market letting	12 year lease with reviews and tenant option to break every 3 years	Close to Vivian Avenue but a better location.	£14,250
252 Hendon Way				23.36		lease renewal		This is not evidence as no agreement has been reached. However the landlord has advised the tenant they will accept £10,750 which is based on £23.36 per sq ft zone A.	£9,500

Appendix 2: Valuation

VALUATION OF 20 VIVIAN AVENUE, NW4 3XP

Valuation on the basis that the tenant break is exercised

Current rent receivable	£17,500	
YP 1 year @5.5%	0.9479	
Capital Value		£16,588
Reversion to Current Market Rental Value	£15,000	
YP perp @7.25% deferred 1 year	12.86079	
Capital Value		£192,912
		<u>£209,500</u>

Valuation reflecting the break clause in the yield

Current rent receivable	£17,500	
YP perp @7.5%	13.3333	
Capital Value		<u>£233,333</u>