

VALUATION REPORT

ON BEHALF OF:

Maw Family Trust c/o Stewart Rogerson
Newmarket Developments, Tile House,
Bolton Percy. York. YO23 7AB.

PROPERTY AT

**WEST LUND LANE
KIRKBYMOORSIDE
NORTH YORKSHIRE
YO62 6PX**

PREPARED BY:

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2 Clifton Moor Business Village
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YO30 4XG

DATED: 23rd November 2020

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1. INSTRUCTIONS

In accordance with instructions received from the above named client on 14th December 2016 we set out below our opinion of value of the following property:

Land at West Lund Lane, Kirkbymoorside, YORK YO62 6PX

We understand the valuation set out below is required for assessment purposes and the date of the valuation is to be the date hereof. The report is not to be used in association with any application for loan purposes in relation to the subject properties, nor in support of a loan application in relation to any other properties or asset.

The information within the report is provided impartially on the basis of our experience of valuing and selling land and buildings in the area and on the understanding that all parties are aware of our position in this regard we are happy that this report is submitted free of any conflict of interest.

2. BASIS OF VALUATION

We have been asked to provide our opinion of the Market Value and where appropriate the Market Rental Value of the existing freehold interest, subject to leases and/or with full vacant possession of the whole or part/s of the subject property (as at today's date). Our valuation has been carried out in accordance with the Practice Statements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards ("the Red Book") 6th Edition effective from January 2008 (subject to subsequent revisions as relevant and appropriate). It has been undertaken by External Valuers acting with independence and objectivity as defined in Practice Statement 1 (subject to subsequent revisions as relevant and appropriate). UK Practice Statement 3 relates to Valuations for Loan Facilities, and in accordance therewith, we have valued the property on the basis of Market Value, the definition of which is set out at Practice Statement 3 (subject to subsequent revisions as relevant and appropriate) and reproduced 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."

It is usual for a valuer to be asked to express an opinion as to the suitability of a property as security for a loan, debenture or mortgage. However, it is a matter for the client/lender/borrower to assess the risk involved and make his/her own assessment in fixing the terms of the loan, such as the percentage of value to be advanced, the provision for repayment of the capital, and the interest rate. We refer in our report to all matters which are within our knowledge and which may assist you in the assessment of the risk.

Our report and valuation in accordance with these requirements and any requirements, provisions, caveats, restrictions and assumptions referenced herein is set out below.

3. DATE OF INSPECTION

We confirm the land has previously been inspected and assessed by Andrew McBeath, BSc, MRICS, Director and RICS Registered Valuer, who prepared the report on behalf of McBeath Property Consultancy Limited.

4. LOCATION

The subject property is situated on the outskirts of the market town of Kirkbymoorside in North Yorkshire.

The property is situated with frontage to West Lund Lane, which connects directly to Kirkdale Road which forms part of the A170 link between the Yorkshire Coast and Thirsk and the A19 trunk Road, A168 and A1(M). Road connections are therefore very good.

Kirkbymoorside is approximately 22 miles from York, 20 miles from Scarborough, 12 miles from Malton and 3 miles from Helmsley.

Situated at the foot of the North York Moors National Park, Kirbymoorside is one of the more attractive towns within Ryedale and the wider area. The town and its immediate surrounding area provides numerous amenities including primary schools, highly regarded secondary school, a variety of shops, golf course, pubs, restaurants and a range of other businesses.

A short distance from the subject site, Kirkby Mills Industrial Estate is the towns main business location, and includes a number of employers that are predominantly light industrial, general industrial and warehousing.

The towns economy is currently still underpinned by the traditional long-established industries of agriculture, engineering, printing and tourism but a number of new industries have become established in the area recently, including many from the hi-tech industries, including advanced engineering, information technology and science-based uses.

5. DESCRIPTION

The subject site comprises an irregularly shaped piece of land which, other than the frontage to West Lund Lane is adjacent to an engineering companys premises and agricultural land which is being promoted for residential development.

The subject site is a sloping site used currently for agricultural purposes.

6. PROPOSED DEVELOPMENT

In order to form a view of site value we have made assumptions in relation to the proposed development. On this basis we have based our calculations on a scheme that incorporates terraces of small industrial units designed for small and medium enterprises (SMEs). Accordingly we have made estimated allowances for landscaping and estate roads.

We must reserve the right to alter our comments and assessments in light of subsequent information that may have a material bearing on those comments and assessments.

7. CONDITION

We have not carried out a building or structural survey of the property, nor a ground investigation, as this was beyond the scope of our instructions.

We have assumed that the land is suitable for the proposed development of industrial units, without unforeseen significant abnormal costs.

We must reserve the right to alter our opinions, figures and comments in light of subsequent information that we are provided with that may have a material effect on value or opinions.

8. SITE AREAS

We have calculated that the site has the approximate areas set out below;

Gross site area (1.41 hectares) 3.48 acres

Net site area (1.125 hectares) 2.78 acres

In order to arrive at the net site area we have had to make a number of assumptions in relation to the proposed use of the site as described above.

9. SERVICES

We have assumed that mains services (drainage, water, gas and electricity) are available to the subject site.

We have not tested any of the services, as this was beyond the scope of our instructions. We have therefore assumed for the purposes of this exercise that there is sufficient capacity for utility provision to the site.

10. TENURE

We assume that the site is held on an unencumbered freehold basis and is not subject to any onerous restrictions, easements or rights of way that will have a material effect on our valuation.

11. TITLE REPORT

We have not been provided with a copy of the Title Report and have assumed that the Title is good and is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings that would have a material effect on value.

12. TOWN & COUNTRY PLANNING

We have been instructed to assume that the subject site has planning consent for a development of small industrial units as described briefly above.

13. HIGHWAYS

We have assumed that West Lund Lane is made up and adopted by the Local Highways Authority.

14. RATING ASSESSMENTS

The subject site is not rated.

15. ENVIRONMENTAL CONSIDERATIONS

We have not been made aware of any contamination of the property or surrounding properties likely to exist to a material extent and have proceeded to our recommendations on this basis.

16. GENERAL MARKET COMMENTARY

Over the last few years the local commercial property market has been largely stable with the majority of property lettings and sales being within the small and medium enterprise sector. Values tend to be reflective of the current levels of demand and supply at the time rather than a consistent pattern of increase or otherwise, as may be found in a larger urban area. As referenced in the Location section the town is the base for a number of larger employers which employ a large proportion of people resident in North Ryedale.

During our years of involvement with disposals in the area, we have found that any larger disposals can often be to larger businesses that have requirements for additional space to supplement their existing holdings.

By way of closest comparison to the proposed development for the subject site, Kirkby Mills Industrial Estate is the main established industrial estate for the town and this firm acts for the largest landlord which owns 9 units. In keeping with the type of premises available the tenant profile tends to be transient however a recent tenant had been in situ for over 15 years prior to a merger. The letting and rental profile has been the same as of recent years, in that at any one point there tends to be 1 or 2 voids and rents will generally have an average range of between £4 and £6.50 per sq ft according to size, layout and condition. Having said that all units are currently let.

Whilst the proposed scheme is designed for small businesses there are larger businesses in the area, as referred to above that may have requirements. The design of the units is such that it would be relatively straightforward to combine adjoining units to form a larger property.

When making our assessment, we must also consider values achieved for larger premises across the Ryedale area and have determined that an appropriate base rental continues to be circa £4 - £4.50 per sq ft.

There is an element of availability creating demand. By which we mean that there are occasions where the availability of a property that may be perceived to be unusual, actually 'flushes out' a latent demand that would otherwise have not been known about. This demand is difficult to identify.

As referenced above our approach is to assess an estimated GDV for the proposed scheme and then carry out a residual appraisal to establish an approximate land value. This figure can only ever be an approximation due the large number of variables factored into the appraisal. This figure is then cross referenced with an estimated land value which is established by referring to comparable land values for sites in the immediate and wider surrounding area. We are aware of and have handled a number of site sales and acquisitions across Ryedale which helps form a considered view.

Land sales that we have been involved with in the Malton and Norton area have generated values of between £200,000 and £300,000 per net developable acre. In the North Ryedale area the values tend to be less and we have recently agreed the sale of a site in Pickering that equates to circa £100,000 per acre, however it is important to note that the site was compromised in terms of location, layout and infrastructure. We are aware of site sales in Kirkbymoorside that have achieved circa £150,000 - £175,000 per acre. We handled the acquisition of small plot of land in Helmsley for a price that equated to over £200,000 however there must be an allowance for quantum and special purchaser.

In reaching our opinion we have taken the above comments into account and had regard to the particular characteristics of the subject site.

17. VALUATIONS

Our valuation is arrived at taking the foregoing factors into account assuming the property to be an unencumbered freehold interest and free from all outgoings other than the usual rates and taxes and in their present condition with full vacant possession or subject to a leasehold interest, as follows:

<p style="text-align: center;">Current Market Value £485,000 per annum (four hundred and eighty five thousand pounds)</p>

The figures provided are opinions based on a series of assumptions and information supplied to us, on which we have relied. We must reserve the right to alter our opinion in light of information subsequently provided that may have a bearing on cost and/or value.

This report has been prepared prior to the UK's proposed exit from the EU. The effects of Brexit on the property market, with or without a deal, are unknown at this stage so it should be noted that this report assumes that there will be little or no change to market conditions and we must reserve the right to alter our report.

We must also now refer to the unknown outcome of the Covid-19 Virus. It is not known what the short, medium or long term impact of the virus will be on the property sector. Our report takes no account of any prospective effect and thereby we reserve the right to alter our findings in light of any such effect. We have also set out below an RICS approved statement which emphasises the uncertainty our profession must, for the time being, refer to;

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is/are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

18. STANDARD CONDITIONS

Our valuation has been carried out on the basis of the following standard conditions:

1. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.
2. Our valuation is exclusive of VAT (if applicable).
3. In accepting this report the client agrees that this report will not be used in support of any application for loan purposes. Furthermore, by receipt of a copy of this report and in recognition

also of the provisions of paragraph 20 below, any third party including any lender acknowledges and agrees that the report cannot to be used in support of any loan.

4. No allowance has been made for any expenses of realisation.
5. That inspection of those parts which have not been inspected, or a survey inspection would not reveal material defects or cause the valuer to alter the valuation materially.
6. Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
7. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972 and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EEC legislation.
8. In instances where our valuers provide an indication of current reinstatement costs for insurance purposes, this is given solely as a guide without warranty, as final estimates for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of replacement costs.

19. GENERAL ASSUMPTIONS

Our valuation has been carried out on the basis of the following General Assumptions. Unless it is made apparent by our express statement to the contrary, in the report, we will have been under no duty to have verified these assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.

1. That the Freehold Interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.
2. That we have been supplied with all information likely to have an effect on the value of the property and that the information supplied to us and summarised in this report is both complete and correct.
3. That the building has been constructed and is used in accordance with all statutory bye-law requirements and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
4. That the property is not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a Local Search (or their national equivalent), replies to the usual enquiries, or by any statutory notice (other than those points referred to above) and that its condition, its use or intended use is not or will not be unlawful.
5. That the building is structurally sound and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.

6. That the property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
8. That in the case of a new property, the construction of which has not been completed, the construction will be satisfactorily completed.
9. That sewers and roads giving access to the property have been adopted, and that any lease provides right of access and egress over all communal estate roadways, pathways, corridors, stairways and to use communal grounds, parking areas and other facilities.
10. That in the case of new constructed residential property, the builder is a registered member of the NHBC, the Zurich Municipal Mutual or equivalent and will construct the property to obtain its cover.
11. We are not aware of the content of any environmental audit or 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. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any potential for contamination to the subject property from these uses or sites and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to contaminative use, this may reduce the values reported.
12. In cases where properties lie within a flood plain or have a history of flooding, our valuation assumes that building insurance is available without payment of an excessive premium or excess.
13. That vacant possession is provided (or where a property is tenanted, that the tenant is capable of meeting their obligations and that there are no arrears of rent or undisclosed breaches of covenant).
14. That there are no adverse site or soil conditions, that the property is not adversely affected by the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.

20. EXCLUSIONS

1. We have not inspected the woodwork or other parts of the structure which are covered, unexposed or inaccessible and are therefore unable to report that such part of the property are free from defect of any kind.
2. We have not carried out a structural survey in respect of this property as this was beyond the scope of our instructions and, as such, cannot guarantee its condition

3. Our observations are made from ground level only. No exposures have taken place and we cannot therefore comment upon the condition of mechanical and electrical installations, water, heating and other apparatus contained in the property.
4. We have not made any allowance for Capital Gains Tax or other taxation liabilities that might arise upon a sale of the property.
5. No allowance has been made for any expenses of realisation.
6. Each property has been valued individually and no allowance has been made either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual open market values.
7. We have not taken account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on a perception of the property in the market and its subsequent valuation or the ability of such a Receiver to realise the value of the property in either of these scenarios.
8. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972 and it has been assumed that for all fixed plant and machinery and the installation thereof, applies to the UK and EU Legislation.
9. We have not been made aware of any recent sales history.

If there are any concerns over the assumptions made within the report, it should be referred to these offices in order that the appropriate clarification or impact upon value can be reported.

21. CONFIDENTIALITY

In accordance with the recommendations of the RICS, we would state that this report is provided solely for the purposes stated above. It is confidential to and for the use only of the party to whom it is addressed and no responsibility whatsoever is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole or any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

Signed

Andrew McBeath BSc MRICS
RICS Registered Valuer

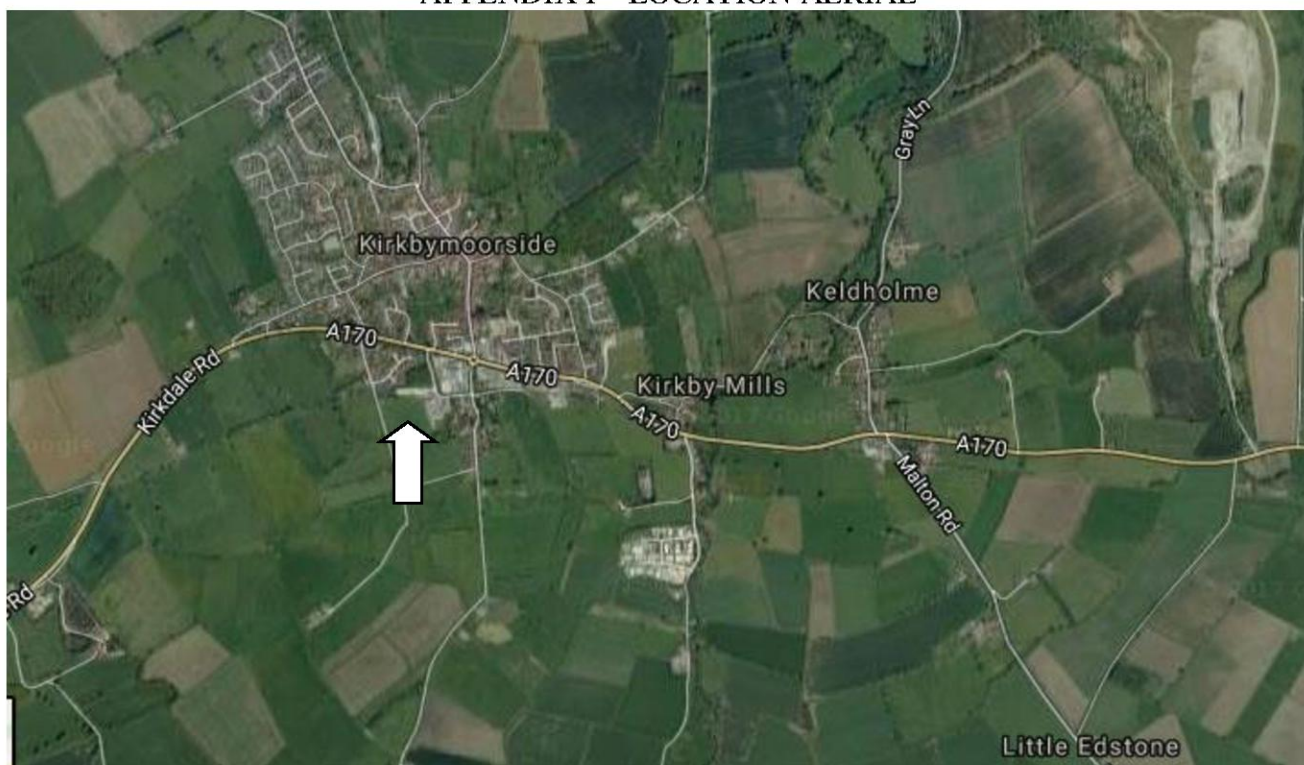
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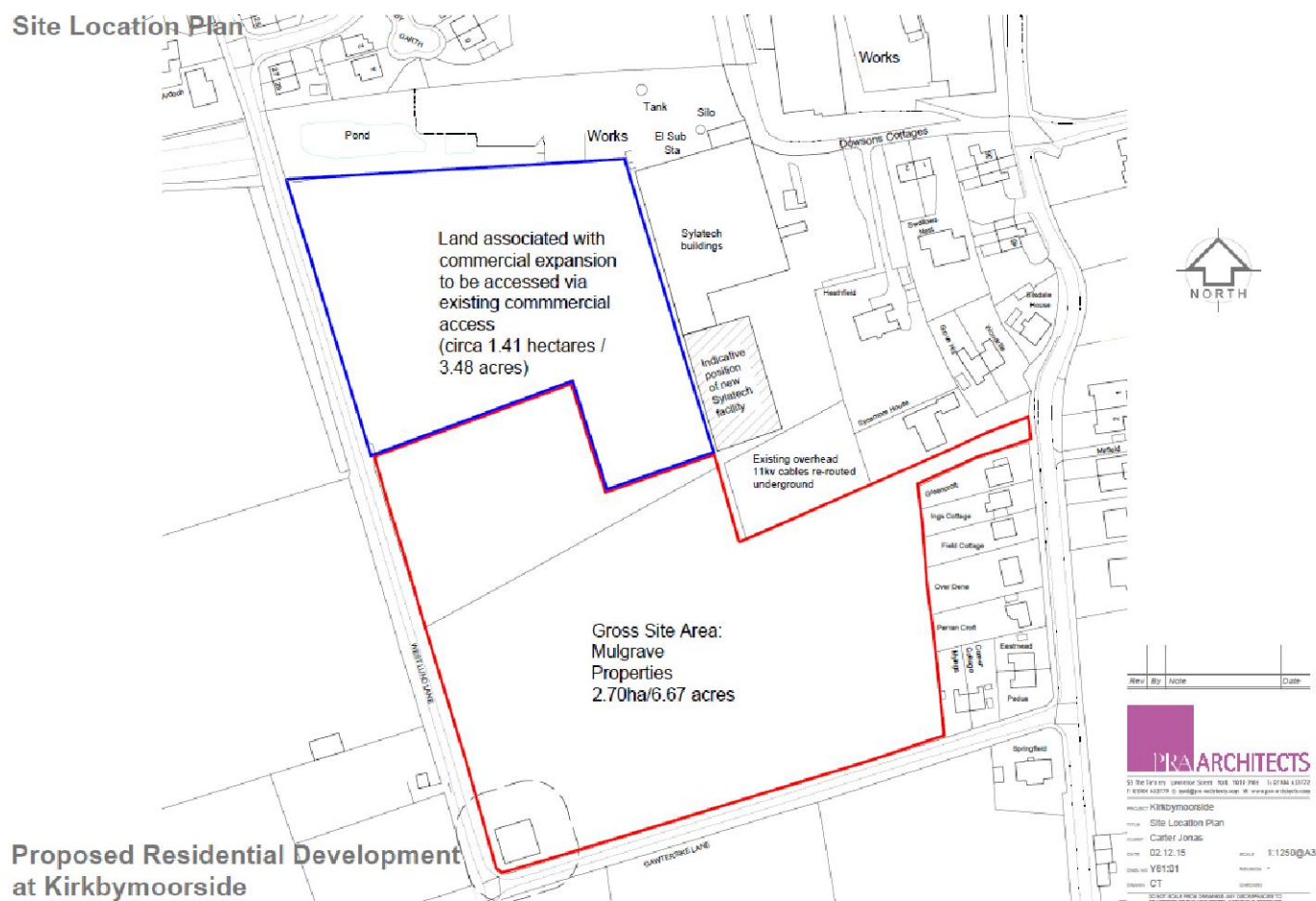
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CHARTERED SURVEYORS, AGENTS, VALUERS, DEVELOPMENT CONSULTANTS
PROPERTY AND LAND SALES, LETTINGS, ACQUISITIONS, APPRAISALS, RENT REVIEWS

APPENDIX I – LOCATION AERIAL



APPENDIX II – SITE PLAN (site edged blue)



Please note the boundaries are approximate for indicative purposes only and are not to be relied upon.