DUFF & PHELPS
REAL ESTATE ADVISORY GROUP
A KROLL BUSINESS

REPORT AND VALUATION

Of

Rutherglen Exchange Shopping Centre and 210-212 & 222-240 Main Street, Rutherglen, South Lanarkshire, G73 2LS

As of

28 February 2022

Prepared for

Moorgarth Retail Limited
47 St Pauls Street
Leeds
LS1 2TE

Prepared by

Duff & Phelps Ltd
Real Estate Advisory Group

Executive Summary

Executive Summary		
Inspection Basis:	No inspection	
Sector:	Shopping Centre	
County:	Lanarkshire	
Total Property Area:	101,433 sq ft	
Tenure:	Heritable interest relating to 210-212 & 222-240 Main Street Two Long Leaseholds (Shopping Centre and 210-212& 222-240, Main Street, Rutherglen) and Heritable Interest in 214-218, Main Street.	
Vacancy Rate (**ERV**):	9.05% (7 vacant units)	
Gross Rent	£1,214,600 per annum	
Net Rent:	£835,924 per annum	
WAULT	4.7 years (4.6 to breaks)	
Covenant Strength	Reasonable	
Valuations as at: 28 February 2022		
Market Rent:	£1,440,772 per annum	
Market Value:	£10,050,0000	
Yield Profile:	Net Initial Yield:	7.80%
	Equivalent Yield:	10.94%
	Reversionary Yield:	1.70%

Private and Confidential

March 29, 2022

The Directors
Moorgarth Retail Limited
47 St Pauls Street
Leeds
LS1 2TE

Direct line 020 7089 4700
markwhittingham@duffandphelps.com

Dear Sirs

Addressee	Moorgarth Retail Limited 47 St Pauls Street Leeds LS1 2TE
The Property	Rutherglen Exchange Shopping Centre and 210-212 & 222-240 Main Street, Rutherglen, South Lanarkshire, G73 2LS
Ownership Purpose	Investment
Instruction	To value the unencumbered freehold interests in the Properties on the basis of Fair Value as at the valuation date in accordance with the terms of engagement entered into between Duff and Phelps Ltd and the addressee dated 20th March 2021. Our valuation is subject to, and in accordance with, our General Terms and Conditions of Business and our General Principles Adopted in the Preparation of Valuations and Reports, copies of which are attached.
Valuation Date	28 February 2022
Instruction Date	22 March 2022
Purpose of Valuation	The Valuation is required for financial reporting purposes. We are instructed as External Valuers to report to you for Internal Purposes. The Report is intended for the use by the Directors of Moorgarth Group Limited. We confirm we are providing objective and unbiased valuations
Basis of Valuation	Our valuation has been prepared in accordance with the current RICS Valuation – Global Standards 2020 (the RICS Red Book), incorporating the IVS (the RICS 'Red Book'), on the basis of Market Value. The report is subject to, and should be read in conjunction with, the attached General Terms and Conditions of Business and our General Principles Adopted in the Preparation of Valuations and Reports.

	No allowance has been made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges which may be secured thereon. We have assumed that in the event of a sale of the properties, they would be marketed in an orderly manner and would not all be placed on the market at the same time. This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.
Software	The valuation has been undertaken using ARGUS Enterprise.
Inspection	The Property has been valued on a 'desktop' basis. We have not inspected the Property for the purposes of this instruction.
Valuer	The Properties have been valued by valuers qualified for the purpose of the valuation in accordance with the Red Book.
Capacity of Valuer	External Valuer, as defined in the current version of the RICS Valuation - Global Standards.
Disclosure	In our firm's preceding financial year, the proportion of total fees payable by the client commissioning this valuation was less than 5% of the firm's total fee income. It is not anticipated there will be a material increase in the proportion of fees payable to the firm by the client commissioning this valuation report since the end of the last financial year or in the next financial year. We have an adequate policy in place regarding rotation of signatories and we do not consider that a rotation of signatories is currently required.
Standard Assumptions	The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below and in our General Principles when undertaking Valuations. We have relied on information provided by the client. If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.
Variation form Standard Assumptions	None.
Special Assumptions	We have made no special assumptions.

Valuation Approach

Our valuations have been undertaken using appropriate valuation methodology and our professional judgement. We have provided full details of our valuation approach at Section 2 of this report.

We have not ascribed any direct intangible, additional or 'hope' value to the current operator, their brand or the goodwill created by the Quintain Platform. In accordance with the RICS Standards, we confirm that we have valued the assets individually, and not part of a portfolio or managed scheme. Disposal as a portfolio, or by other prudent lotting, may result in either a premium or discount, depending upon market conditions. Our report does not seek to address this.

Our valuations reflect usual deductions in respect of purchaser's costs and in particular full liability for UK Stamp Duty as applicable at the valuation date.

Valuation Methodology for Development Properties

In the case of development valuations, we would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on land value.

Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent.

Sources if Information

We have reviewed, and to the extent applicable, incorporated the information available to us on the Properties. Property data is based upon client-provided documentation and public records.

We have taken into account insofar as we are aware any unusual outgoings, planning proposals, onerous restrictions or local authority intentions which affect the properties. We have not inspected title deeds to the properties, although where Certificates of Title and other relevant documentation relating to individual properties have been available to us, these have been considered, together with other information supplied to us by Moorgarth Group Ltd.

We have been provided with the following information:

- Details on tenure
- Detailed Tenancy Schedules including Shortfalls
- Asset Management and Business Plans

We have relied upon the following information provided by the Company:

- Floor areas
- Market Rents

This Report and our valuations have been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect them. We do not accept any responsibility for any errors or omissions in the information provided to us, nor for any consequences that may flow from such errors and omissions.

Condition of Structure, Services and Deleterious Materials:

We have not carried out building surveys of the properties, neither have we tested the drains nor service installations in the buildings as this was outside the scope of our instructions. Where we have noted defects or items of disrepair during the course of our inspections, they have been reflected in our valuation.

We have assumed that the Property is structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair.

Further, we have assumed that the Property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.

Environmental Investigations, Ground Conditions and Deleterious Materials:

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists. Minimum Energy Efficiency Standards are the standards set out by the Government for let properties in England and Wales. Buildings that have an EPC rating of F and G must be brought up to standard before they are let subject to some conditions, exemptions and relief. This commenced from 1 April 2018 for all new lettings and they apply to all continuing lettings from 1 April 2020 for domestic buildings and from 2023 for nondomestic buildings.

For Scottish properties, the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force in Scotland in 2016 and does not incorporate a “ban” on new lettings. Owners are encouraged to carry out improvements, or improve efficiency through monitoring emissions from a building via creating an Action Plan. The Action Plan procedure will apply to the sale or letting of larger buildings, with a floor area >1,000 sq m. This only applies to buildings that are subject to a new sale or lease and buildings constructed to building standards applicable from March 2002, or otherwise meeting those standards, are exempt.

Where we have been provided with the EPC rating, we have taken into account any capital expenditure that you have provided to us to improve the demise, to enable the property to be let.

Floor Areas

We have relied on floor areas supplied by Moorgarth Group Ltd which we have assumed have been undertaken in accordance with the current RICS Code of Measuring Practice. We have assumed that the floor areas are complete and correct, and are the net or gross internal floor areas, as appropriate, and are measured in accordance with the RICS Code of Measuring Practice, published in August 2007 (6th Edition) as updated.

RICS Property Measurement (incorporating International Property Measurement Standards) 2nd edition, requires us to report IPMS measurements in the report for this property (based on the upper floor offices). As you have not instructed us to measure the property and as IPMS areas are not available to us we have relied on Net Internal Areas (NIA) measured on the basis of the RICS Code of Measuring Practice 6th Edition 2007.

You should note that in the event of a disposal and a prospective purchaser undertaking a full measured survey, this may highlight anomalies that it has not been possible for us to identify.

Statutory Requirements and Planning

Information on town planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available electronic or other sources. It is obtained purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required we recommend that verification be obtained from lawyers that:

- The position is correctly stated in our report.
- The Properties are not adversely affected by any other decisions made, or conditions prescribed, by public authorities and there are no outstanding statutory notices.

We have made informal enquiries of the relevant statutory authorities. Unless otherwise stated in the individual property reports, we have assumed that each building has been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control.

Likewise, we have assumed that any future construction or use will be lawful and that the properties are not adversely affected, nor are they likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice.

Title

Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser).

Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

Business Rates

We have obtained the business rates for each commercial property from our informal enquiries of the Valuation Office website as detailed in the individual property reports.

The Uniform Business Rate for England for the year 2021/22 is fixed at 51.2 pence in the pound for larger business, for those businesses that qualify for Small Business Rates Relief the lower Uniform Business Rate of 49.9 pence in the pound will apply. However, the rates liability may also be affected by a number of reliefs and supplements. It is, thus, not simply a product of the rateable value and the UBR multiplier.

Leasing

We have not read copies of the occupational leases or other related documents. However, we have relied on income and tenancy schedules provided to us by the company and any comments or updates given to us. Such information contained a detailed assessment of landlord expenditure including income shortfalls, as well as lease renewals, updates on vacant units and other agreements and negotiations that are ongoing. We confirm that we have reflected these to the extent which we consider they would be reflected by potential purchasers.

Unless otherwise advised, we have assumed that:

(i) All leases have been drawn on effective full repairing and insuring terms (via the service charge) and that there are no shortfalls.

(ii) Wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits;

(iii) All rent reviews are upward only and are to be assessed by reference to full current market rents;

(iv) (There are no tenants' improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

That the tenants are capable of meeting their obligations, and that there are no arrears of rent or undisclosed breaches of covenant. We have reflected the contractual tenancy positions at the date of valuation. Discussions around lease events help us form our rounded view in arriving at a Market Rent. With regards to future planning events, again these are not explicitly reflected in our valuations. Our view on value on a proposed refurbishment or development is based on the viability of a scheme, based on the information provided and our own investigations, in order to come to a view as to what a purchaser would pay for the property at the given valuation date. Ignoring any asset management initiatives would not be reporting best and highest value use under the definition of Market Value in the Red Book.

Tenants Covenants

In each individual property reports, we comment briefly on the likely investment market's perception of the tenants abilities to continue to meet their rental obligations, in particular the payment of rent. We have obtained a credit rating for the tenants where available and comment on these within the individual reports.

We have generally assumed that the tenants are capable of meeting their obligations in the short term, including payment of rent, and that there are no rent arrears or undisclosed breaches of covenant. This is an important assumption for any prospective purchasers to understand.

Where leases have been guaranteed we have assumed that a prospective purchaser will have full access to the guarantor. This should be confirmed by your legal advisers.

Fair Value

£10,050,000

TEN MILLION FIFTY THOUSAND POUNDS

Reliance

This report is confidential to the party to whom it is addressed.

If at any stage it is intended to include the valuation or report, or any reference thereto, in any Prospectus or Circular to shareholders or similar public document, our written consent will be required. No part of this report may be disclosed to any third parties without our prior written approval of the form and context in which it will appear.

Confidentiality and Publication

In accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility shall be accepted to any third party for the whole or any part of its contents. Our Report may be disclosed to third parties provided that such parties sign a release letter prior to being sent our Report. Neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours faithfully,

Mark Whittingham MRICS, RICS Registered Valuer

Managing Director

For and on behalf of Duff & Phelps

Contents

Section 1

Market Commentary

Economic Background

UK Economic Overview

- The emergence of the Omicron Covid-19 variant has caused the largest ripple across the global economy since the initial downturn at the beginning of the pandemic in March 2020. At the time of writing, it remains un-known as to whether the Omicron variant is more transmissible, severe or resistant to current vaccinations.
- In response to evidence of community transmission of the Omicron variant, the UK government has reintroduced measures targeted at reducing the rate of infection. The 'Plan B' measures include mandatory face coverings and vaccine certificates for indoor venues, as well as advice to work from home where possible, coming into effect between 10th and 15th December.
- Additional 'Plan C' restrictions are also in discussion within government. Full lockdown restrictions seem unlikely at this stage; there isn't the public support for such measures, nor the budgetary capacity to provide the fiscal support to protect the economy. A more likely scenario would be restrictions on group sizes, as were in place previously – although introducing these a week before Christmas would be politically challenging (the new measure currently expire on 20th December, hence they need to be renewed or increased by 18th).
- In October 2021, the ONS estimates that GDP grew by 0.1% and remains 0.5% below the pre-pandemic level of February 2020. Service output grew by 0.4%, now reaching its pre-pandemic level. Alongside this, production output decreased 0.6% in October 2021, with electricity and gas dropping by 2.9%, while construction de-creased by 1.8%.
- Public sector borrowing fell to £18.8 billion in October 2021, £0.2 billion less than the figure recorded in October 2020 but still £7.2 billion more than in October 2019. This figure fell faster than expected in October due to the end of the furlough scheme and the strong recovery of tax receipts.
- Total public debt is estimated at £2.2 trillion, the highest figure since WWII. However, the debt interest to revenue ratio is currently the lowest rate since records began, meaning the repayments relative to government income are the most affordable they have ever been. This is due to the ultra-low interest rate environment, with the BoE maintaining the 0.1% record low level since March 2020. Although this reduces the fiscal im-pact, the immense scale of public debt creates a significant vulnerability to even a slight increase in interest rates.
- The Markit / IHS purchasing managers indices (PMI) for November achieved a net balance of 57.6, marginally down from 57.8 in October. As it remains in excess of the no-change 50.0 marker, this figure suggests that activity expanded for the ninth consecutive month and with additional momentum.
- Despite continuing to report strong growth, the services sector drove the decline in the headline PMI in November, declining down to 58.5 from 59.1. The momentum in the sector was sourced in part from export sales as travel restrictions eased internationally, hence there may be a downturn in activity in December as governments enact travel restrictions in response to the Omicron variant and rising cases, as well as other domestic measures. Construction achieved a PMI of 55.5 in November, up from 54.6 previously, as new business surged up and supplier delays eased. Manufacturing also increased to 58.1 from 57.8, even as input prices experienced the greatest increase on record.
- Gfk's consumer confidence index increased to -14 in November from -17 in October. The improvement came as a result of a jump in the major purchases index which indicates how willing consumers are to buy high-value items, as well as slight gains in personal and general economic outlooks.
- BoE data reported that consumer borrowing grew by £2.2 billion in October, down from £9.9 billion in September and the second lowest monthly figure since June 2020. This was primarily due to a slowdown in lending se-cured on dwellings, reflecting the reduced impetus in the housing market following the expiry of the Stamp Duty Land Tax (SDLT) holiday.
- The UK government has released a strategy for achieving net zero by 2050 ahead of hosting the COP26 climate Summit in Glasgow at the end of October. Included in the strategy are £650 million in grants for electric vehicles and charging points, funding toward up to 90,000 domestic ground source heat pumps and £120 million to develop small modular nuclear reactors. There have also been discussions of changes to tax structures to better

align to achieving climate targets, with the Treasury highlighting the difficulties from 'the erosion of tax revenues from fossil fuel-related activity'.

Inflation

- CPI inflation increased by 4.2% in the year to October 2021, up on the 3.1% in September and the highest figure since 2011. The rise in the energy price cap caused 0.7 percentage points of the increases, while transport, restaurants and hotels provided additional upward momentum and most other sectors also experienced price growth. The latest figure exceeded the BoE 3.9% expectation and means that the inflation is now double the BoE's 2.0% target.
- These higher than anticipated figures, combined with the labour market outlook, suggest there is a high likelihood of the BoE's Monetary Policy Committee (MPC) raising the interest rate in their December meeting. The underlying 'lower for longer' approach to interest rates – which existed pre-Covid – as well as the expiry of the latest round of bond buying, may keep the MPC to a modest hike. The sluggish growth over Q3 may also weigh on the minds, with raised rates likely to encourage consumers to hold onto their savings accrued over the past 18 months. Additionally, if the outlook remains that the current inflationary surge is transitory, then the MPC will be keen not to sacrifice long-term growth momentum at this critical stage for a temporary problem. It seems probable rates will be pushed up to 0.25% - enough to cause a reaction in the market without stifling growth.
- These higher-than-anticipated figures, combined with the labour market outlook, suggest that the BoE's Monetary Policy Committee (MPC) may have been leaning toward raising the interest rate at their next meeting in mid-December. However, the emergence of the Omicron variant, combined with the underperformance of GDP relative to expectations, has complicated the decision further.

Outlook

- GDP figures for 2022 are less favourable with the Confederation of British Industry cutting their predictions for GDP growth down from 6.9% to 5.1%. With 'Plan B' now in place, consumer confidence has been knocked back and presents the real possibility of a contraction in output in December. Any more restrictions imposed by the government will reduce the UK's economic recovery further.
- Covid is back at the top of the agenda for deciding the future of the UK economy. Case numbers are now doubling every 2 to 3 days and the country is bracing for one million cases by the end of December. New hospitalisations have remained at a manageable level so far, helped by the vaccination and subsequent booster programmes. Increased scale of the flu immunisation will also ease pressure on hospitals operating over winter.
- The inflation and labour market narratives are having an increasing influence over the UK economy, through material realities and expectations. With waning momentum in the recovery effort, and the reinstated re-strictions, the likelihood of a jump in interest rates is low until Q2 2022. For the property sector, this means that prospective purchasers of domestic and non-domestic property can continue to take advantage of the low borrowing costs. However, higher supplier prices mean that the business environment is more restricted, particularly for new businesses and those with low margins. Hence there may be a reduced appetite for smaller spaces over the coming year as viable business models become harder to distil.

Retail Occupational Market

Market Drivers

- There have been a number of challenges facing the retail market over the last few years, no more so than in the last twelve months, which has seen a global pandemic that has resulted in large parts of the retail and lei-sure sectors being closed for much of that time. While the retail warehousing market has not been immune to these challenges, it has displayed positive occupational performance comparative to other parts of the retail market, and indeed commercial property as a whole. The sector has been well placed to cope in what has been a period of unprecedented challenge to retailer performance during the COVID crisis, continuing to display remarkably strong resilience from an occupational standpoint, akin to how it performed pre-pandemic with the growth of online retailing.
- 2020 saw significant, additional and inevitable growth in the proportion of goods sold online across the retail market as a whole. In a year when non- essential retail was closed for large periods, consumers were forced to buy goods over the internet, therefore making many purchases online they may typically have made in-store prior to the pandemic. According to GlobalData 17% of all retail goods were sold online in 2019. This rose dramatically to 24% on average across the year for 2020, as a direct result of the impact of COVID-19 on the UK retail economy. The increase of 7% in just twelve months is considered to be an acceleration of about 5 years based on pre-pandemic forecasts.
- GlobalData has forecast online spend to level out and remain at around a quarter of all sales for the next 5 years. Conversely, and perhaps most importantly, three quarters of retail spend is therefore still expected to be conducted through traditional offline channels, i.e. the physical store. This will equate to c.£260bn in sales in 2021 across the retail whole market and, significantly, that figure is set to grow to nearly £276bn by 2025. Clear-ly the store is still the most important facet in today’s omni-channel retail environment.
- Retail warehousing however, finds itself in an advantageous position in its relationship with online purchasing. Firstly, what is most comforting is that the products typically sold out-of-town are still those more defensive to online retailing than is true of a number of goods traditionally sold on the high street. That was the case before the pandemic and remains so despite it. Food & Grocery (87%), DIY & Gardening (82%), Homewares (74%) and Furniture and Floorcoverings (71%) all have the majority of sales fulfilled directly in-store. Furniture operators in particular are showroom retailers and therefore operate differently to those where product is going out through the front door.
- Secondly, where online retailing has made an impact, click-and-collect has proven itself to be advantageous for out-of-town retail destinations. The large and comparatively low-rented units, combined with high car parking provision, means the sector has proven itself to be ideally suited for servicing click-and-collect orders, customer returns and home deliveries.
- The true value of the store in the retail warehouse sector can therefore not be underestimated. Operators that have adopted a clear and structured omni-channel approach to their business models, are those that have recognised the importance of a well-placed store network to truly fulfil both their online business, as much as is necessary for the traditional off the shelf transactional side of their operations. In this regard, the store continues to play a key role in providing customers with a seamless and connected shopping experience.
- The growth of click-and-collect is set to significantly outpace that of ecommerce over the next 5 years, across nearly all retail sectors, particularly those pertinent to the out-of-town market. This is unsurprising considering the online market is maturing and levelling out at a quarter of all retail spend, whilst click-and-collect growth is starting from a much lower base. However it does make the point that this is considered to be a key growth area for many retail operators in the retail warehouse sector going forwards.

Tenant Demand

- The number of acquisitive retailers and their appetite for new openings in the sector has helped keep voids low and negate the impact of retail insolvency over the last 12 months. Despite the unforeseen reduction in consumer activity across our physical retail environments, retail operators have still been keen to take space.

- Value oriented operators continue to drive the acquisition activity, with many of the same names taking space that have been doing so for the last few years. Lidl, the German discount retailer, remains top of the leader-board aiming to open 50 stores in the UK this year. It is aiming to hit 1,000 stores in the UK by 2022, and is taking advantage of the space that has come back to the market with the recent insolvency activity, on more favourable lease terms.
- Strong performance in terms of new openings has had a positive knock on effect in terms of vacancy in the market. Retail warehouse vacancy remains comparatively low at 5.9%, just over a third of what it is for shop-ping centres (16.3%) and less than half of what we are seeing on the high street (14.4%, MSCI). The low base in retail warehousing is particularly reassuring in comparison to the industrial market who have seen unprece-dented demand for space with the growth of ecommerce in recent years, not to mention the recent surge since the onset of COVID-19 and the resultant uptick in online retailing as a result.
- Retail warehousing has been comparatively less affected by retailer failures than other retail segments, largely due to their lower exposure to mid-market fashion. Fashion operators accounted for as much as 57% of units to pass through an insolvency process in 2020. The Arcadia and Debenhams administrations led to the largest proportion of closures in both the in-town and out-of-town markets.

Rental Growth

- With the challenges the retail sector has faced over the last decade, including the growth of ecommerce and more recently the COVID crisis, retailers have increasingly been keen to seek more affordable rent agreements. Data from open market lettings and regears has seen net effective rents fall by a third on average across the market since the onset of the decline, from £27 per sq ft in 2017, to £18 per sq ft by the end of last year. How-ever, the retail warehouse market has increasingly shown itself to be more resilient than other asset classes when it comes to rental decline. 2020 saw a fall in net effective rents of -9.5% on average in the sector. By com-parison net effective rents in shopping centres fell by more than double that at -20.1% in the same period.
- Significantly, for the retail warehouse sector declines in net effective rents have been slowing year on year. 2021 has recorded a slight growth in average rents of around 4.2%, taking the overall average figure for the market up slightly to £18.86 per sq ft. The evidence therefore suggests we are perhaps once again seeing the early shoots of a recovery in rental terms, similar to that first witnessed in March 2020, before the impact of the pandemic delayed proceedings and the inevitable questions of further rental decline and even operator survival began to emerge.
- The optimism surrounding future rental growth is further supported by the consideration that only 26% of ten-ants across retail and shopping parks have a lease expiry sometime in the next 3 years. The evidence suggests we are close to the end of the lease expiry cliff in the retail warehouse sector, having renegotiated most of the large, arguably unsustainable, rental agreements that were signed 10 to 15 years ago. As much as three quar-ters of the out-of-town market has already been rebased in terms of rents, much further along in the process of dealing with rental encumbrance it would seem, than is true of shopping centres or high streets.
- Although the headline statistics point to some resilience in terms of rental decline, particularly in comparison to shopping centres, it is important to understand that the retail warehouse sector has seen a divergence in performance across different occupier types, as a direct result of the pandemic. 2020 saw the most significant fall in rents in the fashion and leisure sectors, recording declines of -18.0% and -20.6% respectively. This is un-surprising considering these sectors have been those most affected by the impact on COVID-19, their physical stores closed for the longest periods since the government-imposed measures began.
- Discount variety however, perhaps surprisingly, has bucked the trend and has seen an average increase of 14.4% on 2019 rental levels. This makes sense when you consider that B&M and Home Bargains collectively took as many as 47 stores in 2020. Their appetite for growth over the last few years has consistently seen them in the top 10 of acquisitive operators. This has therefore begun to drive rents upwards in that sector, particu-larly when coupled with the fact they are also seeing increased competition from the value-oriented foodstore retailers, also leading the charge in terms of new openings, who have increasingly been looking for units of a similar size and format.

Rent Collection

- The strong rent collection performance in the retail warehouse sector demonstrates how well the asset class is performing versus other asset classes in response to the pandemic. As many of the retailers were classed as ‘essential’ during the periods of lockdown, the sectors’ resilience has been reflected in the proportion of rent and service charge payments that have been made over the last 18 months.
- The performance of out of town retailers, in particular the foodstore and bulky goods operators who have posted significant uptick in their in store performances since the onset of COVID-19, has meant they have been much more able to make their rent payments. Those proportion of tenants that haven’t been making rent and service charge payments in the retail warehouse sector are those who also have significant in-town store port-folios and who have chosen not to pay across the board.
- For operators struggling to pay their high street and shopping centre rents, a turnover deal at present is often proving to be the most appealing way of maximising the amount they can save. However, for retail warehous-ing the ability to acquire space on much more favourable lease terms is generally proving more attractive than a deal that would link payment to their performance. Data on recent deals highlights that retailers have been acquiring shorter lease lengths, with the term certain failing by 16.1% to 8.9 years on average, a fall of 1.7 years in 2020. However, as a result total incentive have also begun to shorten considerably, down -30.2% on average in 2020, a reduction of 4 months to 8.4 months for an average deal. Landlords are much less keen to give incen-tives when negotiating a new deal as retailers have increasingly been securing more favourable deals on the overall rent and length of contract.

UK Retail Investment

Investment Volumes

- Investors are returning to the retail sector, buoyed by high yields and prospects of a countercyclical buying opportunity. Yields are under downwards pressure in the Out-of-Town and Foodstore subsectors, and there has been a steady improvement in investment demand and competitive bidding on selected city centre assets, particularly where re-purposing opportunities exist. Some investors, attracted to retail as a market recovery play but no longer able to compete Out-of-Town, are turning to Shopping Centres and multi-let parades for higher yields/ lower capital values.
- During the onset of the pandemic, the market paused to assess occupiers’ ability to pay rent. This gave investors time to reassess the sustainability of ERVs, with many concluding the sector was only worthy of investment where the alternative use value was higher than that for retail warehousing itself. As a result Q2 2020 investment activity took a nose dive, recording the smallest uptake of any quarter in the last 20 years at only £122m, a -65% fall on the same period the previous year.
- This position proved palpably wrong and very short lived, as the occupational resilience in the sector remained apparent. Q3 2020 was undoubtedly the point we saw a swing in investor attitude from a potential change of use play, to buying into the sector based on its own merits. A higher proportion of retailers have remained open during the crisis than is the case in shopping centres or on high streets, and as a direct result rent and service charge payments have been higher. Furthermore, with less exposure to mid-market fashion the sector has also seen less insolvency activity than the rest of retail, whilst its large units and ample car parking provision have also meant it has proven to be more social-distancing-friendly, culminating in stronger footfall recovery and more robust trading performance across a number of retail warehouse focused subsectors.
- As a result investment activity in Q3 and Q4 2020 recovered swiftly. Q3 saw £505m worth of transactions, a 24% increase on the same period the previous year. The year also ended strongly with £648m transacted, similar to the same period the previous year and just short of the quarter average for the last two decades at £664m.
- Despite the marked improvement in transactional activity in the latter half of last year, the market had still not perhaps seen the anticipated flood of activity it was expecting before the pandemic prompted a more cautious approach.
- Activity in the first 11 months of 2021 saw a turnover of £2.6bn, the highest yearly turnover since 2015. These figures suggest the retail warehouse investment market is not just back to normal, but ahead of pre-pandemic levels in terms of transactional appetite and market liquidity. The market is indeed alive, with investment de-

mand coming from across the whole spectrum of assets, including all geographies, all lot sizes and all yield profiles. This is a much healthier investment market than we were seeing 12-months ago, with more cash buyers than there have been, a number of funds returning and continued interest from the old guard, as well as some overseas investors that have been circling for some time.

- The portfolio sale of Hammerson's seven retail park assets to Brookfield was seen as a bellwether test of the ability to complete large investment transactions, particularly retail ones. In May 2020, Orion formally walked away from the £400m acquisition of the parks, with the £21m deposit passing to Hammerson because of its failure to complete. The deal was knocked off course by the pandemic and the market valuation uncertainty it brought. It is therefore a good example of investor appetite returning to the sector. Having exchanged uncondi-tional contracts in April 2021, the sale of £330m represents an 8% discount to the year-end book value of £357m and sees Hammerson exit altogether from the UK retail parks sector.
- The availability of debt, particularly for prime assets, has improved over the last twelve months primarily as a result of the low loan to value ratios and high margin potential, coupled with the strong occupational story of resilient consumer behaviour and the defensibility of income across the sector.

Investment Yields

- In terms of pricing, prime open A1 consented retail warehouse yields have continued the gentle downward trend that has been seen over the last twelve months, now standing at 5.75%, a full 100 bps lower than Q4 2020. Bulky Goods Parks have followed a similar trajectory, also hardening by 150 bps over the year to 5.75%, whilst Secondary A1 Parks have hardened by 125 bps to 7.50%. This is indicative of investors that have begun to move in the sector, now comfortable they can assess what the correct ERV is on a particular asset or portfolio and supported by the belief in the performance of the discounter operators acquiring space at a rate of knots, rather than the fashion retailers who have been struggling the most during the pandemic. The number of lease transactions in the occupational market provides enough comfort to investors that the retail ware-house sector is much further through its pre-COVID structural change and the process of resetting rents than is true of shopping centres for example.
- There is a widening gap forming between prime and secondary assets, as well as Shopping Parks. Yields have moved outwards to 9.50% on Secondary Restricted and to 9.25% on Secondary Open A1. Meanwhile Shopping Parks have softened by more than 100 bps to 8.50% from last year, unsurprising considering the fashion sector has been one of the hardest hit since the pandemic with the most insolvency activity to date.

Market Outlook

- Schemes that are dominant or convenient are continuing to be in hot demand, particularly those with a food-store anchor. As payment of rent and service charge has improved, investors have been keen to re-enter the sector. Where rent hasn't been paid it is generally considered to be the problem of the vendor rather than the potential purchaser. Many such vendors with assets to sell are often dealing with arrears prior to putting them on the market, regearing a tenant's lease, and either adding as a rent free period going forward or writing the debt off and adding a few additional years to the existing lease term. When the moratorium ends on the right to evict tenants over non-payment of rent, the balance of power is expected to swing back in favour of the landlord helping with the liquidity in the market.
- A potential issue facing the investment market is the lack of supply. Many landlords have sold assets either because they have wanted to raise capital or reduce their portfolio weighting towards retail or eliminate it all together. Pricing, not unsurprisingly, moved as the market went from almost zero turnover to current levels. Owners that had been looking to sell for the last 12 to 18 months now had an audience to sell to. However, once those predominately pre- COVID disposal strategies come to an end there may well be an undersupply, of prime stock in particular, for those investors looking to enter the sector as landlords understand the value of what they have and don't necessarily need to sell. Having lived through falling values and non rent payment scenarios the temptation to hold will increase as values recover and rents get paid. This could create some competitive tension for those coming to the market in the short-term, which could in turn start to steepen the yield curve.
- Looking ahead to 2022, there is arguments that suggest that the retail warehouse investment market will continue to accelerate however, we remain slightly more cautious. We foresee bot push and pull factors at pay and these could mean that transactional volumes may be similar in 2022 compared to 2021. Private equity buyers, unless

their ethos is more Core+ than Value-add, are likely to be seduced to other higher-yielding parts of the retail market throughout 2022, though their withdrawal is expected to a degree to be compensated by a slow return of domestic and European institutional buyers into the market.

- Institutional buyers will be more focused on the prime end of the market, comforted by the strengthening rental growth prospects, and this should put further downward pressure on prime yields in 2022. However, PE buyers are likely to be taking a hard look at what the prospects for real capital value growth will be over the next five years, and this will be another factor that might reduce their activity in this sector next year.

Section 2

The Property

RUTHERGLEN EXCHANGE SHOPPING CENTRE AND 210-212 & 222-240 MAIN STREET, RUTHERGLEN,

Key Property Information

Location	• The Property is located in Rutherglen, which falls within the Council area of South Lanarkshire but is effectively a south-eastern suburb of Glasgow. It is located around 4 miles (6 km) south-east of the heart of Glasgow's city centre. According to the General Register Office of Scotland, Rutherglen had a population of around 31,700 recorded during the 2001 Census. In addition to its residential areas, the town (together with neighbouring Cambuslang) is recognised as an industrial/warehousing location, complemented by other uses including trade counter, retail warehousing and car showrooms. • Specifically, the Property is situated in the heart of Rutherglen town centre and acts as the hub of the town's Main Street retailing provision. The Property is bounded to the north by Main Street, to the east by Stonelaw Road and an office building (Red Tree Business Suites) and to the south by Greenhill Road with re-tail and residential properties to the west. • The extension and upgrading of the M74 has significantly improved the local road infrastructure and connections to destinations in Greater Glasgow, Lanarkshire and Central Scotland. Junctions 1A and 2 of the M74 motorway are a short distance west and east of Rutherglen's town centre, respectively. In addition, the town's Main Street (B768) provides direct links westwards to destinations in Glasgow's South Side and eastwards towards Cambuslang. • Rutherglen Railway Station is around 200m north of the property and provides regular services to Glasgow Central with a journey time of around 10 minutes. Main Street is also served by local bus services to/from Glasgow city centre with stops in close proximity to Rutherglen Exchange's main entrance.
Description	• The Property is a suburban shopping centre, which was developed in 2 phases. The main part of the shopping centre and elevated car park (split-level with around 240 spaces) is understood to date from 1974 and is of reinforced concrete construction. The second phase, in the early 1980s, saw the construction of a retail parade fronting Main Street with office and storage space, above, which has a brickwork exterior. • The Property has been the subject of material refurbishment by the current owners to enhance its cosmetic appearance, including, we understand, upgrades

	involving modernisation and redecoration of the entrance area, mall space and rear elevation to Greenhill Road. • The main, pedestrian entrance to the property is via Main Street with further accesses from the centre's car park and Greenhill Road, to the rear (south) of the building. Vehicular access to the car park and the service/delivery areas to the rear of the shopping centre is also via Greenhill Road. • The three interests held at the property include the following: • Ground Lease / Long Leasehold: Shopping Centre, including Car Park and 210-212, Main Street – The main shopping centre dates from the 1960s and includes covered retail units in a mall (known as Mitchell Arcade). The current configuration of the shopping centre includes 30 retail units with a management suite at first floor level. There is also a retail/office space at the southern end of the elevated car park and a takeaway unit at 77, Green-hill Road. The main hall of the mall area has rooflights which are convex and plastic. There is lift access from the car park into the central mall area of the shopping centre via a 28-person, 2100kg, Scotech Lift, which is complemented by a staircase connecting the ground floor retail space in the front (northern) section of the shopping centre with the first floor level accommodation. At the southernmost end of the shopping centre, is ramp and stair access to Greenhill Road and the car park, where there are customer toilets and a cash machine. Externally, the southern elevation of the shopping centre has a modern, refurbished appearance with painted, render finish with some metal-clad sections to the walls. There are two retail units fronting Main Street, one of which has return frontage to shopping centre's entrance area. • Ground Lease / Long Leasehold: 222-240, Main Street – Parade of 8 retail units and one office suite dating from the 1980s with office / storage space at first floor level. • Heritable (Ownership Interest): 214-218, Main Street – 1980s retail unit, forming part of parade of shops between shopping centre's main entrance and Stonelaw Road.
Total Property Area	• In total the Property extends to an NIA of 101,433 sq ft sq ft (9,423.4 sq m).
Tenure	• Long Leasehold: Shopping Centre, including Car Park and 210-212, Main Street - This is a long leasehold interest held from Moorgarth Property Investments Limited by Moorgarth Properties (Luxembourg) SARL for a term of just over 125 years from 7th May 1973 until Whitsunday (May) 2098. We have been informed that the current, passing ground rent is £92,000 pa. Further details as set out above. • Long Leasehold: 222-240, Main Street – Long leasehold from Moorgarth Property Investments Limited (originally held by City of Glasgow District Council and latterly South Lanarkshire Council) for a term of 125 years from 21st January 1982 and expiring 20th January 2107. We have been informed that the current ground rent passing to the superior landlord is £40,000 per annum. Further details as set out above. • Heritable (Ownership Interest, Scottish Equivalent of English "Freehold" Tenure): 214-218, Main Street.

Income Profile		
Summary	• We have been provided with a tenancy schedule which we have relied upon. • It is our understanding that the Property is let to 39 tenants on Full Repairing and Insuring terms.	
Key Tenants	1. HomeBargains 18% of current rent 2. Boots 6% of current rent 3. Poundstretcher 5% of current rent	
WAULT	• To lease expiries: 4.7 years • To break options: 4.6 years	
Vacancy Rate (% ERV)	• 9.05% (£102,500 per annum) • Unit 2 and 4 are currently under offer to Retail Emporium	
Covenant Strength	• We are of the opinion that the tenants would be viewed by the investment market as having relatively good covenant strength for the local market.	
Gross Rent (£ pa)	£1,233,600	
Income Deductions (£ pa)	£261,508	LL non-recoverable costs
Head Rent Deductions (£ pa)	£132,000	
Net Income	£840,092 per annum	
Capital Expenditure:	£25,688	Letting and Legal Fees

Key Valuation Considerations

Yield Consideration

In arriving at our opinion of value we have had regard to a range of comparable investments from the local market, as below:

Address	Date	Price	Yield	Comment
Broad Street Mall, Reading	Dec 21	£55m	c.6.5%	AEW is set to purchase the shopping centre with a view to redeveloping the site into residential. The freehold scheme extends to 394,851 sq ft and is circa 20% vacant. The WAULT is 5.5 years to term certain. The scheme is arranged over two levels with 76 retail units. Key tenants include: TK Maxx; Wilkinson Hardware Stores;

					Metro Bank; New Look and Poundland. Broad Street Mall benefits from secured planning permission for the construction of four tower blocks of 422 apartments. In addition we understand that the proposed development incorporates 16,156 sq ft of retail space on the ground and first floors which will be split into four retail units.
	Parkway Shopping Centre, Coulby Newham	Nov 21	c.£10m	Conf.	The park comprises 208,729 sq ft of retail space let to more than 30 shops including anchor tenant Tesco Extra, which occupies 117,527 sq ft (sold off), as well as Home Bargains, Peacocks, Iceland and Boyes. There is also a vacant office building (Dalby House) on site. The car park extends to 900 spaces. The scheme is a principal retail, commercial and community destination for the town.
	The Core, Leeds	Sept-21	£14.4m	14%	Acquired by Tri7 and Alchemy from Columbia Threadneedle for £14.4m reflecting a net initial yield of 14%. Passing Rent £2.2m. The Core includes 30 retail units over ground floor with anchor tenants include Blacks, Matalan, Poundland, Foot Asylum and Cotswold Outdoor. The first-floor food court is anchored by Burger King and Subway whilst the second floor is vacant. The asset also includes a car park, sold off a long lease. The purchasers aim to reposition towards Student Accommodation or Residential, with an overhaul of the scheme worked up by McLaren.
	Monument Mall, Newcastle	Jul-21	£37m	7%	Acquired by Motcomb Estates from Aberdeen Standard for £37m reflecting a net initial yield of 7%.

		Passing Rent £3m. WAULT 5 years. 82% of the income profile is deemed "low" to "very low" risk by Experian Let to tenants including Hugo Boss, ROX, L'Oreal and Banyon. 82% of the income profile is deemed "low" to "very low" risk by Experian Monument Mall is a short walk from the site in the heart of Newcastle city centre, where significant public realm improvements are planned by the local council

The investment evidence detailed above transacted between 6.5% to 14% net initial yield, dependent upon factors including location, condition, covenant strength, term unexpired and level of occupancy.

The subject Property benefits from a diverse tenant base with generally secure covenants and value accretive asset management initiatives to pursue in the short term.

We have taken into consideration the comparable evidence available to us, our knowledge of the retail investment market in arriving at our opinion of Market Value. We are of the opinion that the Property would command a net initial yield of 7.80% which we have adopted in our Income Capitalisation Approach.

Valuation as at 28 February 2022				
Market Rent	£1,440,722 per annum (gross) • As per our instructions we have relied on the ERVs provided to us by the Company.			
Fair Value	£10,050,000 TEN MILLION FIFTY THOUSAND POUNDS			
Yield Profile	**Net Initial Yield**	7.80%	**Reversionary Yield**	1.70%
	Nominal Equivalent Yield	10.94%	**True Equivalent Yield**	10.94%
Purchaser's Costs:	• We have allowed for Stamp Duty Land Tax as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00%; remaining amount (the portion above £250,001), 5.00%. • We have also allowed for agents and legal fees plus VAT at standard market rates which amounts to 1.80%.			

Appendix 1

Valuation Calculations

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

Property

Address	Rutherglen Shopping Centre, Main Street		
External ID			
Gross Valuation	5,848,055		
Capital Costs	-18,563		
Net Value Before Fees	5,829,492		
Less Stamp Duty @4.81% Stamp Duty	262,908		
Acquisition Age @1.00% Net Sale Price	65,618		
Acquisition Leg @0.50% Net Sale Price	32,809		
Fees include non recoverable VAT @ 20.00%			
Net Valuation	5,468,157		
Say	5,450,000		
Equivalent Yield	12.34%	True Equivalent Yield	13.2875%
Initial Yield (Valuation Rent)	8.3322%	Initial Yield (Contracted Rent)	8.3322%
Reversion Yield	14.1841%		
Total Valuation Rent	819,100	Total Contracted Rent	819,100
Total Rental Value	1,009,722	Number of Tenants	41
Capital Value Per Area	84		

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
28/02/2022	819,100	-239,826	-92,000	487,274	8.3322%	8.7849%
24/04/2022	808,100	-239,826	-92,000	476,274	8.1441%	8.5762%
28/04/2022	808,100	-279,901	-92,000	436,199	7.4589%	7.8200%
01/05/2022	838,100	-279,901	-92,000	466,199	7.9719%	8.3855%
23/05/2022	845,600	-279,901	-92,000	473,699	8.1001%	8.5274%
28/05/2022	845,600	-279,901	-92,000	473,699	8.1001%	8.5274%
01/07/2022	830,347	-277,248	-92,000	461,099	7.8847%	8.2891%
02/07/2022	848,158	-277,248	-92,000	478,910	8.1892%	8.6262%
10/07/2022	818,658	-277,248	-92,000	449,410	7.6848%	8.0685%
01/10/2022	827,658	-277,248	-92,000	458,410	7.8387%	8.2383%
06/11/2022	817,408	-277,248	-92,000	448,160	7.6634%	8.0450%
28/11/2022	829,908	-277,248	-92,000	460,660	7.8771%	8.2808%
20/12/2022	859,908	-277,248	-92,000	490,660	8.3901%	8.8493%
20/01/2023	861,108	-269,805	-92,000	499,303	8.5379%	9.0137%
02/02/2023	842,608	-269,805	-92,000	480,803	8.2216%	8.6621%
26/02/2023	831,608	-266,401	-92,000	473,207	8.0917%	8.5181%
28/02/2023	831,608	-210,724	-92,000	528,884	9.0438%	9.5790%
10/03/2023	831,608	-209,417	-92,000	530,191	9.0661%	9.6041%
24/04/2023	842,608	-209,417	-92,000	541,191	9.2542%	9.8153%
28/05/2023	844,108	-209,417	-92,000	542,691	9.2799%	9.8441%

10/07/2023	866,608	-209,417	-92,000	565,191	9.6646%	10.2778%
28/08/2023	876,608	-209,417	-92,000	575,191	9.8356%	10.4713%
10/09/2023	856,608	-209,417	-92,000	555,191	9.4936%	10.0848%
19/09/2023	876,608	-209,417	-92,000	575,191	9.8356%	10.4713%
06/11/2023	886,858	-209,417	-92,000	585,441	10.0109%	10.6700%
14/02/2024	856,858	-209,417	-92,000	555,441	9.4979%	10.0896%
28/02/2024	896,858	-209,417	-92,000	595,441	10.1819%	10.8643%
28/05/2024	898,358	-209,417	-92,000	596,941	10.2075%	10.8935%
01/07/2024	904,611	-209,417	-92,000	603,194	10.3144%	11.0153%
02/08/2024	923,111	-209,417	-92,000	621,694	10.6308%	11.3765%
20/08/2024	930,611	-209,417	-92,000	629,194	10.7590%	11.5233%
26/08/2024	938,611	-209,417	-92,000	637,194	10.8958%	11.6803%
14/02/2025	968,611	-209,417	-92,000	667,194	11.4088%	12.2712%
28/02/2025	978,522	-209,417	-92,000	677,105	11.5783%	12.4672%
28/05/2025	980,522	-209,417	-92,000	679,105	11.6125%	12.5068%
20/08/2025	980,522	-209,364	-92,000	679,158	11.6134%	12.5079%
21/10/2025	980,522	-169,289	-92,000	719,233	12.2987%	13.3054%
29/10/2025	979,522	-169,289	-92,000	718,233	12.2816%	13.2855%
20/01/2026	994,722	-169,289	-92,000	733,433	12.5415%	13.5897%
10/03/2026	1,014,722	-169,289	-92,000	753,433	12.8835%	13.9917%
01/08/2026	1,014,722	-164,475	-92,000	758,247	12.9658%	14.0887%
01/05/2027	1,014,722	-150,896	-92,000	771,826	13.1980%	14.3629%
02/05/2027	1,014,722	-145,008	-92,000	777,714	13.2987%	14.4820%
02/07/2027	1,014,722	-96,083	-92,000	826,639	14.1353%	15.4781%
27/08/2027	1,014,722	-92,778	-92,000	829,944	14.1918%	15.5458%
29/01/2029	1,014,722	-88,229	-92,000	834,493	14.2696%	15.6390%
06/10/2034	1,009,722	-88,229	-92,000	829,493	14.1841%	15.5365%
07/05/2098	0	0	0	0	0.0000%	0.0000%

Yields Based On Gross Value

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield
Max Spielmann Limit	Unit 1	79	20/08/2024	19/08/2025	National	Hardcore (11.75%)	7,500	7,500	15,000	88,133	5.6225%	5.6225%	11.7500%	14.1925%
Vacant to be Retail E	Unit 2	90		30/04/2027	Under Offer	Hardcore(13.5%)	0	0	15,000	64,761	0.0000%	-14.3122%	13.5000%	19.3146%
Harvey & Thompson	Unit 3	102		09/03/2023	National	Hardcore (11.75%)	16,000	16,000	16,000	109,056	11.0358%	11.0358%	11.7500%	12.2343%
Vacant to be Retail E	Unit 4	112		30/04/2027	Under Offer	Hardcore(13.5%)	0	0	15,000	64,675	0.0000%	-14.3699%	13.5000%	19.3402%

Subway Realty Limit	Unit 5	124	24/04/2022	23/04/2030	National	Hardcore (11.75%)	21,500	21,500	21,500	148,125	12.1036%	12.1036%	11.7500%	12.1036%
Vacant	Unit 6	134		27/02/2028	Vacant	Hardcore(15%)	0	0	20,000	71,266	0.0000%	-23.2388%	15.0000%	23.4022%
Vacant	Unit 7	144		27/02/2028	Vacant	Hardcore(15%)	0	0	20,000	73,175	0.0000%	-17.8917%	15.0000%	22.7915%
DMS Promotions t/a	Unit 8	154		22/08/2026	National	Hardcore (11.75%)	7,500	7,500	15,000	101,728	4.9232%	4.9232%	11.7500%	12.2958%
Superdrug Stores Pl	Units	168		01/02/2023	National	Hardcore (11.75%)	45,000	45,000	45,000	310,030	12.1036%	12.1036%	11.7500%	12.1036%
Farzana Ahemd t/a	Unit 1	177	29/01/2024	28/01/2029	Local	Hardcore (12.75%)	12,500	12,500	12,500	59,829	9.8189%	9.8189%	12.7500%	17.4223%
The Works	Unit 1	186		05/03/2023	National	Hardcore (11.75%)	5,000	5,000	5,000	34,448	12.1036%	12.1036%	11.7500%	12.1036%
Shelter	Units	192	02/05/2022	01/05/2027	National	Hardcore (11.75%)	45,000	45,000	45,000	288,561	10.9637%	10.9637%	11.7500%	13.0042%
RMS Cards and Gifts	Unit 1	201		09/09/2023	Local	Hardcore (12.75%)	20,000	20,000	20,000	98,918	8.6523%	8.6523%	12.7500%	16.8601%
Warren James	Unit 1	209		18/09/2022	National	Hardcore (11.75%)	0	0	20,000	112,807	0.0000%	-2.9451%	11.7500%	14.7843%
James Campbell But	Unit 1	217	06/10/2024	05/10/2034	Local	Hardcore (12.75%)	30,000	30,000	25,000	189,000	13.6757%	13.6757%	12.7500%	11.0302%
Peacocks Stores Pro	Units	232	21/08/2025	20/08/2026	National	Hardcore (11.75%)	30,000	30,000	30,000	138,080	18.1175%	18.1175%	11.7500%	18.1175%
Foodugo	Unit 2	244	20/07/2028	19/07/2033	Local	Hardcore (12.75%)	28,000	28,000	28,000	178,186	13.1036%	13.1036%	12.7500%	13.1036%
Vacant	Unit 2	252		27/02/2028	Vacant	Hardcore(15%)	0	0	10,000	40,590	0.0000%	-13.3114%	15.0000%	20.5439%
Leisure Software	Unit 2	264		25/02/2023	Local	Hardcore (12.75%)	11,000	11,000	8,000	44,615	14.0469%	14.0469%	12.7500%	14.9525%
Salvation Army	Unit 3	272		31/07/2026	National	Hardcore (11.75%)	15,000	15,000	15,000	87,748	8.7686%	8.7686%	11.7500%	14.2548%
Conetta J A & E A	Unit 3	281		01/02/2023	Local	Hardcore (12.75%)	18,500	18,500	18,500	104,253	14.7976%	14.7976%	12.7500%	14.7976%
Peter Russell	Unit 3	292		23/04/2022	Local	Hardcore (12.75%)	11,000	11,000	11,000	63,985	14.3357%	14.3357%	12.7500%	14.3357%

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

SD Optical	Unit 3	300		05/11/2022	Local	Hardcore (12.75%)	10,250	10,250	10,250	59,971	14.2526%	14.2526%	12.7500%	14.2526%
J & J G Dickson & So	Unit 3	319	03/02/2026	02/02/2031	Local	Hardcore (12.75%)	32,500	32,500	32,500	206,823	13.1036%	13.1036%	12.7500%	13.1036%
Allam M Todd (Ruthe	Unit 3	329	28/05/2022	27/05/2027	Local	Hardcore (12.75%)	16,775	16,775	16,775	106,752	13.1036%	13.1036%	12.7500%	13.1036%
Rutherglen and Cam	Unit 3	340		19/01/2026	Local	Hardcore (12.75%)	3,600	3,600	20,000	78,851	-9.0871%	-9.0871%	12.7500%	21.1510%
Umair Hackeen	Unit 3	356		30/06/2022	Local	Hardcore (12.75%)	6,253	6,253	6,253	31,157	8.2206%	8.2206%	12.7500%	16.7355%
J&JG Dickson and S	Unit 3	364	23/10/2022	22/07/2026	Local	Hardcore (12.75%)	13,500	13,500	13,500	85,911	13.1036%	13.1036%	12.7500%	13.1036%
Papa John's GB Limi	Unit 4	377	27/08/2022	26/08/2027	National	Hardcore (11.75%)	17,100	17,100	17,100	105,219	10.4111%	10.4111%	11.7500%	13.5522%
Vacant 1	Toilet	387		27/02/2028	Vacant	Hardcore(15%)	0	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%
Mall Solutions	Mall S	395		27/02/2025	Commercialisation	Hardcore(13%)	30,089	30,089	40,000	133,217	8.2155%	8.2155%	13.0000%	15.6553%
Photo-Me Internatio	Photo	401	16/02/2023	15/02/2025	Commercialisation	Hardcore(13%)	900	900	900	5,620	13.3536%	13.3536%	13.0000%	13.3536%
Mega Leisure (Scotla	5 x Ri	408		30/06/2022	Commercialisation	Hardcore(13%)	9,000	9,000	9,000	54,950	13.6578%	13.6578%	13.0000%	13.6578%
Sportswift Limiited	Unit 2	414		09/07/2022	National	Hardcore (11.75%)	29,500	29,500	22,500	147,368	17.4817%	17.4817%	11.7500%	12.7317%
Co-Operative Group	188 Ma	423		30/06/2022	National	Hardcore (11.75%)	0	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%
Greggs	210 Ma	430		13/02/2024	National	Hardcore (11.75%)	30,000	30,000	30,000	193,167	12.9508%	12.9508%	11.7500%	12.9508%
Santander UK Plc	212 Ma	437		31/12/2025	National	Hardcore (11.75%)	30,000	30,000	30,000	206,686	12.1036%	12.1036%	11.7500%	12.1036%
T J Morris Limited	Units	449	02/07/2022	01/07/2027	National	Hardcore (11.75%)	171,133	171,133	188,944	1,113,566	8.1559%	8.1559%	11.7500%	14.1489%
Glasgow Private Hire	Taxi T	459	29/10/2022	28/10/2025	Commercialisation	Hardcore(13%)	5,000	5,000	4,000	27,706	15.6486%	15.6486%	13.0000%	12.0393%

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

Gemmini Car Parkin	Car Pa	466	20/12/2022	19/12/2037	Car Park	Hardcore(13%)	90,000	90,000	120,000	727,991	9.6246%	9.6246%	13.0000%	13.7455%
Shelter (rates only)	Units	475		26/05/2027	National	Hardcore (11.75%)	0	0	17,500	91,134	0.0000%	-26.0211%	11.7500%	16.0127%

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

Ground Lease Revenue

Name	CAP Group	Method	Valuation Rent	Rental Value	Gross Value
Leasehold		Hardcore (0%)	0	0	0
Total					0

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

Property

Address	Main Street (Lhld), 222-240 Main Street
External ID	

Gross Valuation	1,851,901
Capital Costs	-7,125
Net Value Before Fees	1,844,776

Less	Stamp Duty	@4.40% Stamp Duty	76,358
	Acquisition Age	@1.00% Net Sale Price	20,846
	Acquisition Leg	@0.50% Net Sale Price	10,423

Fees include non recoverable VAT @ 20.00%

Net Valuation	1,737,150
Say	1,740,000

Equivalent Yield	10.2783%	True Equivalent Yield	10.9536%
Initial Yield (Valuation Rent)	8.9989%	Initial Yield (Contracted Rent)	8.9989%
Reversion Yield	10.6134%		
Total Valuation Rent	213,500	Total Contracted Rent	213,500
Total Rental Value	249,000	Number of Tenants	9
Capital Value Per Area	190		

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
28/02/2022	213,500	-6,850	-40,000	166,650	8.9989%	9.5287%
08/05/2022	220,000	-6,850	-40,000	173,150	9.3499%	9.9229%
28/02/2023	220,000	-620	-40,000	179,380	9.6863%	10.3023%
12/03/2023	208,000	0	-40,000	168,000	9.0718%	9.6104%
27/06/2023	203,000	0	-40,000	163,000	8.8018%	9.3081%
21/09/2023	205,000	0	-40,000	165,000	8.9098%	9.4289%
03/10/2023	188,000	0	-40,000	148,000	7.9918%	8.4075%
28/02/2024	210,500	-12,450	-40,000	158,050	8.5345%	9.0099%
21/09/2024	213,000	-12,450	-40,000	160,550	8.6695%	9.1604%
03/10/2024	230,000	-12,450	-40,000	177,550	9.5874%	10.1907%
12/12/2024	255,000	-12,450	-40,000	202,550	10.9374%	11.7280%
11/07/2028	249,000	-12,450	-40,000	196,550	10.6134%	11.3566%
21/01/2107	0	0	0	0	0.0000%	0.0000%

Yields Based On Gross Value

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

Property

Address	Main Street (F/H), 214-218 Main Street
External ID	

Gross Valuation			501,421
Capital Costs			0
Net Value Before Fees			501,421
Less	Stamp Duty	@2.81% Stamp Duty	13,466
	Acquisition Age	@1.00% Net Sale Price	5,752
	Acquisition Leg	@0.50% Net Sale Price	2,876

Fees include non recoverable VAT @ 20.00%

Net Valuation	479,327		
Say	480,000		
Equivalent Yield	9.9717%	True Equivalent Yield	10.6255%
Initial Yield (Valuation Rent)	9.9717%	Initial Yield (Contracted Rent)	9.9717%
Reversion Yield	9.9717%		
Total Valuation Rent	50,000	Total Contracted Rent	50,000
Total Rental Value	50,000	Number of Tenants	1
Capital Value Per Area	37		

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
28/02/2022	50,000	0	0	50,000	9.9717%	10.6255%

Yields Based On Gross Value

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield
Poundstretcher Limit	214-21	57		29/05/2024	Override	T&R(9%, 10%)	50,000	50,000	50,000	501,421	9.9717%	9.9717%	9.9717%	9.9717%

Summary Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

MLD Zambonini Ltd	Unit 2	137	11/07/2023	10/07/2028	Main Street --Cov	Hardcore(11%)	31,000	31,000	25,000	207,999	12.9731%	12.9731%	11.0000%	9.4875%
Hays Travel	Unit 2	146	08/05/2022	12/12/2030	Main Street ++Cov	Hardcore(10%)	15,500	15,500	22,000	174,323	6.8642%	6.8642%	10.0000%	9.9619%
Cats	Unit 2	161		20/09/2029	Main Street ++Cov	Hardcore(10%)	18,000	18,000	22,500	171,307	8.3975%	8.3975%	10.0000%	10.3676%
Ramsdens Financial	Unit 2	170		02/10/2023	Main Street ++Cov	Hardcore(10%)	17,000	17,000	17,000	122,368	11.6608%	11.6608%	10.0000%	10.9662%
Done Brothers(Cash	Unit 2	180		26/06/2023	Main Street ++Cov	Hardcore(10%)	35,000	35,000	30,000	245,294	12.3039%	12.3039%	10.0000%	9.6540%
Nationwide Building	Unit 2	190	14/06/2023	13/06/2028	Main Street ++Cov	Hardcore(10%)	29,000	29,000	29,000	231,360	10.5210%	10.5210%	10.0000%	9.8943%
Sense Scotland	Unit 2	197		11/03/2023	Main Street ++Cov	Hardcore(10%)	12,000	12,000	25,000	151,834	4.8500%	4.8500%	10.0000%	12.9971%
Vacant	Unit 2	205		27/02/2028	Offices	Hardcore(12.5%)	0	0	22,500	100,651	0.0000%	-9.7808%	12.5000%	17.6456%
Boots UK Ltd (Boots	Unit 2	219	12/07/2022	11/07/2027	Main Street ++Cov	Hardcore(10%)	56,000	56,000	56,000	446,764	10.5210%	10.5210%	10.0000%	9.8943%

Summary Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 28/02/2022

Property

Address	Hertiable,	
External ID		
Gross Valuation		2,514,286
Capital Costs		0
Net Value Before Fees		2,514,286
Less Stamp Duty	@4.00% Stamp Duty	95,058
Acquisition Age	@1.00% Net Sale Price	28,517
Acquisition Leg	@0.50% Net Sale Price	14,259

Fees include non recoverable VAT @ 20.00%

Net Valuation	2,376,452		
Say	2,380,000		
Equivalent Yield	5.25%	True Equivalent Yield	5.4269%
Initial Yield (Valuation Rent)	5.25%	Initial Yield (Contracted Rent)	5.25%
Reversion Yield	5.25%		
Total Valuation Rent	132,000	Total Contracted Rent	132,000
Total Rental Value	132,000	Number of Tenants	1
Capital Value Per Area	0		

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
28/02/2022	132,000	0	0	132,000	5.2500%	5.4269%

Yields Based On Gross Value

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield
Ground Rent		58	01/01/2025	31/12/2249	Override	Hardcore(5.25%)	132,000	132,000	132,000	2,514,286	5.2500%	5.2500%	5.2500%	5.2500%

Appendix 2

Engagement Documentation & Terms and Conditions

DUFF & PHELPS
A KROLL BUSINESS

Private and Confidential

04 March 2022

Moorgarth Group Limited
Central House
47 St Pauls Street
Leeds
West Yorkshire
LS1 2TE

Dear Sirs,

Valuation: **Financial Reporting as at 28 February 2022**
Assets: **Market Place Shopping Centre, Bolton**
Waverley Mall, Edinburgh
Rutherglen Exchange Shopping Centre and 210-212 & 222-240 Main Street, Rutherglen, South Lanarkshire, G73 2LS
Client: **Moorgarth Group Limited**

CONFIRMATION OF TERMS OF ENGAGEMENT FOR THE PROVISION OF VALUATION ADVICE

Thank you for instructing Duff & Phelps, A Kroll Business operating as Kroll Advisory Ltd ("Duff & Phelps", "we" or "us") to act for Moorgarth Group Limited (the "Company", the 'Client', "you" or "yourselves") in connection with a valuation of the above Portfolio (the "Instruction", or the 'Engagement').

We are pleased to provide you with details of our services and fees and we enclose our General Terms and Conditions of Business (the "General Terms") and our General Principals Adopted in the preparation of Valuations and Reports (our "General Assumptions") which, together with this letter (the "Letter of Engagement") will form the agreement in respect of our appointment.

Please read this letter and the enclosures carefully to ensure they accord with your instructions. To the extent that there is a conflict or inconsistency between this engagement letter, the General Terms or any Letter of Engagement from yourselves, this Engagement Letter will prevail.

RICS Compliance

Our valuation will be undertaken in accordance with RICS Valuation – Global Standards 2020 (the "Standards", or the "RICS Red Book"), which incorporate the International Valuation Standards, and the RICS UK National Supplement effective from January 2019. References to "the Red Book" refer to either or both of these documents, as applicable.

There are no departures unless identified below.

In addition, and in accordance with the requirements of the Standards, in particular Valuation Practice Statement 1 of the Red Book, we confirm the following

a. Identification and status of the Valuer

(i) We confirm that we are not aware of any conflicts of interest, either with yourselves or the Property, preventing us from providing you with an independent valuation of the Property in accordance with the RICS Red Book.

(ii) We therefore confirm that we will undertake the valuations acting as External Valuers as defined in the Standards.

(iii) You accept however that Duff & Phelps provides a range of professional services to clients and that there are occasions where conflicts of interest may not be identified. You therefore undertake to notify Duff & Phelps promptly of any conflict or potential conflict of interest relating to the provision of the Services of which you are, or become, aware.

(iv) Where a conflict or potential conflict is identified by either party and Duff & Phelps believes that your interests can be properly safeguarded by the implementation of appropriate procedures, we will discuss and seek to agree such procedures with you.

(v) The due diligence enquiries and report preparation will be undertaken by Mark Whittingham MRICS (Managing Director) and Emily Brownlow MRICS (Vice President).

(vi) We confirm that the valuers have sufficient current local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the valuation competently. The Valuers are registered in accordance with the RICS Valuer Registration Scheme.

(vii) Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within Duff & Phelps, A Kroll Business operating as Kroll Advisory Ltd we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

(vii) For the avoidance of doubt, the Valuers shall have no personal liability to you in respect of the Engagement. All rights and obligations in respect of the Engagement are owed to or by us.

b. Identification of the client and other related parties

(i) We will address our Reports to the property company and entities specified in appendix 1a..

(ii) We would not extend liability or reliance to any other party other than by prior agreement. If we extend our liability to any other parties, we may seek to charge an additional fee and this extension would be on the basis that the other parties will be subject to the terms of our instructions including our liability cap. That is the case even if any such party has paid some or all of our fees. For the avoidance of doubt, all relying parties shall be bound by the same liability exclusions and limitations, and that our liability shall be no greater as a result of extending reliance to additional parties.

c. Purpose of the Valuation

(i) The Valuations are required for year end Financial Reporting.

(ii) It is important that the Reports are not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use set out at sub-paragraph (j) below

d. Identification of the asset or liability to be valued

(i) The Property addresses are identified at Appendix 1b

(ii) The Properties will be valued subject to the occupational leases

e. Basis of Value

(i) The Properties will be valued on the basis of Fair Value in accordance with the RICS Valuation – Professional Standards VPS4 (7.1) Fair Value and VPGA 1 Valuations for Inclusion in Financial Statements, which adopt the definition of Fair Value adopted by the International Financial Reporting Standards. IFRS 13 defines Fair Value as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

(ii) In our opinion the adoption of the required Fair Value basis does not result in any material difference in the values now reported from those derived under the previously used definition of Market Value which is defined in the RICS Valuation – Professional Standards VPS4 (4) as follows:

'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'.

(iii) The references in particular to market participants and a sale make it clear that for most practical purposes, the above definition of Market Value for Financial Reporting Purposes is consistent with the concept of Market Value.

(iv) Accordingly, we confirm that in undertaking our valuations for Financial Reporting Purposes, we are applying the conceptual framework which has been prescribed and settled by the RICS Professional Standards.

(v) The basis of valuation adopted and the purpose of our Report may not be appropriate for other purposes, so the Report and Valuations should not be relied upon for any other purpose without prior consultation with us.

f. Valuation date

(i) The Valuation date for financial reporting is 28th February 2022.

(ii) You will appreciate that in providing you with our Valuation, we shall have regard to market conditions as at the Valuation date. Naturally, these are subject to change and it is therefore important that the Addressees take account of any such change in conditions that may occur from the Valuation date before making any binding decision in relation to the Property. Please do not hesitate to contact us ahead of making any binding decision which takes account of our Valuation if you have any concerns in this respect.

g. Extent of investigation

We will carry out an inspection of the Property and investigations to the extent necessary to undertake the Valuation. We will not carry out a structural survey or test the services and nor will we inspect the woodwork and other parts of the structures which are covered, unexposed or inaccessible.

h. Nature and source of information to be relied upon

(i) You have agreed that we are to assume

- Detailed tenancy schedules including measured areas, non recoverable costs and other landlords expenditure.
- Details of all asset management initiatives including current position with regard to marketing of any vacant units or where agents are instructed on units with pending lease expiries, together with outstanding rent reviews.
- Details of any rental concessions or arrears
- Details of any planned capital contributions.
- Measured Survey – We will rely on areas provided in the tenancy schedules.
- Schedule of Tenancies / lawyers lease report – we will not review copies of the leases. We will rely on tenancy schedules provided

(ii) You have agreed that we are to assume

- The tenancy schedules and floor areas including ITZAs (composite) provided are correct.
- The ERVs provided are correct.
- Good clean marketable title for each interest valued.
- Full statutory compliance unless issues referred to documents provided or specifically advised by yourselves.
- o There are no environmental issues that could have an adverse effect on value unless specifically advised.

(iii) To the extent that you have provided us with information and / or instructed us to obtain it from a third party you agree, unless it is otherwise agreed by us in writing, that we can safely rely upon the accuracy, completeness and consistency of this information without further verification and that you will not hold us responsible in the event that any dispute regarding the Valuation arises from the accuracy of such information.

(iv) We will not be measuring any part of the Property which we are unable to access. In such cases we may estimate floor areas from plans or by extrapolation in accordance with the measuring code of practice of the RICS. Such measurements should not be relied upon for any other purpose.

(v) We will not make formal searches with local planning authorities, but shall rely on the information provided informally by the local planning authority or its officers. We recommend you instruct lawyers to confirm the position in relation to planning and that the Report is reviewed in light of advice from your solicitors in this respect.

(vi) For the avoidance of doubt, we accept no liability for any inaccuracy or omission contained in information disclosed by you or any other third party or from the Land Registry or any database to which we subscribe. We will highlight in our report where we have relied on such information.

i. Assumptions and Special Assumptions

(i) Unless otherwise agreed, our Valuation will be reported on the basis of the general assumptions attached in Appendix 3.

(i) If any Special Assumptions are made, these will be discussed and agreed with you in advance and again these will be clearly stated in the text of the valuation report.

(ii) The full extent of our due diligence enquiries and the sources of the information we rely upon for the purpose of our valuation will be clearly stated in our final Valuation Certificate and in the relevant sections of our Report. In the event that any of our assumptions are found to be incorrect, our valuations should not be used, whether for the intended information purposes or otherwise, until it has been reviewed by us in the light of that additional information. In the event that certain information is not provided, it may be necessary for us to make further assumptions.

j. Restrictions on use, distribution or publication

(i) Our report shall be confidential to, and for the use only of, the Addressee(s) and no responsibility shall be accepted to any third party for the whole or any part of its contents.

(ii) Our Report may not be discussed to any third parties without such parties signing a release letter prior to being sent our report. As detailed above, we will not be extending liability or reliance to any such party unless otherwise agreed by us.

(iii) Neither the whole nor any part of our Report or any reference to it may be included in any published document, circular or statement, nor published, reproduced, referred to or used in any way without our prior written approval (with such approval to be given or withheld at our absolute discretion.

(iv) Where any Addressee is a lender, in the event of a proposal to place the loan on the Property in a syndicate, you must notify us so that we can agree the extent of our responsibility to further named parties, if this is not done or we do not agree to be responsible to further name parties, we shall have no responsibility to any party other than the Addressee(s).

k. Confirmation that the Valuation will be undertaken in accordance with the International Valuation Standards (IVS)

(i) We confirm that out Valuation will be carried out in compliance with the IVS.

l. Description of Report

(i) As part of the Engagement, we will provide you with individual narrative reports (each a "Report") for the Properties. The Reports will be prepared in accordance with the RICS Valuation - Global Standards 2017, and will meet the requirements of VPS 3, Valuation Reports, which sets out the mandatory minimum terms of reporting and includes all the matters addressed in this confirmation of instruction letter.

(ii) The Reports will include descriptions of the subject property and location; detailed market commentary, leasing and investment comparable evidence, together with details of our investment rationale, and any other supporting exhibits containing calculations leading to our valuation conclusion.

(iii) As agreed, we will provide a full draft valuation within 5 days of receipt of all information.

m. The basis on which the fee will be calculated

(i) The agreed fee for the provision of the Valuation is £7,500 plus VAT and is payable in pounds sterling. Unless otherwise agreed in writing, all reasonable expenses incurred will be added to the agreed fee. Such expenses shall include (but not be limited to) the cost of travelling, photography, plans, artwork for preparation of Report appendices, town planning documents, copying charges, faxes, couriers and subsistence.

(ii) Our agreed fee and any expenses, together with any VAT (at the prevailing rate) on such amounts, shall become due and payable by the Borrower (BYM Horsham 3 Ltd) to us within 30 days of us issuing you with a valid VAT invoice in respect of such amounts. In the event that our fee is not paid by the date for payment we reserve the right to charge default interest at a rate of 4% above Barclays Bank base rate for payment.

(iii) In the event of our instructions being terminated at any time prior to completion of our work, a fee will become payable on a time basis (at our prevailing rates) for work carried out up to the date of termination, subject to a minimum of 50% of the agreed fee, together with all expenses incurred.

(iv) If we are asked to undertake additional work, for example provide additional scenarios, additional due diligence or re-do work because of delays, we will charge an additional fee based on an hourly charge.

(v) If we perform any additional services for you, we will agree an additional fee with you in respect of such services and such fee shall be payable in the manner set out above.

(vi) You acknowledge that you shall not be entitled to rely upon our Report until such time as our fees have been paid

(vii) Our fee account will be addressed to the Borrower (BYM Horsham 3 Ltd).

n. complaints handling procedure

(xii) Duff & Phelps, A Kroll Business operating as Kroll Advisory Ltd is registered for regulation by the RICS and a copy of our client complaints handling procedure can be made available to you on request.

o. Monitoring under RICS conduct and disciplinary regulations.

(xiii) Compliance with the standards set down in the RICS Red Book may be subject to monitoring by the RICS under its conduct and disciplinary regulations.

Valuation Approach

We will consider the following approaches when estimating Market Value: The Income Approach, the Market Approach, and the Net Underlying Assets Approach.

- Income Approach: The Income Approach is a valuation technique that provides an estimation of the Fair Market Value of a business/asset based on the cash flows that a business/asset can be expected to generate in the future. The Income Approach begins with an estimation of the annual cash flows a hypothetical buyer would expect the subject business/asset to generate over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows are then added to the present value equivalent of the residual value of the business/asset at the end of the discrete projection period to arrive at an estimate of Fair Market Value.

- Market Approach: The Market Approach is a valuation technique that provides an estimation of Fair Market Value based on market prices in actual transactions and on asking prices for businesses/assets. The valuation process is a comparison and correlation between the subject business/assets and other similar businesses/assets. Considerations such as time and condition of sale and terms of agreements are analyzed for comparable businesses/assets and are adjusted to arrive at an estimation of the Fair Market Value of the subject business/assets.

- Net Underlying Assets Approach: The Net Underlying Assets Approach indicates the Fair Market Value of the equity of a business by adjusting the asset and liability balances on the subject company's balance sheet to their Fair Market Value equivalents.

Procedures

Our analysis will be performed in accordance with the guidelines set forth by the Valuation Standards. The procedures that we will follow will likely include, but will not be limited to, the following:

- Analysis of conditions in, and the economic outlook for, the relevant industries;

- Analysis of general market data, including economic, governmental, and environmental forces;

- Discussions with Management concerning the history, current state, and expected future performance of the real estate assets;

- Valuation of the Subject Real Properties, utilising standard and accepted appraisal methodology; we anticipate that the scope of Services will include the following:

    - We will review the market by means of publications to measure current market conditions, supply and demand factors, and growth patterns to determine their effect on the Subject Real Properties;

    - We will conduct a personal site inspection of each Subject Real Property;

    - We will not be measuring the Subject Real Properties, but instead will rely on the floor areas provided.

    - We will complete the Sales Comparison Approach for vacant land parcels;

    - We will complete the Income Capitalization Approach using either a discounted cash flow methodology or direct capitalization analysis; and

    - We reconcile the value indications from the Sales Comparison and Income Capitalization approaches, where applicable, and conclude upon a point estimate.

Liability

We confirm that Duff & Phelps, A Kroll Business operating as Kroll Advisory Ltd holds Professional Indemnity Insurance in respect of the service provided, on a per claim basis, and subject to the liability cap (Paragraph 12, sub paragraph 12.2). The indemnity is for the sole use of Funding 365 Capital Limited, Funding 365 Mortgages Limited, Funding 365 Limited and West Rock Loans Limited and is confidential to it. We accept no responsibility to any other party.

For further details we refer to Paragraph 12 of our Standard Terms of Business (attached) headed "Exclusions and limitation of liability", the wording of which will apply for this instruction.

Reliance

As stated above, we accept responsibility for our Report only to the addressees and no third party may rely on our Report. We do not accept any responsibility to, and shall have no liability in respect of, any third parties unless otherwise agreed writing even if that third party pays all or part of our fees, or is permitted to see a copy of our Valuation. In addition, the benefit of our Report is personal and neither you nor any other Addressee may assign the benefit of our Report to any third party without our prior written consent (with such consent to be given or withheld at our absolute discretion). You acknowledge that if we agree to extend reliance on our Report to any third party or to the benefit of our Report being assigned, we will require the relevant third party or assignee to enter into a reliance letter before such party is entitled to rely upon our Report. We will provide you with a copy of our reliance letter on request. If we agree to any such extension or assignment, we may charge you an additional fee.

Sub-contracting

We may sub-contract the provision of any services to be performed by us pursuant to this agreement (including, without limitation, to other companies that are direct or indirect subsidiaries of Duff and Phelps) provided that we will remain responsible to you for the provision of those services and the provision of our Report. We may request that you pay any sub-contractor directly for those of our fees which relate to work carried out by the sub-contractor. In these circumstances, the fees in question are to be paid by you directly to the sub-contractor and we will be entitled to assign to the sub-contractor any rights that we have in respect of those fees.

Confidentiality

We undertake to keep in the strictest confidence all information which will be disclosed to us by yourselves, and any other confidential information which we obtain in connection with this valuation project. We shall restrict disclosure of such confidential material to our personnel directly engaged in providing this work and shall ensure that all such personnel are subject to obligations of confidentiality corresponding to those which bind us.

For the avoidance of doubt, the valuer may use such information to the extent reasonably required in providing the valuations. The valuer may disclose such information if it is required to do so by law, regulation or other competent authority.

All confidential information will be held by us in safe custody at our own risk and maintained and kept safe by us. It shall not be disposed of or used other than in accordance with your written instructions or authorisation.

We shall not make public that fact that we are acting for yourselves except with your written consent.

Data Protection

We acknowledge that some information provided to us by yourselves may constitute 'personal data' for the purposes of the Data Protection Act 1998 ('DPA'). We shall at times comply with the requirements of the DPA and at all times comply with the Client's instructions in relation to such personal data.

Acknowledgement and Acceptance

This letter and attachments constitutes our Terms of Engagement, and we trust they meet with your approval. If the scope and terms of the Engagement Letter and the attached Terms and Conditions are acceptable, please acknowledge your acceptance by signing the confirmation below and returning this Engagement Letter to us via email. Pending receipt of your written confirmation we will provide the Services on the basis that the terms of this letter and the Terms and Conditions are agreed. Please be aware that your continuing instructions in relation to this matter will amount to your acceptance of the terms of the Engagement. If there is any matter that requires clarification please do not hesitate to contact me.

Finally, many thanks for your instructions.

Yours sincerely,

By: Mark Whittingham MRICS
Managing Director
Kroll Advisory Ltd

Copy to: Mark Whittingham, Duff & Phelps

ENCs:

Appendix 1a – List of Assets and Property Companies
Appendix 1b – List of Fees
Appendix 2 – Basis of Valuation – definitions.
Appendix 3 - General Principles adopted for the preparation of Valuations and Reports.
Appendix 4 – Kroll Advisory Ltd Standard Terms of Business.

Confirmation of Terms of Engagement

Re: Engagement Letter for Valuation Services in Connection with Valuation for Financial Reporting as at 28thFebruary 2021 of the assets listed at Appendix 1a.

Having read this Engagement Letter and the attached Terms and Conditions, I acknowledge acceptance of and agree to engage Duff & Phelps in accordance with the terms and provisions of this Engagement Letter and the attached Terms and Conditions.

Moorgarth Group Limited

By: ______________________ Date: 22/3/22

APPENDIX 1a: LIST OF ASSETS AND PROPERTY COMPANIES

Asset	Property Companies
Market Place, Bolton	Moorgarth Retail Limited Central House 47 St Pauls Street Leeds West Yorkshire LS1 2TE
Waverley Mall, Edinburgh	Moolmoor (Waverley) Limited Central House 47 St Pauls Street Leeds West Yorkshire LS1 2TE
Rutherglen Exchange Shopping Centre and 21C & 222-240 Main Street, Rutherglen, South Lanarkshire, G73 2LS	Moorgarth Retail Limited Central House 47 St Pauls Street Leeds West Yorkshire LS1 2TE

APPENDIX 1a: LIST OF ASSETS AND PROPERTY COMPANIES

Asset	February 2022 - Fee	Output
Market Place, Bolton	£22,500	Short form Report
Waverley Mall, Edinburgh	£12,500	Letter confirming Fair Value
Rutherglen Exchange Shopping Centre and 210-212 & 222-240 Main Street, Rutherglen, South Lanarkshire, G73 2LS	£5,000	Letter confirming Fair Value

APPENDIX 1: BASIS OF VALUATION – DEFINITIONS

Depreciated Replacement Cost: The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Existing Use Value: 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 acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

Existing Use Value is to be used only for valuing property that is owner occupied by a business, or other entity, for inclusion in financial statements.

Fair Value: Valuations based on Fair Value will adopt one of two definitions — depending upon the purpose, namely:

The International Valuation Standard's 2013 definition: *The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties, or*

The International Financial Reporting Standard's 2013 definition: *The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.*

Gross development value (GDV) - The aggregate Market Value of the proposed development assessed on the special assumption that the development is complete as at the Valuation date in the market conditions prevailing at that date.

Investment value: Investment value is the value of an asset to the owner or prospective owner for individual investment or operational purposes.

Market Rent: *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 knowledgably, prudently and without compulsion.*

Market Value: *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 knowledgably, prudently and without compulsion.*

Discount rate: is a rate of return used to convert a future monetary sum or cash flow into present value, (IVSC).

Initial Yield or Cap Rate: is the initial immediate return of the property at the stated valuation/price based on the present income the property produces. Calculated by reference to current passing rent divided by the Gross Value before deduction of purchase costs.

APPENDIX 2 - GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

Unless otherwise agreed in writing, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.

2. That we have been supplied with all information likely to have an effect on the value of the Property, and that the information supplied to us and summarised in this Report is both complete and correct.

3. That the building has been constructed and is/are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control and any future construction or use will be lawful.

4. That the Property is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice.

5. That the building is structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair. Our inspection of the Property and our Report do not constitute a building survey or any warranty as to the state of repair of the Property.

6. That the Property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.

7. That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like. We have not carried out any investigations into these matters.

8. That the Property has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.

9. That any tenants are capable of meeting their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.

10. In the case of a Property where we have been asked to value the site under the special assumption that the Property will be developed, there are no adverse site or soil conditions, that the Property is not adversely affected by the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

11. We will not make any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the Property.

12. Our Valuation will be exclusive of VAT (if applicable).

13. No allowance will be made for any expenses of realisation.

14. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.

15. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.

16. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property in either of these scenarios.

17. No allowance will be been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it will be assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EEC legislation.

18. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Duff and Phelps subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct

APPENDIX 3: TERMS AND CONDITIONS

Duff & Phelps, A Kroll Business operating as Kroll Advisory Ltd. ("Duff & Phelps" or "we" or "us")

The following are the terms and conditions (the "Terms and Conditions") on which we will provide the Services set forth in the Engagement Letter. Together, these Terms and Conditions and the Engagement Letter are referred to as the "Contract", which forms the entire agreement between Duff & Phelps and you relating to the Services.

1 Fees

1.1 Our invoices are payable upon receipt by the Company or its solicitor, agent or representative. If we do not receive payment of any invoice within thirty (30) days of the invoice date, we shall be entitled, without prejudice to any other rights that we may have, to suspend provision of the Services until all sums due are paid in full.

1.2 If any amounts payable hereunder are not paid within thirty (30) days, such amounts shall accrue interest at a rate equal to two percent (2%) per month. In the event that we are required to initiate legal proceedings or instruct legal representatives or collection agents to collect any overdue amounts, in addition to any other rights and remedies available to us, we shall be entitled to reimbursement in full of all costs and disbursements incurred in doing so.

1.3 Where the Report is for loan security purposes and we agree to accept payment of our fee from the borrower, the fee remains due from you until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

1.4 We have no responsibility to update any Report, analysis or any other document relating to this Engagement for any events or circumstances occurring subsequent to the date of such Report, analysis or other document. Any such subsequent consultations or work shall be subject to arrangements at our then standard fees plus VAT and expenses.

1.5 Either party may request changes to the Services. We shall work with you to consider and, if appropriate, to vary any aspect of the Engagement, subject to payment of reasonable additional fees and a reasonable additional period to provide any additional or more extensive services.

2 Limitation of liability

2.1 Duff & Phelps total aggregate liability to you (or any person claiming through you) arising under or in connection with this Contract for any loss or damage suffered by you as a direct result of the breach of this Agreement or non-performance no matter how fundamental (including by reason of negligence or breach of statutory duty) in contract, tort or otherwise shall be limited in all circumstances in the aggregate to £5,000,000 in respect of the Services in accordance with the General Terms of Business. This amount is an aggregate cap on our liability to you and all addressees and relying parties together.

2.2 We shall not be liable to you whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with our provision of the Services for:

a. any loss or damage suffered by you where such damage or loss resulted from incomplete, inaccurate or erroneous information or instructions provided or made available to us by you or by any third party acting on your behalf including the provision to us of the same upon which any Special Assumptions are based; or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities; or

b. in any event, any loss of profits, account of profits, loss of revenue sale or business, loss of turnover, loss of agreements or contracts, loss of or damage to goodwill, loss or damage to reputation, loss of customers, or liability in relation to any other contract you may have entered into or any indirect or consequential loss or damage.

2.3 If you suffer loss as a direct result of our breach of contract or negligence, our liability shall be limited first to clause 12.1 above and thereafter to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party. In particular, our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement, or any other cause.

2.4 You accept and acknowledge that any legal proceedings arising from or in connection with this Contract (or any variation or addition thereto) must be commenced within one (1) year from the date when you become aware of or ought reasonably to have become aware of the facts, which give rise to our alleged liability. You also agree that no action or claims will be brought against any Duff & Phelps employees personally.

2.5 You agree to indemnify and hold harmless Duff & Phelps, its affiliates and their respective employees from and against any and all third party claims, liabilities, losses, costs, demands and reasonable expenses, including but not limited to reasonable legal fees and expenses, internal management time and administrative costs, relating to Services we render under this Contract or otherwise arising under this Contract. The foregoing indemnification obligations shall not apply in the event that a court of competent jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct or fraudulent acts of Duff & Phelps.

2.6 You accept and acknowledge that we have not made any warranties or guarantees, whether express or implied, with respect to the Services or the results that you may obtain as a result of the provision of the Services.

2.7 Except for your payment obligations, neither of us will be liable to the other for any delay or failure to fulfill obligations caused by circumstances outside our reasonable control.

2.8 This Contract constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes any prior agreements (whether written or oral) between the parties regarding the subject matter hereof. This Contract may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one and the same instrument.

2.9 This Contract shall be governed by and interpreted in accordance with the internal laws of England and Wales and the courts of England and Wales shall have exclusive jurisdiction in relation to any claim arising out of this Contract.

3 Termination

3.1 Either party may terminate this Contract in the event that the other party has breached any material provision of this contract and such breach has not been cured within ten (10) days after receipt of written notice from the then non-breaching party.

3.2 Upon termination of this Contract, each party shall, upon written request from the other, return to the other all property and documentation of the other that is in its possession, except that we shall be entitled to retain one copy of such documents in order to maintain a professional record of our involvement in the Engagement, subject to our continuing confidentiality obligations hereunder.

3.3 The provisions included within "Fees", "Preservation of Confidential Information" and "Limitation of Liability" shall survive the termination or expiration of this Contract.

4 Valuation Work Products and Report

4.1 Any advice given or Report issued by us is provided solely for your use and benefit and only in connection with the Services that are provided hereunder. Except as required by law, you shall not provide such Report to any third party, except that it may be provided to the Company's independent auditors.

4.2 Without prejudice to the foregoing:

4.2.1 you shall not refer to us either directly by name or indirectly as an independent valuation service provider (or by any other indirect reference or description), or to the Services, the Report or the Valuation, in any public filing or other document, without our prior written consent, which we may at our discretion grant, withhold, or grant subject to conditions;

4.2.2 our Report, when prepared for a tax reporting/planning purpose as stated in our Engagement Letter and/or Report, may be submitted to your tax counsel, tax advisers, and/or the tax authority if such Report submission is directly related to the stated tax reporting/planning purpose; and

4.2.3 you agree to provide us with prior notice of, and the opportunity to participate in, any discussion, negotiation or settlement with the tax authority, to the extent that such discussion, negotiation or settlement could have a material effect on us or our estimate of the Market Value. In no event, regardless of whether consent or pre-approval has been provided, shall we assume any responsibility to any third party to which any advice or Report is disclosed or otherwise made available.

4.3 It is understood and agreed that the final Report resulting from this Engagement shall remain your property. To the extent that Duff & Phelps utilises any of its property (including, without limitation, any hardware or software) in connection with this Engagement, such property shall remain the property of Duff & Phelps, and you shall not acquire any right or interest in such property or in any partially completed Report.

4.4 Similarly, our file and working papers will at all times remain our property. Unless agreed otherwise, we will retain such documents for seven years following the completion of the Engagement and will destroy them thereafter.

4.5 We shall have ownership (including, without limitation, copyright and intellectual property ownership) and all rights to use and disclose our ideas, concepts, know-how, methods, techniques, processes and skills, and adaptations thereof in conducting our business (collectively, "Know-How") regardless of whether such Know-How is incorporated in any way in the final Report.

4.6 Save as set out above or unless expressly agreed in writing, all intellectual property rights in all reports, drawings, accounts and other documentation created, prepared or produced by us in relation to the Engagement belongs to us.

4.7 Any analyses we perform should not be taken to supplant any procedures that you should undertake in your consideration of the transaction contemplated in connection with this engagement or any other past present or future transaction.

4.8 By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment.

5 Confidentiality and restrictions on use

5.1 Our Report shall be confidential to, and for the use only of Lendwell Funding 1 Limited, Novellus Limited and Washbourne Properties the Report shall not be disclosed to any third party (except as required by law or regulation).

5.2 We will keep confidential all confidential information which will be disclosed to us by you, and any other confidential information which we obtain in connection with the Valuation. We shall restrict disclosure of such confidential material to our personnel directly engaged in providing this work and shall ensure that all such personnel are subject to obligations of confidentiality corresponding to those which bind you.

5.3 For the avoidance of doubt, we may use such confidential information to the extent reasonably required in providing the Valuations. We may also disclose such information if required to do so by law, regulation or other competent authority.

5.4 Neither party will disclose to any third party without the prior written consent of the other party any confidential information which is received from the other party for the purposes of providing or receiving the Services which if disclosed in tangible form is marked confidential or if disclosed otherwise is confirmed in writing as being confidential or, if disclosed in tangible form or otherwise, is manifestly confidential. Both of us agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving the Services under this or any other contract between us.

5.5 These restrictions will not apply to any information which: (i) is or becomes generally available to the public other than as a result of a breach of an obligation by the receiving party; (ii) is acquired from a third party who owes no obligation of confidence with respect to the information; or (iii) is or has been independently developed by the recipient.

5.6 Notwithstanding the foregoing, either party will be entitled to disclose confidential information of the other (i) to our respective insurers or professional advisors, or (ii) to a third party to the extent that this is required, by any court of competent jurisdiction, or by a governmental or regulatory authority or where there is a legal right, duty or requirement to disclose, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than two (2) business days' notice in writing is first given to the other party.

6 Investment services

6.1 We are not authorised by the Financial Conduct Authority to conduct investment business and we will not offer any investment advice as part of this engagement.

7 Commissions or other benefits

7.1 Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.

8 General Data Protection Regulation

8.1 Duff & Phelps will be the processor and you will be the controller of any personal data that you may provide to Duff & Phelps in connection with the services agreed under this engagement letter. Duff & Phelps will process such personal data solely to the extent required to perform such services or as otherwise required by law or regulation. You represent that you are in compliance with any applicable data privacy regulations in connection with provision of such personal data.

8.2 We may obtain, use, process and disclose personal data about you or certain individuals in order that we may discharge the services agreed under this engagement letter, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance.

8.3 Any such individual has a right of access, under data protection legislation, to the personal data that we hold about such individual. You confirm that, where appropriate to do so, you will inform any individuals whose information has been disclosed to us and advise them to contact us if they require details of personal data relating to them held by us.

8.4 We confirm that when processing data on your or any individual's behalf we will comply with any data privacy regulations in connection with its provision of such personal data. We will not, without consent (a) process any personal data for any purpose other than the provision of the services agreed under this engagement letter; or (b) provide any personal data to any third party (other than affiliates and/or sub-contractors for the purpose of performance of the services agreed under this engagement letter), except where we are required to do so by operation of law or regulation.

8.5 Our privacy statement explaining how we process personal data can be accessed on our website at www.duffandphelps.com/privacy. A paper copy can be provided on request.

9 Help us to give you the right service

9.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know.

9.2 Duff & Phelps has formal procedures for dealing with complaints and these should be sent to the Vice President in charge of Technical and Compliance by email to london@duffandphelps.com, or by post to The Shard, 32 London Bridge Street, London SE1 9SG (Telephone 020 7089 4700). We will endeavour to deal with any complaint within ten working days of their being received, by way of rectification, apology or explanation.

10 Applicable law

10.1 This Contract is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Contract and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

11 Internet communication

11.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their dispatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

11.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

12 Contracts (Rights of Third Parties) Act 1999

12.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person, which exists or is available otherwise than pursuant to that Act.

12.2 The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

13 Money laundering

13.1 We have a duty to report to the National Crime Agency ("NCA") if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

13.2 We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In fact, we may commit the criminal offence of tipping off under the Proceeds of Crime Act if we were to inform you that a report had been made. We will not therefore enter into any correspondence or discussions with you or anyone connected with your business regarding such matters.

13.3 Electronic identity verification checks will be conducted using the services of a third party provider.

14 Other Terms and Provisions

14.1 Except for your payment obligations, neither of us will be liable to the other for any delay or failure to fulfil obligations caused by circumstances outside our reasonable control.

14.2 This Contract constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes any prior agreements (whether written or oral) between the parties regarding the subject matter hereof. This Contract may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one and the same instrument.

15 Provision of Services Regulations 2009

15.1 Information required under section 8 of the Provision of Services Regulations 2009 can be found at https://www.duffandphelps.co.uk/provision-of-services-regulation-2009.