

Fairhurst Buckley.

VALUATION REPORT

Address of Property

431 Ranglet Road
Walton Summit
Preston
PR5 8AU

Prepared For and on behalf of

Trailerteq Ltd
Unit 419 Oakshott Place
Walton Summit
Preston
PR5 8AT

Inspection Date: 6 March 2024

Report Dated: 20 March 2024

Prepared by:

Andy Riches BSc MRICS
RICS Registered Valuer
Associate Director

FAIRHURST BUCKLEY LIMITED

7 Acorn Business Park
Heaton Lane
Stockport
Cheshire
SK4 1AS

Tel: 0161 476 9425

Email : ar@fairhurstbuckley.co.uk



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EXECUTIVE SUMMARY

PROPERTY 431 Ranglet Road, Walton Summit, Preston, PR5 8AU

CLIENT Trailerteq Ltd



PURPOSE OF VALUATION	Proposed Transfer to SSAS
BASES OF VALUATION	Market Value and Market Rent
TENURE	Leasehold
MARKET VALUE	£250,000 (Two hundred and fifty thousand pounds)
MARKET RENT	£31,500 per annum (Thirty one thousand five hundred pounds)
VALUATION DATE	6th March 2024
INSURANCE REINSTATEMENT VALUE	£635,000 (Six hundred and thirty five thousand pounds)
TAXABLE PROPERTY	This is not a 'taxable property' as defined by the Finance Act 2004

Trailerteq Ltd
Unit 419 Oakshott Place
Walton Summit
Preston
PR5 8AT

Leasehold Property known as:
431 Ranglet Road, Walton Summit, Preston, PR5 8AU

1. Instructions

Appointment

We have prepared this report and valuation in accordance with the Terms of Engagement included at Appendix A.

We have made relevant enquiries and now have pleasure in reporting to you.

We confirm that:

- Fairhurst Buckley acts in the capacity of External Valuer in connection with this instruction.
- The valuation date is the 6th March 2024
- This Report and Valuation have been prepared in accordance with VPGA1 and VPGA15 of the Royal Institution of Chartered Surveyors RICS Valuation – Global Standards 2022 also more commonly known as the “Red Book”, and UK VPGA 1 UK National Supplement, effective from 14th January 2019.
- This Report and Valuation reflect the Assumptions, Limitations and Regulatory Information contained within this Report unless specifically stated otherwise.
- Fairhurst Buckley holds appropriate professional indemnity insurance for this Valuation instruction. We confirm the current limit of indemnity offered to you is £2,000,000 on any one claim.

Conflict of Interest

We confirm that we have had no involvement with the property, or with any party connected with the property, which would influence value in any way.

Valuer

The valuation has been carried out by Andy Riches, BSc, MRICS, RICS Registered Valuer, who has acted as an external valuer. We confirm that the valuer has acted with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular market, as well as appropriate skills, qualifications, experience and understanding for the purposes of this instruction. The report has been signed on behalf of Fairhurst Buckley Limited. The valuer has been carrying out Registered Valuations since 2013 although he has over 30 years' experience as a qualified Chartered Surveyor.

Inspection

The property was inspected and measured 6th March 2024 by Andy Riches BSc, MRICS, RICS Registered Valuer and Associate Director of Fairhurst Buckley.

Reliance upon Provided Information

We have relied upon the following information for the purpose of reporting to you:

- Measurements of the property taken on site
- An internal and external inspection of the premises
- Land Registry title information and plan
- Discussions with local agents active in the market, for the purposes of obtaining comparable evidence

2. Bases of Valuation

Market Value (MV), which is defined in the RICS Valuation – Global Standards 2022 (and UK National Supplement), published by The Royal Institution of Chartered Surveyors, as:

“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 is defined in IVS 104 paragraph 40.1 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.’

Assumptions

In accordance with our Terms of Engagement, we confirm that, in order to provide our opinion of Market Value of the property, it has been necessary to make the following assumptions:

Assumptions Relating to Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume that:

- except for any defects specifically noted in our report, the property is in good condition;
- no construction materials have been used that are deleterious, or likely to give rise to structural defects;
- no hazardous materials are present;
- all relevant statutory requirements relating to use or construction have been complied with; and
- any services are fully operational and free from impending breakdown or malfunction.

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 of in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

Assumptions Relating to Ground Conditions and Environmental Risks

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

- 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.

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.

Assumptions Relating to 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.

We shall assume 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.

Special Assumptions

The Valuation is subject to the following special assumptions:-

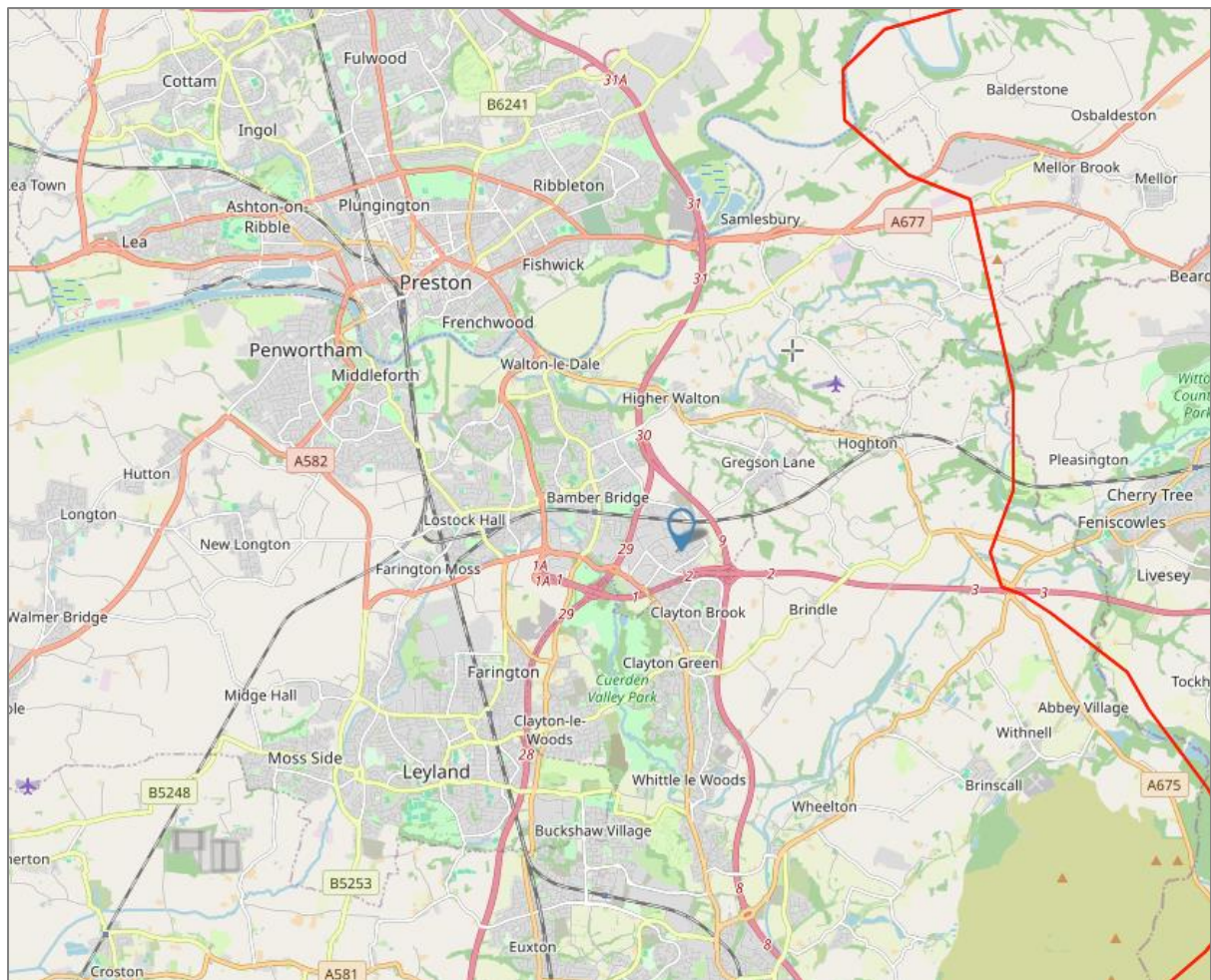
- The valuation date is the 6th March 2024.
- The valuation assumes vacant possession.

3. Location

The property forms part of the Walton Summit Industrial area, which comprises a large area of commercial, industrial and warehouse development, situated in the Bamber Bridge area of Preston, approx. 4 miles southeast of the city centre.

The immediate property make-up comprises industrial units and warehouses fronting Rangleit Road, including some large-space distribution and logistics occupiers in the wider Walton Summit area, with a modern office park to the rear of the subject property, beyond Kellett Lane.

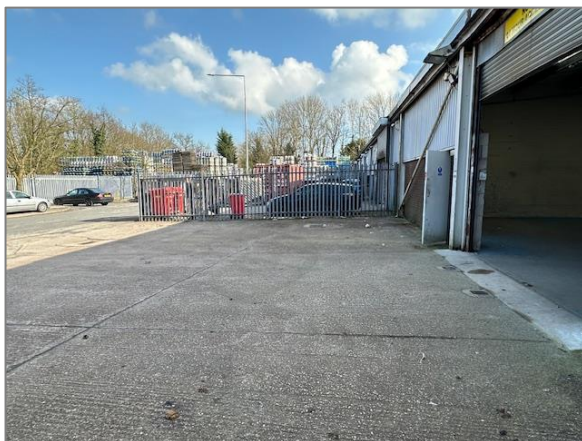
Preston, with a population of around 132,000 residents (2011) within the city and over 300,000 residents in its wider urban area, is the administrative centre of Lancashire. It is strategically located to the north of the larger Merseyside and Manchester urban areas, lying at the junction of the M6, M61 and M65 motorways. The city also has good rail links to Liverpool and Manchester, as well further afield to London and Scotland.



4. Site



The site is shown above on the aerial image and below, for identification purposes only, on the attached copy extracts from the Title Plan – see **18. Tenure**. The area edged red is the approx. extent of the leasehold title (LAN187876). The site includes a forecourt/service yard, with palisade fencing either side, the fencing and gates to the front boundary having been removed by the former tenant. A car parking area to the right hand side has 10 car spaces.



5. Description



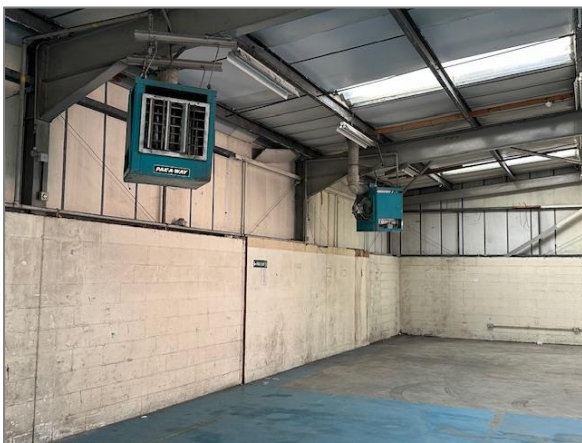
The property comprises a single-storey, semi-detached warehouse/industrial unit, probably constructed circa 1999, when the leasehold interest commenced, although the property's poor condition has given it an older appearance. The property is currently vacant, although it is understood that it will be occupied by Trailerteq Limited, on lease terms to be determined.



The property is of typical construction for its type and age, with steel portal frame, part brick, part steel profile clad elevations and double-skin, steel profile roof, with skylights.

6. Accommodation

The principal accommodation comprises a clear-span warehouse, with eaves height of just over 4m and height to the apex of 5.4m, accessible from the front service yard via a motorised roller-shutter loading door (3.5m W x 3.0m H).



In addition, the accommodation includes a single storey office pod to the front, with entrance hall, two offices, kitchen and ladies and gents WCs.



The following gross internal floor area (GIA) has been calculated from measurements taken on site:

	Sq. M.	Sq. Ft.
Warehouse, with partitioned reception, office, kitchen and WCs	463.66	4,991

7. Services

Mains electricity, gas, water and drainage appear to be connected to the property. The warehouse is heated by two, gas fired warm air blowers, suspended from the underside of the roof – one of which appears to have been damaged (see comment below). There are older style electric storage heaters to the offices.

No tests have been carried out to the services and it is assumed that all are functioning safely and satisfactorily.

8. Condition

We have not inspected those parts of the property covered, unexposed or inaccessible, nor have we tested drains or other services and no allowance has been made in our valuation for any defects or deficiencies to these areas.

On the whole, the principal elements of the building structure appear to be largely intact and serviceable, although it is apparent that the building fabric, both internally and externally, has not been maintained sufficiently by the previous tenant, leaving the property in a poor condition and requiring significant improvement and investment to render it lettable.

During the course of our inspection carried out for valuation purposes, we noticed the following issues/repairs, which we feel should be brought to your attention:

Corrosion to external fabric

Corrosion is affecting the profile cladding, metal gutters and various other elements of steel work externally.



Impact damage

Sections of steel work around the loading bay have been left impact damaged.

Removal of gates and fencing

The palisade fencing and gates to the front of the service yard have been removed by the former tenant.



Dampness and damage to insulation panels

There are several examples of water ingress adjoining the front and rear eaves, some of which has caused damage to the lining of the profile cladding.



Poor decoration

The former tenant has failed to implement its decorating covenant, with poor decoration throughout the warehouse and offices.

Impact damage to heating

One of the gas fired warm air blowers has been impacted, causing a fracture to the flue pipe.



9. Town Planning

The property lies within Preston City Council Planning Authority. We have searched the website of the council planning authority for past, current and recent planning applications involving the subject property and the immediate area. We are not aware of any planning applications that are likely to impact the subject property.

10. Business Rates

We have made reference to the Gov.uk website to establish the rateable assessments of the property, as follows:

Address	Description	2023 RV
431 Ranglet Road, PR5 8AR	Warehouse and Premises	£26,750

11. Hazardous & Deleterious Materials

Asbestos

We have not had sight of Management, Demolition or Refurbishment Asbestos Surveys. Given the age of the building, it is possible that asbestos has been used its construction. Unless an asbestos survey report is available, we would recommend a survey is undertaken by a suitably qualified surveyor prior to any work being undertaken. If potential Asbestos Containing Material (ACM) is identified and is in good condition and undisturbed, the Health & Safety Executive recommends that a management plan is formulated whereby it is regularly inspected, steps taken to keep disturbance at a minimum and only removed if it is in a poor condition or at risk of damage.

12. Contamination and Environmental Matters

Contamination

We have not been instructed to commission a formal audit in respect of the subject site in relation to the potential presence of contamination. Our brief enquiries have provided no evidence that there is a significant risk of contamination affecting the property or neighbouring property which would affect our valuation.

We noted no obvious contaminative uses above ground upon inspection and that none of the immediately surrounding property appeared to be being put to a current use which would be likely to result in contamination. However, we would stress that we have not carried out, nor are we qualified to carry out, an Environmental Audit. Our comments are, therefore, merely a guide and should not be relied upon. If you require confirmation of the position, we strongly recommend that an initial Environmental Audit is carried out. If those further investigations were to reveal contamination, then this might reduce the value/s now reported.

Masts and Lines

The property does not include, nor is it adjacent to, telecommunications base stations, masts or high voltage overhead transmission lines.

Contaminative Species

We did not note the presence of Japanese Knotweed or other contaminative species during the course of our inspection and have not been advised that any are present at the subject.

Ground Conditions

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.

13. Flood Risk

Property matters relating to flooding are principally two-fold: first, the risk of a property flooding given its proximity to the water course and, second, the risk created by heavy rainfall where the provision and proximity of drain and sewer facilities, in light of the amount of surrounding development and extent of hard surfaces, are inadequate; this accounts for approximately half of UK flooding.

Flood Risk from Surface Water

We have made enquiries of the Environment Agency website, which identifies the subject as being within an area that is classed as having a “**low risk**” of flooding from surface water, which means that this area has a chance of flooding of between 0.1% and 1.0% each year.

Flood Risk from Rivers and Sea

We have also checked the Environment Agency website, which identifies the subject as being within an area that is classed as having a “**very low risk**” of flooding rivers or seas, which means that this area has a chance of flooding of less than 0.1% each year.

14. Fire, Health & Safety and Other Legislation

Fire Risk Assessment

We have assumed that Fire Risk Assessment has been undertaken will continue to be reviewed and updated if there are any alterations to the premises or changes to work practices or use of the premises.

General Legislation

For the purpose of this Report, we have assumed that the property complies with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

Discrimination

Customer and employee areas appear to comply with the requirements of the Equality Act 2010, so far as access is concerned. The tenant or owner has a duty to make reasonable adjustments to the property to enable access to all areas for disabled people. What constitutes 'reasonable' is open to interpretation and economic viability.

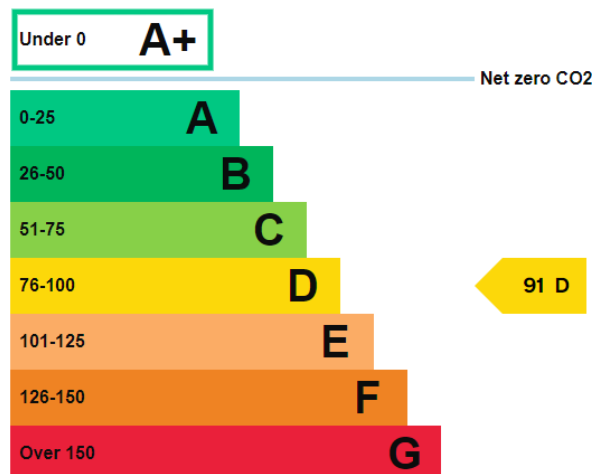
15. Sustainability (Energy Performance Certificate)

The Minimum Energy Efficiency Standard Regulations (MEES Regulations), which came into force in April 2018, make it unlawful for a landlord to let buildings (Domestic or non-domestic) that do not comply with the minimum required energy efficiency standard, which the Regulation set at an "E" rating on a valid EPC. By April 2023 minimum energy efficiency standards (MEES) will be extended to cover all leases, including existing leases but only if the property has a valid EPC on the relevant date. Of significance is the proposal to raise the minimum standard to "C" by April 2025 for new leases and by April 2028 for existing leases. It is likely that significant investment will be required for many older properties to meet this standard, to enable lawful continuance of a letting.

Following a search of the government Energy Performance Certificate (EPC) website it would appear that the property has a valid EPC certificate with a rating of 'D', which is valid until 14th November 2026.

Energy rating and score

This property's energy rating is D.



16. Macro Market Commentary

- The UK economy performed better than expected in 2023. At the start of 2023, market consensus was that GDP would fall by 1%. Economists are now forecasting growth of 0.5%. However, the outlook remains highly uncertain.
- Inflation is forecast to remain continually above target until 2025. A better than predicted fall to 3.9 per cent in November 2023 indicated that the rises in Bank Rate over the past year are starting to take effect and, despite inflation increasing slightly in December to 4.0% and remaining at 4.0% in January, it fell back again in February to 3.4%, which is the lowest inflation rate since September 2021.
- Until recently, the majority of commentators had forecast one further 25 basis point rise in Bank Rate - to 5.50 per cent – although sentiment is changing, with a view that interest rates may have peaked at 5.25 per cent. However, interest rates may stay close to current levels for the first half of this year.
- A return to more stable economic conditions should help to steady investor nerves and falling inflationary pressures and interest rates may help to stimulate capital growth for well let property investments.
- Various global geo-political issues and conflicts relevant and present at the time of reporting continue to maintain heightened risk to the world and UK economies. Some situations remain unpredictable and it is not possible to assess their possible economic impact in the immediate future.

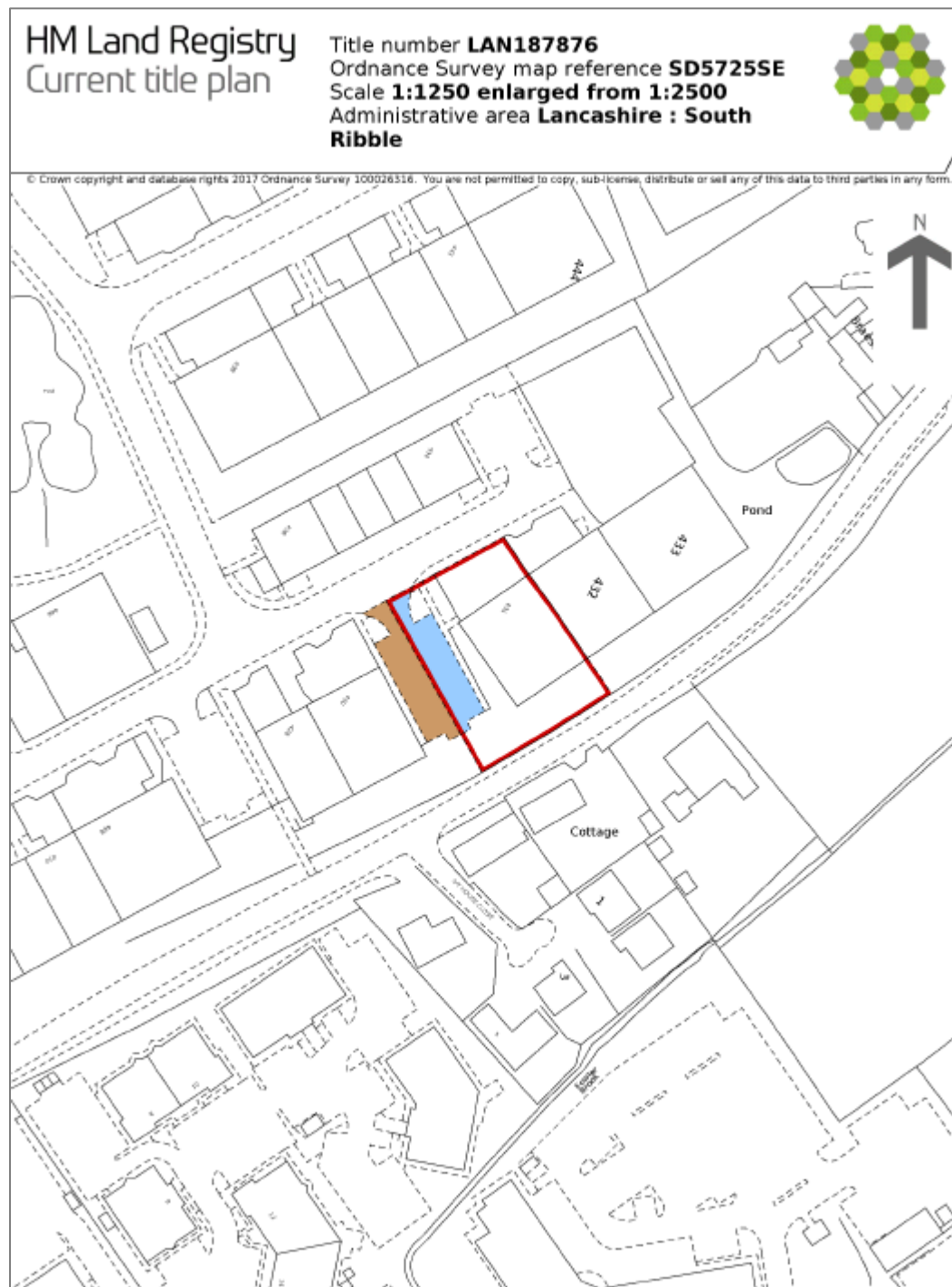
17. Micro Market Commentary

- Preston and the wider Central Lancashire area has maintained a strong presence in the industrial property sector and rental and capital values have upheld well in recent years, contrasting with a benign office market and deteriorating retail market, following national trends.
- The supply of industrial property, including land and buildings, has been constrained for a number of years, due to lack of new development and redevelopment of existing sites for alternative use, mainly residential. As a result of the sustained demand and supply issues, industrial land and building values have risen significantly in the last few years.
- The industrial sector has remained the most resilient property sector during the recent volatile economic period. In particular, logistics and last mile delivery continue to drive demand, with Walton Summit well placed due to its motorway connections and proximity to the larger North West urban areas.

18. Tenure

The tenure of the property is part leasehold under title number LAN187876. The lease is for a term of 150 years from 30th September 1999, subject to an annual rent of One Peppercorn.

We have not been provided with a copy of the lease or report on title and for the purpose of this valuation we have assumed that there are no unusual or onerous terms and conditions which could have a negative impact on the valuation.



19. Tenancies

The property is currently vacant, although it is understood that it will ultimately be leased to either Trailerteq Limited or an independent tenant, following refurbishment. The following main lease terms are considered appropriate to the property:

Date of Lease	TBC
Proposed Landlord	SSAS Trustee (TBC)
Proposed Tenant	Trailerteq Limited
Demise	Entire property known as 431 Ranglet Road, Walton Summit, Preston, PR5 8AU (Contained within title number LAN187876).
Term	5 years from a date to be agreed (or 10 years with a tenant only break option at the end of year 5)
Commencing rent	£31,500pa
Rent Payment Interval	Quarterly in advance on the usual quarter days
VAT	TBC
Rent Review	At the end of year 5 (if a 10 year lease). Assumption of lease term equivalent to the unexpired term of the lease.
Service Charge	N/A – lease to be drawn on full repairing terms
Sections 24-28	Include – the lease to be within the security of tenure provisions of the Landlord and Tenant Act 1954
Break Clause	Tenant only break option at end of year 5, subject to 6 months' notice (if a 10 year lease).
Tenant's Covenants	
Repairs	To keep the property in good repair and condition
Internal Decs	Tenant to decorate as often as is reasonably necessary and in the last 3 months of the lease
External Decs	Tenant to decorate as often as is reasonably necessary and in the last 3 months of the lease
Alienation	Assignment with Landlord consent and AGA. Sub-letting of whole permitted if outside the Landlord and Tenant Act 1954.
User Clause	To use as a general industrial unit and/or warehouse within classes B1 (iii), B2 and B8 of the schedule of the Town and Country (Use Classes) Order 1987 (as amended by the Town and Country Planning (Use Classes) (Amendment (England) Regulations 2020).
Insurance	Insurance rent payable on demand
Landlord's Covenants	
Quiet enjoyment	Yes
Insurance	Buildings Insurance to be maintained by the landlord

20. Valuation Considerations






The valuation appraisal reflects the various merits and defects, strengths and weaknesses of the property including the following:






- The property benefits from strong location characteristics. It forms part of a popular and established commercial and industrial location, with immediate access to a comprehensive motorway network. Walton Summit is a destination for businesses in the North West region.
- The accommodation is flexible and adaptable for a variety of light and general industrial uses, as well as storage and distribution. The clear span of the warehouse bay offers unfettered floor space.
- The eaves height of the unit, at just over 4m, is quite low by modern standards and requirements and the warehouse is only served by a single loading door to the front. These factors have a negative impact.
- The current condition of the property, which has been left in a poor overall state, has a significant negative impact on its value. The valuation reflects a requirement for significant improvement and investment to the external fabric and external areas. The interior is also basic and improvement to ancillary space and services will be required.
- The leasehold tenure has 125 years unexpired, which is more than sufficient for funding purposes and, assuming the lease does not contain any unusual or onerous terms, or restrictions on user, the value of the property will not be impacted.

21. Valuation Methodology

We have adopted the direct comparison method of valuation to arrive at our opinions of both Market Value and Market Rent. We have used sales and lettings data from various industrial and warehouse buildings sold and let with vacant possession. We have adjusted this data to make value judgements to reflect the quality of the property, encompassing its various merits and defects, relative to the comparables.

When analysing market evidence to assess the Market Value and Market Rent of the property, we have referred to the following transactions:

Sales Evidence			
Address	Comments	Capital Value psf	
72A Roman Road, PR2 5BB A similar are mid terrace warehouse, of 13,519 sq ft, with large yard. Freehold interest sold Dec 2022 for £650,000.	A comparable property, with larger, more useable yard	£48.08	
2 Commonbank Ind Est, PR7 1NH A detached industrial unit, 7,390 sq ft, with large yard and site of 0.4 acres, held leasehold. For sale with an asking price of £350,000 (under offer).	This building is inferior overall, but balanced by much larger site	£47.36	
Bradkirk Place, PR5 8AJ A larger, more modern, detached warehouse, of 26,000 sq.ft. Sold as part of a portfolio in June 2021 for £1,600,000.	A superior, more modern property	£61.54	
Carrfield Place, PR5 8AN A larger, more modern, detached warehouse, of 10,105 sq.ft. Sold as part of a portfolio in June 2023 for £650,000.	A superior, more modern property	£59.43	
Unit 3 Brookside Street, BB5 3PX A more modern, freehold, detached warehouse of 8,660 sq.ft, For sale and under offer at a price of £450,000	A superior, more modern property	£51.96	

Rental Evidence	Comments	Rent psf	
237-238 Oldfield Place, PR5 8BG A larger, detached warehouse of 10,600 sq.ft. Let December 2023 at a rent of £65,500pa	This property is considered comparable overall.	£6.18	
423 Oakshott Place, PR5 8AT A similar age and design mid terrace warehouse of 6,665 sq.ft. Let at a rental of £48,000pa, Nov 2023	This letting stands out as being higher than the rental tone	£7.20	
132 Brookfield Place, PR5 8BF A similar age and design mid terrace warehouse of 6,800 sq.ft. Let at a rental of £42,500pa, June 2023	This property is considered comparable overall.	£6.25	
226 Brierley Road, PR5 8AL A smaller and more modern, detached warehouse of 3,033 sq.ft. Let at a rental of £22,500pa, Nov 2023	As a smaller unit, the rental value per ft ² is higher.	£7.45	
7 Centurian Way, PR25 4GU A similar age and design mid terrace warehouse of 5,662 sq.ft. Let at a rental of £32,000pa, Jan 2024.	The location of this property is viewed as being less attractive and it is valued lower.	£5.65	

Having regard to the comparable evidence set out above and the various merits and defects of the subject property relative to the comparable properties, we consider it appropriate to pitch the Market Value on a capital value per ft² basis, slightly higher than the value achieved for 72A Roman Road, allowing for its larger floor area and slightly historic sale date, but also reflecting the poorer condition of the subject property. Adopting a value of just over £50 ft², this rate also sits comfortably with the price achieved for Brookside Street, but is lower than the value per ft² achieved for both Bradfield Place and Carrfield Place, which are superior properties.

The Market Rent is provided on the assumption that the property has been refurbished. It is based on a rent per ft² of £6.31, which is pitched below the rent achieved for the smaller unit at 226 Brierley Road, as well as the rent achieved for 423 Oakshott Place (which appears out of step with the tone of value) and aligned to three remaining comparables all of which are deemed comparable to the subject property.

22. Valuation

We are of the opinion that the **Market Value** of the property at the valuation date is:

£250,000
(TWO HUNDRED AND FIFTY THOUSAND POUNDS)

We are of the opinion that the **Market Rent** (Rental Value Per Annum) of property at the valuation date (**following refurbishment**) is:

£31,500
(THIRTY ONE THOUSAND FIVE HUNDRED POUNDS)

23. Insurance Reinstatement Cost

In our opinion, an appropriate insurance reinstatement value for the property is:

£635,000
(SIX HUNDRED AND THIRTY FIVE THOUSAND POUNDS)

24. Costs

Whilst the valuation makes allowance for purchaser's/investor's costs, including legal fees and stamp duty, no allowance has been made in our valuation for any vendors' costs or taxation (actual or notional), nor have any allowances been made for any grants or incentives to which a purchaser may be entitled.

25. Value Added Tax

Our Valuation is exclusive of VAT unless otherwise stated.

26. Valuation Uncertainty

We have considered the implications of RICS Global Valuation Practice Application 10 (VPGA10) in relation to matters which may give rise to material valuation uncertainty and the RICS User Guide: Reflecting uncertainty in valuations for investment purposes. When considering valuation uncertainty, we have taken account of the following factors which may impact on the property's valuation:

Economic, financial and political uncertainty

Economic conditions are best described as volatile and uncertain at the present time, due to various domestic and international factors and pressures – see S17 - Macro Market Commentary. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Physical uncertainty

We cannot confirm the presence or otherwise of mine shafts on or close to the property and, therefore, whether the property is likely to suffer from subsidence as a result. Pluvial Flooding cannot be ruled out with 'absolute certainty', even though flooding information for the area provided by the Environment Agency gives the risk as "low".

Occupational uncertainty

The valuation has been assessed subject to the assumption of vacant possession.

27. Limitation of Liability/Publication

Neither the whole nor any part of this Valuation Report, nor any reference hereto, may be included in any published document, circular or statement, or published in any way without the Valuer's written approval of the form and context in which it may appear. Such publication of or reference to this Valuation Report may not be made unless it contains a sufficient contemporaneous reference to the Special Assumptions or departure(s) from the Royal Institution of Chartered Surveyors' Valuation – Global Standards 2022 and UK VPGA 8 and UKVPGA 10 of the 2018 UK National Supplement.



.....
Nigel R Blyth BSc.(Hons) MRICS
RICS Registered Valuer
Managing Director
Fairhurst Buckley



.....
Andy Riches BSc. MRICS
RICS Registered Valuer
Associate Director
Fairhurst Buckley

Date: 20 March 2024

APPENDIX A

TERMS OF ENGAGEMENT

13th March 2024

Trailerteq Ltd
Unit 419 Oakshott Place
Walton Summit
Preston
PR5 8AT

Dear Sirs

**Leasehold Property known as:
431 Ranglet Road, Walton Summit, Preston, PR5 8AU**

Valuation Terms of Engagement

I write in relation to your instructions to carry out a valuation of the above property.

As required by the RICS Valuation – Global Standards 2022 Red Book and the 2018 UK National Supplement, effective from the 14th January 2019 I am obliged to write and confirm the following key matters which form the terms of our engagement to undertake the valuation work on your behalf.

Identification and Status of the Valuer

The valuation will be carried out by Andy Riches BSc MRICS, RICS Registered Valuer, who will be acting as an external valuer. We confirm that the valuer will act with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular market, as well as appropriate skills, qualifications, experience and understanding for the purposes of this instruction. The report will be signed on behalf of Fairhurst Buckley. The valuer has been carrying out Registered Valuations since 2013 when registration was first introduced although has many years previous valuation experience.

Identification of the Client and any other Intended Users

The report is to be generated for the benefit of Trailerteq Ltd. Please note that any reproduction or public reference to the valuation or report will require our prior written consent. It is agreed that we will re-address the report to a Pension Trustee of your choice upon request at no additional cost.

Identification of the Assets to be Valued

Leasehold Property known as: 431 Ranglet Road, Walton Summit, Preston, PR5 8AU
Title number: LAN187876

Valuation Currency

All values will be reported in United Kingdom Pounds Sterling (£)

Purpose of the Valuation

Proposed transfer to Pension SIPP/SSAS

Bases of Value Adopted

Market Value which is defined by VPS 4, paragraph 4 in the RICS Valuation – Global Standards 2022 (and UK National Supplement), published by The Royal Institution of Chartered Surveyors, as:

“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 is defined in IVS 104 paragraph 40.1 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.’

Valuation Date

The valuation date will be the date of inspection.

Nature and Extent of Investigation

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 this letter and the report.

Nature and Source of the Information to be relied on

- Measurements and observation undertaken during the inspection of the property
- Land Registry title information and plans
- Discussions with agents active in the market, for the purposes of obtaining comparable evidence
- Information provided by the client

Assumptions

Assumptions Relating to Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume that:

- except for any defects specifically noted in our report, the property is in good condition;
- no construction materials have been used that are deleterious, or likely to give rise to structural defects;
- no hazardous materials are present;
- all relevant statutory requirements relating to use or construction have been complied with; and
- any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction.

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 of in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

Assumptions Relating to Ground Conditions and Environmental Risks

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

- 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.

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.

Assumptions Relating to 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.

We shall assume 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.

Special Assumptions

The Valuation is subject to the following special assumptions:-

- The valuation date will be the date of inspection.
- The valuation will assume vacant possession.

Format of Report

When reporting we will comply with the requirement for minimum content of RICS Valuation – Global Standards VPS 3.2 VPGA 8. The report will be made available in hard copy form (if requested) along with a pdf emailed version

Restrictions on Use, Distribution or Publication

The report is intended for the use of the addressee only and no further distribution or publication is permitted without prior consent from Fairhurst Buckley Limited.

Fees

A fixed fee of £1,400 + VAT inclusive of all disbursements has been agreed.

Regulation by RICS

Fairhurst Buckley is registered for regulation by RICS. Please note that our files may be subject to monitoring under the institution's conduct and disciplinary regulations.

We are committed to providing a high level of service. In the event that you have any concerns about any aspects of our work, please do not hesitate to contact Nigel Blyth of this office. Details of our Complaints Procedure are available upon request. Attached is a copy of our standard Terms of Business, which should be read in conjunction with these Terms of Engagement. I should be pleased if you could sign and return a copy of these to me as soon

as possible. In the event that we do not receive your written confirmation of your instruction, your continuing instructions in this matter, in the absence of any written objection, will amount to your acceptance of the Terms of Engagement and our standard Terms of Business.

If this letter does not correctly set out your instructions to us, please advise me by return.

Yours Sincerely



Andy Riches BSc. MRICS
RICS Registered Valuer
Associate Director
Fairhurst Buckley

I/we agree Fairhurst Buckley's Terms of Business and the Terms of Engagement, set out in this letter to you and instruct Fairhurst Buckley Limited to make any supplies agreed accordingly

Signed..... On behalf of.....

Date.....

Enc: Fairhurst Buckley's Terms of Business