

NATWEST BANK JOHN ST PROPOSAL

Valuation	£300,000 with vacant possession
Use Of Funds	Property Purchase
Loan Amount	£250,000
Loan Term	12 Months
Loan rate	4.00% per annum (minimum 6 month return)
Loan Type	Interest only rolled up
Loan Basis	Secured with 1 st Charge against Natwest Bank, John Street & Personal Guarantees
Lender Legal Fees	£450 + Vat & Disbursements (met by borrower)
Arrangement Fees	1.50% (met by borrower)

Loan Split	AJ3 Consult	£130,000
	S&J Bratton Developments	£120,000

Purpose of Loan Property Purchase

Client Borrowing the Money; Mr Dale Christopher Smith of 6 Cwm Cadno, Margam, SA13 2TP as Director of Smith UW Ltd whose registered office is at 16 Bridge Street, Kenfig Hill, Bridgend, Wales, CF33 6DD.

Correspondence Address; 16 Bridge Street, Kenfig Hill, Bridgend, CF33 6DD

Represented by; Ryan David, QualitySolicitors David & Snape, 4 Lias Road, Porthcawl, CF36 3AH
Tel: 01656 782070
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DX: 55803 PORTHCAWL
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Lenders Jonathan Thirkettle & Andrea Thirkettle as trustees of AJ3 Consult Executive Pension of 47 The Sanctuary, Culverhouse Cross, Cardiff, CF5 4RW

Simon Bratton & Julie Bratton as trustees of the S&J Bratton Developments Executive Pension of 2 Weavers Road, Ystragynlais, Swansea, SA9 1PQ

Represented by John Potter Spencer Skuse & Potter



SITE DEVELOPMENT PROPOSAL

Following successful negotiations on blue chip franchise occupation of their recent Portway surgery development the borrowers are looking for new planning on this site to convert the downstairs to a self contained commercial franchise unit, whilst the upstairs will now be developed in to two luxury apartments.

VALUATION



REPORT AND VALUATION

Made in respect of
77 JOHN STREET
PORTHCAWL
BRIDGEND COUNTY BOROUGH
CF36 3AT

Prepared for

PENSION PRACTICIONER
CARE OF
STRATFORD COLLINS CONSULTANTS
3 FRAMPTON LANE
LLANTWIT MAJOR
CF61 2UZ

DLP Surveyors Ltd reference
V.3033.19.MP

Valuation Date
25 FEBRUARY 2019



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SECTION 1

1.1. Executive Summary

1.1.1. Brief Details of the Property

The property faces approximately north west and is located in Porthcawl town centre fronting John Street close to its junction with Lias Road. John Street is the principal retail location in Porthcawl. Porthcawl is a town on the south coast of Wales in the County Borough of Bridgend. It lies twenty five miles west of Cardiff.

The property is a two storey building with single storey rear additions. It was a Nat West Bank banking hall and premises. The building is constructed using traditional materials and methods.

1.1.2. Tenure

Freehold

1.1.3. Tenancies

There are currently no tenancies but we understand that a pre let has been agreed as follows;

Tenant;	a local health and fitness club proprietor
Rent agreed;	£36,000 pa
Term;	5 years
Rent review;	none
Other;	Tenant's standard FRI terms Landlord to carry out certain building works

1.1.4. Valuations

The valuation date is 25 February 2019.

We are of the opinion that the market value of this property when converted to two retail units plus ancillary with all works completed to a high standard could be improved to £370,000 (three hundred and seventy thousand pounds).

We are of the opinion that the market rent of this property if converted to retail use as above is £37,000 (thirty seven thousand pounds) pa.

We are of the opinion that the market value of this property on completion of conversion to a Health and Fitness Centre with all works completed to a high standard and with the proposed lease in place could be improved to £324,000 (three hundred and twenty four thousand pounds).

We are of the opinion that the market value of this property freehold with vacant possession is £300,000 (three hundred thousand pounds).

On the assumption that a six month marketing period is available we are of the opinion that the market value of this property freehold with vacant possession is £265,000 (two hundred and sixty five thousand pounds).

The buildings should be insured for a sum not less than £440,000 (four hundred and forty thousand pounds) full re-instatement cost.

This summary is provided for reference and must be read in conjunction with the attached report.

Our ref; V.3033.19.MP
Date; 25 February 2019

Pension Practitioner
C/o Stratford Collins Consultants
3 Frampton Lane
Llantwit Major
CF61 2UZ

Dear Sirs

FORMER NAT WEST BANK PREMISES
77 JOHN STREET PORTHCAWL CF36 3AT

Thank you for your instructions with regard to the above property which were received via Mr Dale Smith. We report as follows;

1.2. Introduction

This valuation is compiled in accordance with RICS Valuation Professional Standards - The Red Book, (2017 Edition).

This report is prepared by Martin Phillips MRICS who is a registered valuer (RICS No 0075152). His preparation of this valuation meets the requirements of the Red Book with regard to 'Qualifications of the Valuer', 'Knowledge and Skills' and 'Independence and Objectivity'.

The Valuation has been carried out for SASS loan security purposes to determine Market Value and Market Rent.

We confirm that there is no personal or company conflict of interest arising from our undertaking of this valuation. We have no interest in this property or in the matter under consideration. We have had no previous dealings with the parties involved or in the property.

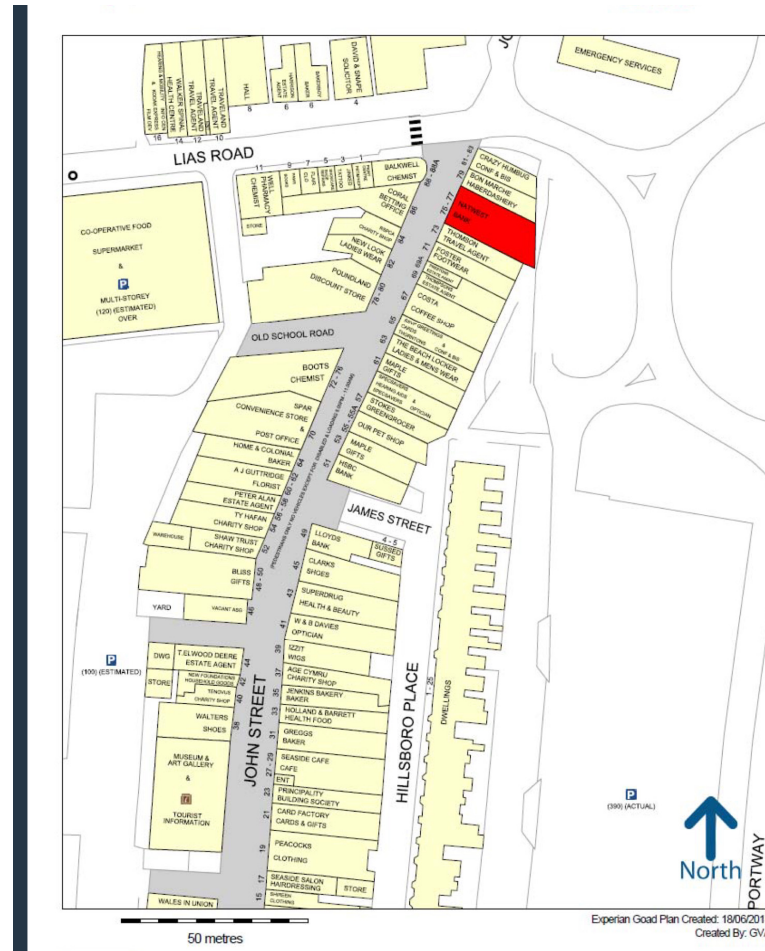
The property was inspected by Martin Phillips MRICS on 19 February 2019. The date of valuation is 25 February 2019.

At the time of inspection the weather was calm and dry preceded by a period of changeable weather. The property was un-occupied. Mr Phillips met Mr Dale Smith at the property and also spoke with him by telephone. Where we have relied on information provided by Mr Smith or any other party, this is indicated in the report, together with the source of the information.

SECTION 2

2.1. Location

The location of the property is shown on the 'Goad' as produced by the selling agent and on the aerial screenshots - below.



Goad plan

Error! Objects cannot be created from editing field codes.

Location plan



77 John St

77 John St, Porthcawl CF36 3AT

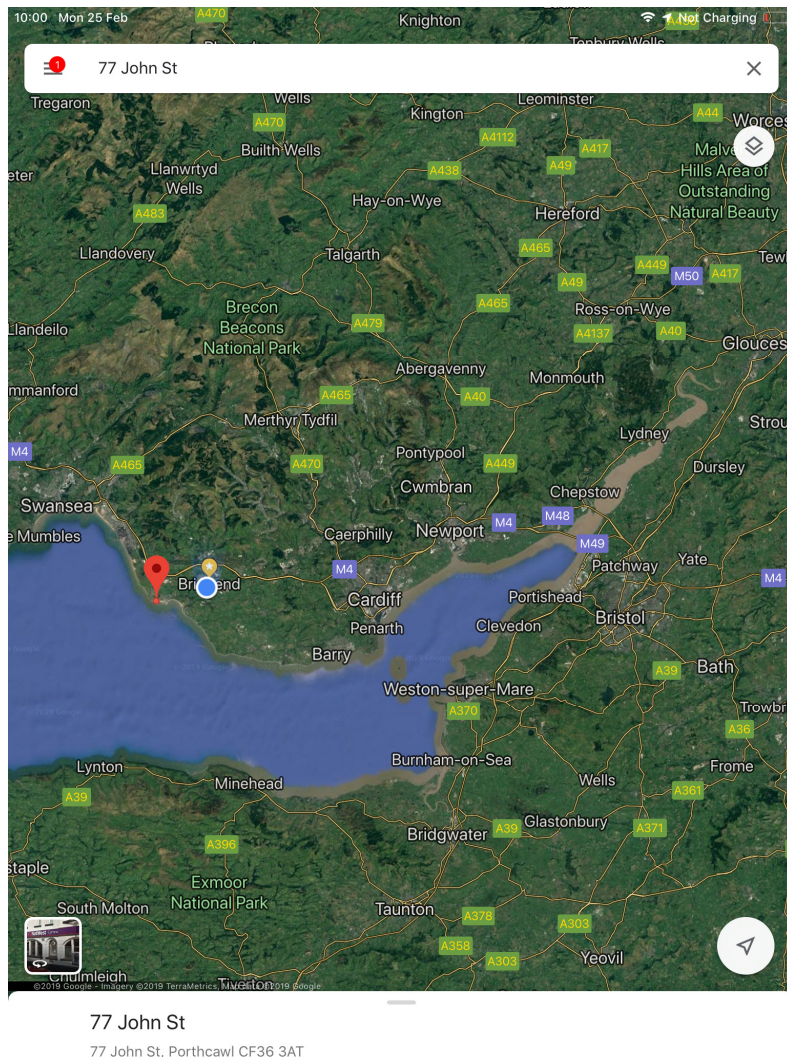
The location of the property at John Street is shown above.



77 John St

77 John St, Porthcawl CF36 3AT

The location of the property in relation to Porthcawl town is shown above



The location of Porthcawl in relation to South Wales is shown above.

More specifically the property faces approximately north west and is located in Porthcawl town centre fronting John Street close to its junction with Lias Road.

John Street is the principal retail location in the town. Adjoining properties in the parade are put to retail use. Some of these properties have offices or storage on upper floors. Some have residential flats.

Other occupiers in this location include a range of local traders and some multiples which include; TUI Travel, Costa, New Look, Specasvers, Holland & Barratt, Greggs, Lloyds Bank, Boots Chemist, Coral.

There are no particular access difficulties or restrictions. John Street is pedestrianised. Vehicular access is permitted during the early part of the day for loading etc. Pay and display car parking is provided in the town. Porthcawl has no rail link. The town links to junction 37 of the M4 via the A4229 road.

Porthcawl is a town on the south coast of Wales in the County Borough of Bridgend. It lies twenty five miles west of Cardiff and nineteen miles east of Swansea. Porthcawl town has a promenade and several beaches. There are a number of hotels and a large caravan park. The town has declined as a holiday destination. It now has a higher than average population of retirement age. It is also a dormitory town for the Bridgend / Port Talbot / Cardiff commute.

2.2. Site

The site on which the property stands is flat and roughly rectangular in shape. Virtually all of the site is developed. There is no real potential for further development. The building fronts the pavement to John Street. The rear site boundary structure is a masonry / brickwork retaining wall which faces the car park / access road to the former Portway Surgery building. External accommodation comprises a small 'back yard' only. There is no rear access. There is no on site car parking space.

2.3. Description

The property is a two storey building with single storey rear additions. It was a Nat West Bank banking hall and premises.

The premises has a typical 'standard' Nat West Bank front elevation. The banking hall is accessed via a single doorway to a mobility 'ramp' which leads slightly upwards from pavement to internal ground floor level. The banking hall has been stripped of all bank fixtures and fittings. Partition walls are in situ and create two ground floor offices. At the rear of the banking hall are three strong rooms which have bank vault security doors and 750mm thick walls and solid structure above. Alongside the strong rooms is a staircase to the first floor accommodation. The first floor accommodation comprises a landing area / hallway, offices and ancillary accommodation.

The building is constructed using traditional materials and methods. The external walls are constructed of solid and cavity masonry. The building has both flat and pitched design roofs. I was unable to see the surfaces of the flat roofs. The pitched designed roofs are weathered with fibre simulated slates. The ground floors are of solid construction. The first floors are of suspended timber and suspended concrete construction. It is presumed that the structure of the rear part of the building (where strong rooms are located) is reinforced using normal bank strong room methods.

This form of construction is suitable for this type of building and for various potential uses. Alterations of the reinforced areas (if envisaged) may prove to be disproportionately expensive.



Front elevation



Street scene



Rear elevation - from Car Park of Portway Surgery



Ground floor Banking Hall



Ground floor Banking Hall



Door to strong room



First floor office #1



First floor office #2

2.4. Services

No tests have been carried out to electrical, heating or any other services nor have the drains been tested. We have assumed all services to be functioning satisfactorily. Specific inquiries of the statutory undertakers have not been carried out.

Mains electricity, gas, drainage and water are connected. As many of the fixtures and fittings have been stripped out, electrical and heating facilities will need to be replaced.

2.5. Repair and Condition

An appropriate inspection of the building has been carried out to determine its condition for valuation purposes. We have not carried out a building survey.

The property is typical of a building of this age and type that has been used as a banking hall and premises and has now been vacated and 'stripped out'. The building is wind and water tight but is in need of internal renovation and conversion works.

The property has an economic and functional life span of at least thirty years.

2.6. Accommodation

The accommodation is arranged over two floors and is briefly described below. The measurements are in meters and were taken on site. Gross Internal Areas (GIA) have been calculated for the ground floor accommodation and Net internal Areas (NIA) have been calculated for the first floor accommodation.

			(m ²)
Ground floor			
Banking hall	internal width	10.40	
	main depth	12.60	
	max depth	15.00	
Including			
Office		2.50 x 2.50	
Office		4.00 x 2.90	
GIA			136.80

Plus		
Strong room 1	3.90 x 3.30	
Strong room 2	3.40 x 1.50	
Strong room 3	4.00 x 2.60	
GIA		28.37

First floor		
Landing area and hall		
Ladies and gents WC's		
Office 1	2.70 x 5.90	
Plant and store	2.70 x 3.30	
Office 2	1.80 x 4.60	
Office 3	5.40 x 5.90	
Mess and kitchen	5.40 x 3.40	
NIA		83.34

For retail market rent calculation purposes
we have analysed the accommodation
in terms of zone A (ITZA) as 96.60

SECTION 3

3.1. Tenure

We understand from Mr Smith that his company is to acquire the property freehold and with vacant possession. We have not had sight of the title deeds and our valuation assumes that the freehold interest is free from rights of way, easements, restrictive covenants, disputes or other onerous restrictions or encumbrances and that good title can be shown.

3.2. Tenancies

We understand from Mr Smith that there are no tenancies but that a pre - let arrangement has been agreed subject to contract and subject to his company (the building owner) carrying out certain renovation and conversion works so that the property can be used as a health and fitness centre. We understand that solicitors are instructed and basic heads of terms are as follows;

Tenant;	a local health and fitness club proprietor
Rent agreed;	£36,000 pa
Term;	5 years
Rent review;	none
Other;	Tenant's standard FRI terms
	Landlord to carry out certain building works

SECTION 4

4.1. Statutory and Legal matters

Legislation and legal matters that affect the property are reported below.

4.2. The Equality Act 2010

The access to the property complies with the requirements of the Equality Act 2010.
Compliant WC facilities are not provided.

4.3. Town Planning

The property has established A2 use.

A planning application has been submitted for change of use from Bank to Health and Fitness centre. The Local Authority acknowledgment of the application is pasted in below.

Error! Objects cannot be created from editing field codes.We have studied the adopted Unitary Development Plan. There is a proposal to carry out a major redevelopment of the near by large car park on the site of the former dock inner basin and, in time, also to re-develop the Coney Beach fun fair site. These developments are currently 'in the pipe line'. When they are completed they are likely to have a beneficial impact on values of property in the area.

4.4. Fire Regulations

There is a fire escape at the rear of the building. The valuation makes the special assumption that the conversion and future occupation of the building will comply with the FSO and that a compliant Fire Risk Assessment will be in place.

4.5. Local Taxation

The RV entered in the list and shown on the VOA web site is £29,250.

4.6. Highways

John Street is adopted and maintained at public expense.

4.7. VAT

Mr Smith has advised that the property is not subject to VAT. This does not have a material effect on market rent or market value.

SECTION 5

5.1. Environmental Issues

South Wales generally is an area that is reported as being affected by Radon gas. Please refer to www.ukradon.org.uk. This does not have an adverse effect on values of properties in this area or on their suitability as security for bank secured loan purposes.

5.2. Energy Performance Certificates and Sustainability

The Energy Act 2011 has been brought into force as a vehicle for implementing the Government's 'Green Deal' policy. The key point of which is that from 2018 Landlords will be unable to let properties which fall below a prescribed level of energy efficiency unless they make certain improvements. The prescribed level is F or G on the EPC.

An EPC has been produced. The assessment is C 71.

5.3. Contaminated land

We were not instructed to undertake or commission an environmental assessment to establish whether contamination exists or may exist, nor are we aware of any such assessment having been prepared by a specialist adviser in respect of the subject property and its environs.

Whilst we have not undertaken any detailed investigations into past and present uses of the subject property or of any adjoining property, at the time of our inspection we did not note anything that would lead us to thin that contamination may be an issue here.

5.4. Flooding

The property is not in an area that is at risk from flooding according to Natural Resources Wales.

5.5. Asbestos

The Control of Asbestos Regulations 2012 sets a framework for a duty to manage asbestos in non-domestic premises. An asbestos inspection should have been undertaken on all commercial buildings by 21 May 2004. Following the discovery of asbestos there is a requirement for an asbestos management plan to be drawn up and implemented.

Prior to undertaking renovation and conversion works it will be necessary to obtain a written record of where asbestos is found at the property and its condition. We have not seen this DLP. Surveyors can provide this service if instructed to do so.

5.6. Invasive Species

We found no evidence of Japanese Knotweed or similar invasive species on site or in the immediate vicinity.

5.7. Mining

The property is not in a coal mining area.

SECTION 6

6.1. Economic Life

We confirm that the property provides suitable security for Pension Fund (SASS) loan security purposes at the valuation figures stated below in terms of expected obsolescence and potential assuming that the property will be renovated and maintained in a suitable state of repair.

6.2. Valuation Considerations

6.2.1. Valuation methodology

The assessment of the value of the property has been undertaken in consideration of market conditions for retail property in Porthcawl specifically to provide a considered basis for the assessment of the value of the property.

In order to assess market value on a freehold with vacant possession basis we have calculated the market rent for the best alternative use of the property and applied an investment yield to arrive at market value. We are of the opinion that the best alternative use of the property following it being vacated by the Bank is conversion to two retail units.

In order to assess market value of the freehold interest subject to the proposed conversion to a Health and Fitness Centre we have used the agreed rent and applied an investment yield to arrive at market value. In this connection, the property is considered as an investment let to the Health and Fitness Centre business. The covenant is considered to be in the 'weak / local' category although it is a reasonably well established business.

If the property were to be offered on the market for sale with vacant possession for sale or to let, the lot size would be such that it would be affordable to an investor, owner occupier business, or SIPP type pension scheme.

6.2.2. Market Commentary

In the latter half of the 1990s and into the 2000s, strong retail expenditure growth, increased retailer demand, rental growth and lower interest rates resulted in lower investment yields, strong capital value growth and improved retail centre viability. This coupled with the banks

willingness / enthusiasm for property lending, encouraged a high level of activity in the retail property investment market generally.

The 1990's and early 2000's saw a large amount of town / city centre development which was almost 50% greater than in each of the previous two decades. There were numerous major schemes. When the recession came, investment yields increased dramatically, rental values declined and retail development activity in England and Wales all but collapsed.

Porthcawl (as a retail centre) falls below the sub-regional tier and its market is seasonal and reliant on weather conditions. It is something of a 'destination' centre.

In lower order regional locations such as Porthcawl we have seen relatively weak retailer demand, weaker retailer covenants, shorter leases and / or break clauses. This has had a negative impact on the retail property investment market. It has been largely caused by the increase of online sales as well as the strength of Cardiff as a regional retail centre and the out of town McArthur Glen outlet at Bridgend.

Most forecasters anticipate that the growth in online sales will peak because access to broadband has pretty much reached saturation. But if this doesn't happen and online sales continue to grow strongly as shoppers become more and more familiar with shopping online, further problems could be caused for smaller towns like Porthcawl. There could be a shift away from the traditional high streets for some specialist retailers, who are gaining a larger proportion of their trade from online sales, and therefore see no need to remain in a high street location.

The principal retail area at Porthcawl is at John Street. The commercial centre of Porthcawl is close to the sea front and a large residential hinterland.

6.2.3. Comparable evidence

Market rental evidence

We have recently measured and analysed the new rent agreed on a retail shop and premises let to a local covenant at No 64 John Street. A new ten year lease with three year break and five year rent review has been agreed on effective tenant's FRI terms. The rent passing is £20,000. This breaks down to £387 / m² [£36 / ft²] ITZA pa.

A retail unit at 21 John Street is let on terms of a ten year effective tenant's FRI lease from December 2007. The rent was set at £23,400 in 2007. There was no increase at the December 2012 review or at the lease expiration in and December 2017. The lease has expired and the tenant is holding over at the historic rental. The rent breaks down to £377.40 / m² [35 / ft²] ITZA pa.

A retail unit at 37 John Street Porthcawl is let at £16,250 pa. The tenant occupier has been in situ for thirteen years. A lease renewal has recently been agreed. The rental figure breaks down to £325 / m² [£30.20 / ft²] ITZA pa.

A small retail unit at No 9 Lias Road recently let at £9,000 pa. This rent devalues at £390 / m² [£36.20 / ft²] ITZA pa.

This year we let a small retail unit used as a café and premises at 13 Well Street at £7,500 pa. This equates to £240 / m² [£22.30 / ft²] ITZA pa.

Retail yield evidence

The following retail investments have sold at auction;

30 Countisbury Avenue Llanrumney	
Ground floor shop	let to Barnado's
Lease	New 10 year leas

Rent reviews	in 2020
Other terms	tenants FRI
Rent	£20,000 pa
1 st floor flat	
Lease	99 years from 1988
Ground Rent	£50 pa
Sale price achieved	£270,000
Initial yield published	7.59 %
Date of sale	2015

Address	7 Union Street Swansea
Let to	Maxx retail (4 branches)
Term	10 years from January 2016
Rent	£53,000 pa
Rent review	to £42,000 in 2021
Price	£440,000
GI yield	7.95%
Date of sale	2016

Address	97 Station Road Port Talbot
Let to	British Heart Foundation
Term	10 years from March 2010
Rent	£19,750 pa
Price	£150,000
GI yield	13.17%
Date of sale	2016

Address	2 - 4 Wind Street Neath
Let to	Poundland
Term	10 years from September 2009
Rent	£170,000 pa
Price	£1,300,000
GI yield	12.98%

Property	10 Alfred Street Neath
Description	2 storey house converted to offices - fully modernised
Tenure	Freehold
Rent	£7,500 pa
Tenant	Red Book Accountancy Ltd
Lease terms	15 yrs from Sept 2013 FRI
Rent reviews	3 yearly
Tenants break	none
Sale price	£85,000
Yield	8.82% net initial
Date	July 2015

Calculations

Given the comparable evidence we would apply a market rental of £387 / m² [£36 / ft²] ITZA pa. to calculate market rent of the property on the assumption that it is converted into two retail units with storage / ancillary space on the first floor.

Given the above evidence, the position of the property on John Street and the speculative nature of the conversion to retail uses we would apply a yield of 10% (10 YP) to the market rent to calculate market value.

Based on renovation and conversion works carried out on retail units in Cardiff we would apply a rate of £250 / m² of total internal floor area of approx 265 m² floor area to allow for necessary building works for retail conversion. Thus the cost of works is say £66,000.

Calculation assuming conversion to two retail shops plus ancillary

Total area ITZA	96.69 m ²	
Market rental	£387 / m ²	
Market rent	£37,384 pa	
Say		£37,000 pa
Yield	10 YP	

Market value on completion of works £370,000

Less Costs of works say £66,000

Market value before works £304,000

Say £300,000

Calculation assuming conversion to Health and Fitness Centre subject to agreed pre-let

Considering the conversion to a Health and Fitness centre we would apply a yield of 11% (9 YP) to the agreed rent proposed investment to calculate market value. This yield reflects the proposed use, risk and potential additional works required in the event of tenant default.

Mr Smith has advised that the proposed cost of conversion works is to be in the region of £15,000 to £20,000. We have relied on this information. We have not seen a schedule of works or a bill of quantities.

Therefore		
Rent agreed	£36,000 pa	
Yield	9 YP	
		£324,000
Costs of works say	£20,000	
Market value say		£304,000
Say		£300,000

Opinion of FHVP market value

We understand that the property is to be acquired at an agreed price of £265,000. Given the above evidence and calculations we are of the opinion that the agreed price is lower than the market value of the property as in its present condition freehold with vacant possession.

SECTION 7

7.1. Valuation Date

The valuation date is 25 February 2019

7.2. Valuations

Definition of market value

'The estimated amount for which an asset or liability (property) 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.'

Definition of vacant possession value

The estimated amount for which the property, with vacant possession, 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.

Definition of market rent

'The estimated amount for which a property or space within a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arms-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.'

Valuation 1 - Market Value assuming speculative conversion to retail uses

We are of the opinion that the market value of this property when converted to two retail units plus ancillary with all works completed to a high standard could be improved to £370,000 (three hundred and seventy thousand pounds).

Valuation 2 - Market Rent assuming speculative conversion to retail uses

We are of the opinion that the market rent of this property if converted to retail use is £37,000 (thirty seven thousand pounds) pa.

Valuation 3 - Market Value assuming conversion to Health and Fitness Centre subject to agreed pre-let

We are of the opinion that the market value of this property on completion of conversion to a Health and Fitness Centre with all works completed to a high standard and with the proposed lease in place could be improved to £324,000 (three hundred and twenty four thousand pounds).

Valuation 4 - Vacant Possession Value (VP):

We are of the opinion that the market value of this property freehold with vacant possession is £300,000 (three hundred thousand pounds).

Valuation 5 - Restricted Market Value (RMV)

This is the market value subject to the following assumption:

Only a six month marketing period is available. For avoidance of doubt this is up to exchange of contracts NOT completion of sale.

On the assumption that a six month marketing period is available we are of the opinion that the market value of this property as in its present condition freehold with vacant possession is £265,000 (two hundred and sixty five thousand pounds).

Reinstatement Cost

The buildings should be insured for a sum not less than £440,000 (four hundred and forty thousand pounds) full re-instatement cost. This figure includes the cost of demolition, site clearance, rebuilding, Local Authority and professional fees and VAT and is calculated on the basis of equivalent modern reinstatement.

This figure is indicative only and is given in good faith and as guidance only.

SECTION 8

Declaration

I certify that the subject property has been inspected by me, that I valued the property and prepared this report.

I confirm that insofar as the facts stated in my report are within my own knowledge. I have made it clear which they are and I believe them to be true and that the opinions I have expressed represent my true and complete professional opinion.



Signature of Surveyor.....
Martin Phillips BSc MRICS
RICS No 0075152

LOAN AGREEMENT

LOAN AGREEMENT

Dated _____ Day of _____ 2019

1.0 PARTIES

- 1.1 **JONATHAN THIRKETTLE & ANDREA THIRKETTLE** as Trustees of the AJ3 Consult Executive Pension Scheme of 47 The Sanctuary, Culverhouse Cross, Cardiff, CF5 4RW (1) and Simon Bratton & Julie Bratton as Trustees of the S&J Bratton Developments Executive Pension of 2 Weavers Road, Ystragynlais, Swansea, SA9 1PQ (2) ("**the Lender**");
- 1.2 **SMITH UW LTD** (Company number 11544331) whose registered office is at 16 Bridge Street, Kenfig Hill, Bridgend, Wales, CF33 6DD ("**the Borrower**"); and
- 1.3 **DALE CHRISTOPHER SMITH** of 6 Cae Cadno, Margam, SA13 2TP ("**the Guarantor**")

2.0 RECITALS

- 2.1 The Lender has at the request of the Borrower agreed to make the Loan to the Borrower for the Term.
- 2.2 The Borrower has agreed to accept the Loan, to repay the Capital of the Loan and pay the Interest in accordance with the provisions of this Agreement.
- 2.3 The Borrower has agreed to provide security for the Loan by way of a First Charge against the Property.
- 2.4 The Guarantor has agreed to indemnify the Borrower in accordance with the provision of this Agreement.
- 2.5 In this Agreement wherever the context permits words importing the masculine gender shall include the feminine and neuter genders and words importing the singular shall include the plural and in both cases vice versa and any agreement on the part of two or more persons shall be deemed to be made by such persons jointly and severally and the terms used herein for the parties hereto shall mean and include their respective successors in title.

3.0 DEFINITIONS

- 3.1 "**Arrangement Fee**" means the sum of £3,750.00
- 3.2 "**Effective Date**" means _____ 2019 being the date monies provided under the Loan are first drawn down by the Borrower.
- 3.3 "**Loan**" means the sum of £250,000.00 (Two Hundred and Fifty Thousand Pounds).
- 3.4 "**Loan Contributions**" means the sum of £130,000 from Jonathan Thirkettle and Andrea Thirkettle as Trustees of the AJ3 Consult Executive Pension Scheme and

£120,000.00 from Simon Bratton & Julie Bratton as Trustees of the S&J Bratton Developments Executive Pension

- 3.5 **"Loan Purpose"** means for the purchase of the Property.
- 3.6 **"Interest"** means 4% per annum fixed for the duration of the Term to be rolled up and paid on or before the expiry of the Term.
- 3.7 **"Minimum Interest"** means the equivalent of six months interest.
- 3.8 **"Term"** means a period of 12 months commencing on the Effective Date of this Agreement and expiring at 6.00 p.m. on 2020.
- 3.9 **"Capital Repayment"** means a payment of the outstanding Loan principal and Interest on the expiry of the Term.
- 3.10 **"Business Day"** means a day on which clearing banks are open for business in London (other than a Saturday or Sunday and other than Bank Holidays).
- 3.11 **"the Property"** means 77 John Street, Porthcawl, CF36 3AT as registered at the Land Registry under title number CYM741707.

4.0 **OPERATIVE PROVISIONS**

- 4.1 In consideration of the Lender agreeing to make the Loan to the Borrower, the Borrower agrees as follows:
 - 4.1.1 The Loan will at all times be used for the Loan Purpose and consistently with the purpose or purposes permitted by the Memorandum and Articles of Association of the Borrower in the event that the Borrower is a company.
 - 4.1.2 To pay the Arrangement fee on commencement of the Loan.
 - 4.1.3 To pay the Interest.
 - 4.1.4 To pay the Capital Repayment to the Lender.
 - 4.1.5 Should the Capital Repayment be made within 6 months of the date of this Agreement to pay the Minimum Interest or balance thereof at the date of repayment.
 - 4.1.6 Notwithstanding the other provisions hereof and in any event to repay the Loan and any accrued Interest by not later than the last day of the Term provided that notwithstanding the foregoing the Lender shall always have the right to demand repayment in full by the Borrower of the balance of the Loan for the time being and any accrued Interest upon the Lender giving the Borrower seven days' notice in writing of such demand.
 - 4.1.7 That so long as the Loan (or any part thereof) or any Interest remains outstanding, the Borrower will not, without the prior written consent of the Lender and upon fully satisfying the Lender as to the precise nature of the transaction and supplying copies of the documentation in connection with the transaction whether in draft or not, other than in the normal course of the Borrower's business (i) acquire, whether by purchase, subscription or otherwise or (ii) sell, transfer, lease, exchange or otherwise dispose of or (iii) mortgage, charge or pledge, any property or assets, whether real or personal (including cash), or (iv) enter into any hire purchase or leasing agreement, and the

Borrower agrees that if any such transaction is entered into in the normal course of its business then it will supply details and copies of all documentation relating to the transaction within seven days of the Borrower concluding the same.

- 4.1.8 To reimburse the Lender on demand all costs expenses and disbursements including legal fees incurred by the Lender incidental to this Agreement including (but not limited to) the Lender's solicitors fees of £450 plus VAT and disbursements and the Redemption Administration Fee of £195 (payable on settlement of the Loan).
- 4.1.9 As a condition precedent to drawdown of any monies under the Loan, to provide the Client with confirmation of repayment capabilities and to procure that the Client has a Standard Security over the Property in such form as the Client may stipulate.
- 4.2 The Borrower further agrees with the Lender that so long as any part of the Loan and Interest is outstanding the Borrower shall:
 - 4.2.1 Carry on its business in an efficient and businesslike manner,
 - 4.2.2 Not (save with the written consent of the Lender, which shall not be unreasonably withheld), sell or otherwise dispose of the whole or a substantial part of its assets,
 - 4.2.3 Provide to the Lender any documents requested in evidence of the continuation of its trading activity.
 - 4.2.4 To insure the Property and keep it insured with reputable and responsible insurers and to ensure that such insurance is for the full reinstatement cost of the Property.

5.0 **TERMINATION**

- 5.1 If the Borrower shall be in breach of any of the provisions of this Agreement the Lender may require repayment of the Loan and accrued Interest forthwith and enforce its security over the Property. No failure to exercise, nor any delay on the part of the Lender in exercising, any rights or powers or privileges hereunder shall operate as a waiver thereof nor shall any single nor partial exercise of any such rights or powers or privileges preclude any other or further exercise thereof or the exercise of any other rights or powers or privileges.
- 5.2 Notwithstanding anything hereinbefore contained the Loan, or the balance of the Loan for the time being outstanding, and accrued Interest and the monies due thereon shall become immediately repayable if:
 - 5.2.1 the Borrower makes default in the payment of any Capital Repayment or Interest or any other monies due hereunder,
 - 5.2.2 an order is made or an effective resolution is passed for winding up the Borrower,
 - 5.2.3 the Borrower ceases or threatens to cease to carry on its business or substantially the whole of its business,
 - 5.2.4 an encumbrancer takes possession of, or a Receiver is appointed over, any part of the assets of the Borrower including the Property,
 - 5.2.5 any distress, execution, sequestration or other process is levied or enforced upon or issued against the property of the Borrower and not discharged within 28 days,
 - 5.2.6 the Borrower is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 (as re-enacted or amended),

- 5.2.7 the Borrower commits any breach of this Agreement,
- 5.2.8 it is required to enable the Lender to pay benefits which have already become due under the Lender.

6.0 GUARANTOR PROVISIONS

The Guarantor unconditionally and irrevocably agrees to indemnify the Borrower in respect of any losses, costs, expenses, damages or liabilities suffered or incurred by the Lender as a result of the Borrower failing to meet its obligations under this agreement and/or if the Borrower is unable to repay the Loan and accrued Interest then the Guarantor unconditionally and irrevocably agrees to repay the Loan and accrued Interest in place of the Borrower.

7.0 GENERAL PROVISIONS

- 7.1 All payments by the Borrower to the Lender shall be made free and clear of and without deduction of any alleged or actual set-off or counterclaim and without any deduction of any taxes, levies, imposts, duties, charges, fees, deductions or withholding of any nature now or hereafter imposed by any governmental authority in any jurisdiction or political subdivision or taxing authority thereof or therein unless the Borrower is compelled by law to deduct or withhold any such taxes levies imposts duties charges or fees.
- 7.2 The Borrower shall have the right at any time on giving 14 days' notice in writing to the Lender to make either partial Capital Repayments of the Loan or to repay the Loan in full together with all accrued Interest.
- 7.3 Payments received by the Lender from the Borrower under the terms of this Agreement will be paid to the Lender on a pro rata basis in accordance with the Loan Contributions made.
- 7.4 Any notice required to be served hereunder shall be given personally or by sending the same by first class post to the respective registered offices for the time being of the Borrower or the Lender (as the circumstances require) and notice so given by post as aforesaid shall be deemed served 48 hours after it has been posted.
- 7.5 The Borrower undertakes with the Lender to notify the Lender forthwith in writing of any matter which constitutes (or which, with the passage of time, would constitute) a default under this Agreement (or otherwise entitle the Lender to demand repayment of the Loan).
- 7.6 Save for the purposes of compliance with statutory and legal obligations, the parties agree to keep the contents of this Agreement confidential and shall not disclose the contents thereof, without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.
- 7.7 A person who is not a party to this letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

- 7.8 This Agreement and all matters arising from it shall be governed by and construed in accordance with English law and each party irrevocably submits to the exclusive jurisdiction of the English courts.
- 7.9 This Agreement contains the entire Agreement between the parties hereto concerning the Confidential Information and supersedes any previous understandings commitments or agreements oral or written, provided that nothing in this clause shall be construed as limiting or excluding the parties' liability for fraud or fraudulent concealment.
- 7.10 This Agreement contains the entire Agreement between the parties hereto concerning the subject matter of the Agreement and supersedes any previous understandings commitments or agreements oral or written, provided that nothing in this clause shall be construed as limiting or excluding the parties' liability for fraud or fraudulent concealment.
- 8.0 **LIMITATION OF LIABILITY**
- 8.1 The liability of the AJ3 Consult Executive Pension shall be limited to the net assets of the Scheme.
- 8.2 The liability of S&J Bratton Developments Executive Pension shall be limited to the net assets of the Scheme.

EXECUTED AS A DEED BY
Simon Bratton
As Trustee for the
S&J Bratton Developments
Executive Pension

Simon Bratton

In the presence of:-

Witness signature

Debra Hunt

Witness name

DEBRA HUNT

Address

78 STATION RD

YSTRADGYNLAI

SWANSEA.

Occupation

RETIRED GM.

EXECUTED AS A DEED BY
Julie Bratton
As Trustee for the
S&J Bratton Developments
Executive Pension

Julie Bratton

In the presence of:-

Witness signature

Debra Hunt

Witness name

DEBRA HUNT

Address

78 STATION RD

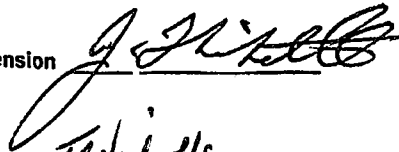
YSTRADGYNLAI

SWANSEA.

Occupation

RETIRED GM.

EXECUTED AS A DEED BY
Jonathan Thirkettle
As Trustee for the
AJ3 Consult Executive Pension



In the presence of:-

Witness signature

T. Nicholls

Witness name

TINA ROSE NICHOLLS

Address

5 CALLE AGORA

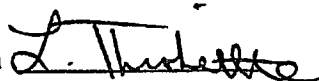
CALAHONDA 29649

MITAS COSTA, SPAIN

Occupation

ADMINISTRATOR/DIRECTOR

EXECUTED AS A DEED BY
Andrea Thirkettle
As Trustee for the
AJ3 Consult Executive Pension



In the presence of:-

Witness signature

T. Nicholls

Witness name

TINA ROSE NICHOLLS

Address

5 CALLE AGORA

CALAHONDA 29649

MITAS COSTA, SPAIN

Occupation

ADMINISTRATOR/DIRECTOR.

EXECUTED AS A DEED BY

Smith UW Ltd

Acting by a Director

In the presence of:-

Witness signature

Witness name

Address

Occupation

SIGNED AS A DEED BY

Dale Christopher Smith

In the presence of:-

Witness signature

Witness name

Address

Occupation

LEGAL CHARGE

This form should be accompanied by either Form AP1 or Form FR1

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

Conveyancer is a term used in this form. It is defined in rule 217A, Land Registration Rules 2003 and includes persons authorised under the Legal Services Act 2007 to provide reserved legal services relating to land registration and includes solicitors and licensed conveyancers.

Leave blank if not yet registered.	1 Title number(s) of the property: CYM741707
Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.	2 Property: 77 John Street, Porthcawl, CF36 3AT
	3 Date:
Give full name(s).	4 Borrower: Smith UW Ltd <u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix: 11544331 <u>For overseas companies</u> (a) Territory of incorporation: (b) Registered number in the United Kingdom including any prefix:
Complete as appropriate where the borrower is a company.	
Give full name(s).	5 Lender for entry in the register: Jonathan Thirkettle & Andrea Thirkettle as Trustees of the AJ3 Consult Executive Pension (1) and Simon Bratton and Julie Bratton as Trustees of the S&J Bratton Developments Executive Pension (2) <u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix: <u>For overseas companies</u> (a) Territory of incorporation: (b) Registered number in the United Kingdom including any prefix:
Complete as appropriate where the lender is a company. Also, for an overseas company, unless an arrangement with Land Registry exists, lodge either a certificate in Form 7 in Schedule 3 to the Land Registration Rules 2003 or a certified copy of the constitution in English or Welsh, or other evidence permitted by rule 183 of the Land Registration Rules 2003.	
Each proprietor may give up to three addresses for service, one of which must be a postal address whether or not in the UK (including the postcode, if any). The others can be any combination of a postal address, a UK DX box number or an electronic address.	6 Lender's intended address(es) for service for entry in the register: 47 The Sanctuary, Culverhouse Cross, Cardiff, CF5 4RW (1) 2 Weavers Road, Ystragynlais, Swansea, SA9 1PQ (2)

Place 'X' in any box that applies.

Add any modifications.

Place 'X' in the appropriate box(es).

You must set out the wording of the restriction in full.

Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.

Insert details of the sums to be paid (amount and dates) and so on.

The borrower must execute this charge as a deed using the space opposite. If there is more than one borrower, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If a note of an obligation to make further advances has been applied for in panel 8 this document must be signed by the lender or its conveyancer.

7	<p>The borrower with</p> <p><input checked="" type="checkbox"/> full title guarantee</p> <p><input type="checkbox"/> limited title guarantee</p> <p>charges the property by way of legal mortgage as security for the payment of the sums detailed in panel 9</p>
8	<p><input type="checkbox"/> The lender is under an obligation to make further advances and applies for the obligation to be entered in the register</p> <p><input checked="" type="checkbox"/> The borrower applies to enter the following standard form of restriction in the proprietorship register of the registered estate:</p> <p>No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated _____ in favour of Jonathan Thirkettle & Andrea Thirkettle as Trustees of the AJ3 Consult Executive Pension (1) and Simon Bratton and Julie Bratton as Trustees of the S&J Bratton Developments Executive Pension (2) as referred to in the Charges Register.</p>
9	<p>Additional provisions</p> <p>1. The Borrower has agreed to charge the Property as security for a loan of £250,000.00 made to the Borrower by the Lender in accordance with a loan agreement of even date.</p>
10	<p>Execution</p> <p>SIGNED AS A DEED BY</p> <p>Smith UW Ltd</p> <p>Acting by a Director _____</p> <p>In the presence of:-</p> <p>Witness signature: _____</p> <p>Witness name: _____</p> <p>Address: _____</p> <p>Occupation _____</p>

WARNING

If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

Failure to complete this form with proper care may result in a loss of protection under the Land Registration Act 2002 if, as a result, a mistake is made in the register.

Under section 66 of the Land Registration Act 2002 most documents (including this form) kept by the registrar relating to an application to the registrar or referred to in the register are open to public inspection and copying. If you believe a document contains prejudicial information, you may apply for that part of the document to be made exempt using Form EX1, under rule 136 of the Land Registration Rules 2003.

**SIGNED
SOLICITORS
TERMS**

SPENCER SKUSE & POTTER

Terms and Conditions of Business For 3rd Party Loan Agreement

OUR AIM

We aim to offer our clients quality legal advice with a personal service at a fair cost. As a start, we hope it is helpful to you to set out in this statement the basis on which we will provide our professional services.

OUR COMMITMENT TO YOU

We will:

REPRESENT your interests and keep your business confidential.

EXPLAIN to you the legal work that may be required and the prospects of a successful outcome.

MAKE SURE that you understand the likely degree of financial risk that you will be taking on.

ADVISE YOU on tax matters, but only if specifically requested to do so.

KEEP YOU regularly informed of progress or, if there is none, when you are next likely to hear from us.

TRY to avoid using technical legal language when writing to you - tell us when we fail in this aim!

DEAL with your queries promptly, for example, we will always try to return your telephone calls on the same day.

OUR HOURS OF BUSINESS

The normal hours of opening at our offices are between 9.00am and 5.00pm on weekdays. Appointments may be arranged at other times when this is essential.

PEOPLE RESPONSIBLE FOR YOUR WORK

The Partner responsible for dealing with your work will be John Potter. The Secretary who may be able to deal with your queries and who will be pleased to take any message for you is Linda Hancock. We will try to avoid changing the people who handle your work but if this cannot be avoided, we will tell you promptly of any change and why it may be necessary.

The partner of this firm with final responsibility for work done in this department is John Potter.

CHARGES AND EXPENSES

Our charges will be calculated mainly by reference to the time actually spent by the Solicitors and other staff in respect of any work that they do on your behalf. This will include meetings with you and perhaps others, reading and working on papers, correspondence, preparation of any detailed costs calculations, and time spent travelling away from the office when this is necessary.

Routine letters are charged as 6-minute units of time and we charge for the time spent on making and taking telephone calls in 6-minute units and considering incoming letters at units of 3 minutes per page. However, calls made to mobile telephones will be charged at 50p per minute plus V.A.T.

The fixed fee rate charged for this matter is £450.00. We will add VAT on these at the rate that applies when the work is done. At present, VAT is 20%.

The hourly rates have to be reviewed periodically to reflect increases in overhead costs and inflation. Normally the rates are reviewed with effect from 1 September each year. If a review is carried out before this matter has been concluded, we will inform you of any variation in the rate before it takes effect.

In addition to the hourly rate charged, we will also charge for any telegraphic transfers sent or received via our bank. Our current charges for this are £25.00 plus VAT for each telegraphic transfer sent and £5.00 plus VAT for each telegraphic transfer received.

In addition to the time spent, we may take into account a number of factors including any need to carry out work outside our normal office hours, the complexity of the issues, the speed at which action has to be taken, any particular specialist expertise when the case may demand. In particular, in property transactions, in the administration of estates and in matters involving a substantial financial value or benefit to a client, a charge reflecting, for example, the price of the property, the size of the estate, or the value of the financial benefit may be considered. It is not always possible to indicate how these aspects may arise but on present information, we would expect them to be sufficiently taken into account in the rates that we have quoted. Where a charge reflecting any value element is to be added we will explain this to you.

Solicitors have to pay out various other expenses on behalf of clients ranging from Land or Probate Registry fees, court fees, experts' fees, and so on. We have no obligation to make such payments unless you have provided us with the funds for that purpose. VAT is payable on certain expenses. We refer to such payments generally as "disbursements". We will require a payment in advance from you in respect of any search fees payable on your transactions.

If, for any reason, this matter does not proceed to completion, we will be entitled to charge you for work done and expenses incurred.

PAYMENT ARRANGEMENTS

Property transactions. We will normally send you our bill following the exchange of contracts and payment is required on a purchase prior to completion; and at completion, on a sale. If sufficient funds are available on completion, and we have sent you a bill, we will deduct our charges and expenses from the funds.

Administration of estates. We will normally submit an Interim bill at regular stages during the administration, starting with the obtaining of a Grant. The final account will be prepared when the Estate Accounts are ready for approval.

Other cases or transactions. It is normal practice to ask clients to pay sums of money from time to time on account of the charges and expenses that are expected in the following weeks or months. We find that this helps clients in budgeting for costs as well as keeping them informed of the legal expenses that are being incurred. If such requests are not met with prompt payment, delay in the progress of a case results. In the unlikely

event of any bill or request for payment not being met, this firm must reserve the right to stop acting for you further.

Payment is due to us within 14 days of our sending you a bill. Interest will be charged on a daily basis at 4% over NatWest Bank's base rate from time to time from the date of the bill in cases where payment is not made within 14 days of delivery by us of the bill.

OTHER PARTIES' CHARGES AND EXPENSES

In some cases and transactions, a client may be entitled to payment of costs by some other person. It is important that you understand that in such circumstances, the other person may not be required to pay all the charges and expenses that you incur with us. You have to pay our charges and expenses in the first place and any amounts that can be recovered will be a contribution towards them. If the other party is in receipt of legal aid, no costs are likely to be recovered.

The other person will not be liable to pay the VAT element of your costs if you are able to recover the VAT yourself.

If you are successful and a court orders another party to pay some or all of your charges and expenses, interest can be claimed on them from the other party from the date of the court order. We will account to you for such interest to the extent that you have paid our charges or expenses on account, but we are entitled to the rest of that interest.

You will also be responsible for paying our charges and expenses of seeking to recover any costs that the court orders the other party to pay to you.

A client who is unsuccessful in a court case may be ordered to pay the other party's legal charges and expenses. That money would be payable in addition to our charges and expenses. Arrangements can be made to take out insurance to cover liability for such legal expenses. Please discuss this with us if you are interested in this possibility.

CHARGES FOR TELEGRAPHIC TRANSFERS AND CHAPS PAYMENTS AND PAYMENTS IN CASH

A charge of £25.00 plus VAT is made for transferring funds through the banking system and £5.00 plus VAT for funds transferred directly into our accounts. This disbursement will be in addition to the legal costs quoted or estimated. We will charge you the banking charge that we incur in the event of cheques credited to your account with us being dishonoured.

We prefer that clients do not pay money to us in cash in excess of £500.00. In cases where a client wishes to pay money to us in cash, we need at least two working days prior notice in cases where the cash sum exceeds this amount.

INTEREST PAYMENT

Under the Solicitors Accounts (Deposit Interest) Rules, solicitors are liable to pay their clients interest on moneys held by the Solicitor on their behalf in the circumstances set out in the Rules. We normally hold our client's moneys in a general client account with NatWest Bank and we account to clients for interest at the rate paid from time to time on a deposit account by NatWest Bank. If we hold moneys upon which interest is liable to be paid, we make a minimum charge of £30.00 plus Vat for calculating the interest and maintaining necessary records in respect of the interest as required by the Inland Revenue and the Solicitors

Accounts (Deposit Interest) Rules. In calculating interest due to you in respect of moneys held in an "undesignated" account we shall work on the basis that 7 days notice of withdrawal shall be allowed and that funds received will take 5 working days to clear, unless received in cash or by direct bank transfer to our client account.

If however clients instruct us in writing, moneys liable to earn interest can be held in a separate "designated" account. If you require us to open a separate designated deposit account, this will be subject to the same minimum charge of £30.00 plus VAT.

Where a Client obtains borrowing from a lender in a property transaction, we will ask the lender to arrange that the loan cheque is received by us a minimum of 4 working days prior to the completion date. If the money can be telegraphed, we will request that we receive it the day before completion. This will enable us to ensure that the necessary funds are available in time for completion. Such clients need to be aware that the lender may charge interest from the date of issue of their loan cheque or the telegraphing of the payment.

STORAGE OF PAPERS AND DOCUMENTS

After completion of the work, we are entitled to keep all papers and documents while there is money owing to us for our charges and expenses. In addition, we will keep your file of papers for you in storage for not less than 1 year. After that, storage is on the clear understanding that we have the right to destroy it after such period as we consider reasonable or to make a charge for storage if we ask you to collect your papers and you fail to do so. We will not of course destroy any documents such as Wills, Deeds, and other securities, which you ask us to hold in safe custody. NO charge will be made to you for such storage unless prior notice in writing is given to you of a charge to be made from a future date that may be specified in that notice.

If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs, we will not normally charge for such retrieval. However, we may make a charge based on time spent for producing stored papers or documents to you or another at your request. We may also charge for reading, correspondence or other work necessary to comply with your instructions.

CHANGES IN THE LAW AND CRITICAL DATES

Once your case is finished we cannot accept on-going responsibility for reminding you of changes in the Law which might affect you (even where we continue to store deeds, wills or other documents on your behalf) or of future critical dates. For example, we cannot accept on-going responsibility to remind you of such matters as rent review dates, lease renewals, the exercise of options, the service of notices and counter-notices within time limits and the like.

SECURITY AND MONEY LAUNDERING

(1) Clarification of Client Identity

We are by law required to satisfy ourselves as to the identity of our new clients. This is also frequently a requirement of banks and building societies in their instructions to us regarding mortgage advances or similar matters. Accordingly, it will be necessary for you to produce acceptable evidence of identity and also of your address.

The following are types of documents that can act as evidence of identity:

- (a) full current signed passport;
- (b) EEA member state identity card;
- (c) Residence permit issued by the Home Office to EEA Nationals on sight of their own country passport;
- (d) Current UK or EEA photo-card driving licence;
- (e) Current full UK driving licence;
- (f) Benefit book or original notification letter from the Benefits Agency confirming the right to benefits;
- (g) Firearms or shotgun certificate;
- (h) National identity card containing your photograph.

Please note that this is not an exhaustive list of documents that can act as evidence of identity. In the context of transactions involving a mortgage, different lenders have different requirements and you should therefore check with us as to what evidence will be required for that individual lender.

For non-quoted private companies and other organisations, we require the evidence set out above for two of the Directors/Company Secretary/Partners or other persons authorised to act on behalf of the organisation.

Information held by this firm is subject to the provision of the Data Protection legislation but please note that, as with most other users, we utilise a non-encrypted email system.

(ii) Clarification of Client Address

The following is a list of examples of suitable documentary evidence of address for UK resident private individuals:

- (a) recent utility bill or statement;
- (b) local Council Tax bill for the current year;
- (c) current full UK driving licence;
- (d) bank, building society or credit union statement or passbook containing the current address;
- (e) recent original mortgage statement from a recognised lender;
- (f) a solicitor's letter confirming recent house purchase or Land Registry confirmation of address;
- (g) local council or housing association rent card or tenancy agreement;
- (h) benefit book or original notification letter from the Benefits Agency confirming the right to benefits;
- (i) Inland Revenue self-assessment statement or tax demand;
- (j) house or motor insurance certificate.

Please note that this is not an exhaustive list of documents that can act as evidence of address.

(iii) Persons Not Resident in the UK

There are additional considerations that may apply in respect of individuals who are not resident in the UK, students and minors and those acting in a representative capacity.

(iv) Corporate Clients

For non-quoted private companies and other organisations, we require the evidence of identity and address for two of the directors/company secretary/partners or other persons authorised to act on behalf of the organisation. We also require

a copy of the Certificate of Incorporation, a list of directors, a list of shareholders and the registered address. In respect of a partnership, we will require evidence of the identity and address of the partner instructing us.

(v) The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003

As has been explained in a Notice given to you, this new law has the effect of overriding the solicitor's duty of confidentiality in circumstances where the solicitor knows or suspects that he or she is involved in any activity, including dealing, transferring or holding money including the proceeds from any criminal activity. If we, as solicitors, know, suspect or have reasonable grounds to know or suspect that we are assisting or being involved in the laundering of the proceeds of any criminal conduct, then we are obliged under the law to make an "authorised disclosure" of information to the National Criminal Intelligence Service ("NCIS"). The disclosure is "authorised" by the Proceeds of Crime Act and the Money Laundering Regulations. It is a potentially imprisonable offence for us to fail to make such disclosure. It is also a criminal offence for us, as solicitors, to "tip off" our client or clients that we have made such a disclosure.

(vi) Our liability to you in the event of us having to make a disclosure to the NCIS

In the event that we make an authorised disclosure to the NCIS, it is possible that delay or other detriment may be caused to your transaction by that disclosure. You must accept that the delay or detriment has been caused by our complying with our duty under the law and that compliance with that duty does not constitute negligence or breach of contract on our part. You must accept that no liability will attach to this firm in respect of such delay or detriment caused directly or indirectly by the authorised disclosure whether or not any action by the NCIS or other authorities resulted from that disclosure.

(vii) Policies relation to Money Laundering

In order to reduce the possible incidence of making disclosures to the NCIS, we, as a firm, will not accept payments in cash (whether to our office or directly into our bank account) of more than £500.00, nor will we accept payments of any kind from any unknown or unidentified third party. Furthermore, at the conclusion of a transaction, we will not be prepared to send funds to any unknown or unidentified third party.

LIMITATION ON OUR LIABILITY TO YOU

We are insured by our professional indemnity insurers in respect of incidents of professional negligence. Our liability to you in respect of such matters is limited to £2 million. In the event that you wish to extend our potential liability for your transaction, you will need to contact us in writing and negotiate specific written terms as to that extended liability.

You should be aware that this firm's liability to persons other than our clients is, in all circumstances, limited to the figure stated above.

TERMINATION

You may terminate your instructions to us in writing at any time but we will be entitled to keep all your papers and documents while there is money owing to us for our charges and expenses.

If at any stage, you do not wish us to continue doing work and/or incurring charges and expenses on your behalf, you must tell us this clearly in writing.

If we decide to stop acting for you, for example if you do not pay an interim bill or comply with the request for a payment on account, we will tell you the reason and give you notice in writing.

LIMITED COMPANIES

When accepting instructions to act on behalf of a limited company, we may require a Director and/or controlling shareholder to sign a form of personal guarantee in respect of the charges and expenses of this firm. If such a request is refused, we will be entitled to stop acting and to require immediate payment of our charges on an hourly basis and expenses as set out earlier.

TAX ADVICE

Any work that we do for you may involve tax implications or necessitate the consideration of tax planning strategies. We may not be qualified to advise you on the tax implications of a transaction that you instruct us to carry out, or the likelihood of them arising. If you have any concerns in this respect, please raise them with us immediately. If we can undertake the research necessary to resolve the issue, we will do so and advise you accordingly. If we cannot, we may be able to identify a source of assistance for you.

COMMUNICATION BETWEEN YOU AND US

Our aim is to offer all our clients an efficient and effective service at all times. We hope that you will be pleased with the work we do for you. However, should there be any aspect of our service with which you are unhappy, please raise your concern in the first place with Graeme Skuse. If you still have queries or concerns, please contact our Client Care Partner, Mr John Potter, to whom any final difficulty can be reported. If you have made a complaint, we will acknowledge receipt within seven days of receiving the said complaint. This acknowledgment will indicate what action will be done and the timescale within which the action may be expected to be done. We shall keep a separate record of your complaint and all further contact in relation to it through to its conclusion. If you are still dissatisfied with the response to your complaint, we shall provide you with contact details of the Legal Complaints Service.

We will aim to communicate with you by such a method as you may request. We may need to virus check discs or email. Unless you withdraw consent, we will communicate with others when appropriate by email or fax but we cannot be responsible for the security of correspondence and documents sent by email or fax.

The Data Protection Act requires us to advise you that your particulars are held on our database. We may, from time to time, use these details to send you information that we think might be of interest to you.

HOW YOU CAN HELP US

You can help us to do our best for you by telling us what we need to know and providing information and documents when we ask for them. Please tell us at the start what you expect of us so that we can agree with you what is possible to achieve. If you have personal time limits or targets that would not be obvious to us please let us know so that we can do our best to work towards

them. If you do not understand anything we have discussed or written to you about, please tell us as soon as possible.

TERMS AND CONDITIONS OF BUSINESS

Unless otherwise agreed, and subject to the application of the current hourly rates, these Terms and Conditions of Business shall apply to any future instructions given by you to this firm.

Although your continuing instructions in this matter will amount to an acceptance of these Terms and Conditions of Business, it may not be possible for us to start work on your behalf until one copy of them has been returned to us for us to keep on our file.

I have read and understood, and I accept these Terms and Conditions of Business.

Signed

Print name Jonathan Thirkettle
Member Trustee

Signed

Print name Andrea Lesley Thirkettle
Member Trustee

Date 29/07/2019

**SIGNED
PAYMENT
AUTHORITY**

AIB BANK PLC
Sort Code: 23-83-96

Outward Payment Instruction for Faster Payments

1. SCHEME DETAILS

Scheme Name

Account Number

2. PAYMENT DETAILS

Date to be actioned 02/08/2019

Amount
(GBP) £ 130,000.00

Amount in
Words One Hundred and Thirty thousand pounds

3. BENEFICIARY

Beneficiary
Name

Beneficiary
Sort Code

Beneficiary Account Number

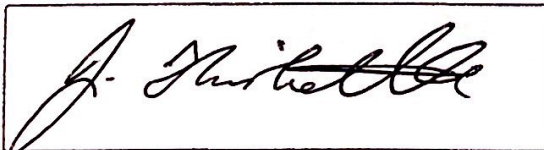
Payment Reference

4. PURPOSE OF TRANSACTION - Description

We authorise the scheme administrator to make the payment on the date stated on this form in accordance with the following authorised account signatures.

5. TRUSTEE SIGNATURE

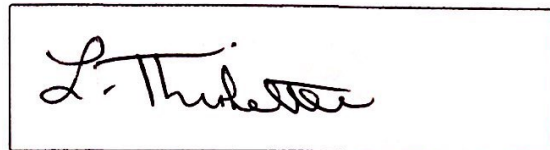
1st Signatory



Name

Date

2nd Signatory - If applicable



Name

Date