



REPORT OF A VALUATION

of

land and premises occupied by

**SOUTHERN STONE & PAVING,
CROWD HILL
FAIR OAK
HAMPSHIRE
SO50 7HD**

made for the sole use and benefit of

NATIONAL WESTMINSTER BANK PLC

in connection with proposed secured lending

dated this 12th day of October 2001

GORDON D BIRCH, F.R.I.C.S.

CHARTERED SURVEYOR

GORDON BIRCH ASSOCIATES

35 CHESSEL AVENUE

SOUTHAMPTON

HAMPSHIRE

SO19 4DY

TEL: [REDACTED]

FAX: (023) 8044 9003

35 Chessel Avenue
Bitterne
Southampton
SO19 4DY

Telephone:
[REDACTED]

Facsimile:
(023) 8044 9003

E-mail:
[REDACTED]

Website:
www.gordonbirch.co.uk

1.0 **INSTRUCTIONS**

- 1.1 The premises are valued in accordance with the instructions received from Mrs Annie Cains, National Westminster Bank Plc by fax on 30 August 2001, confirmed in writing shortly thereafter.
- 1.2 We understand that we are required to provide a valuation of the freehold interest of the property for Bank security purposes in connection with proposed lending to Mr Ian George Cole, trading as Southern Stone & Paving.
- 1.3 We confirm that we have had no previous instructions in respect of this property or any previous instructions from the customer and, therefore, consider there is no conflict of interest.
- 1.4 This report is prepared in accordance with the Terms and Conditions contained in Appendix 1.

2.0 **LOCATION**

- 2.1 The property occupies a prominent position to the west of Crowd Hill, Fair Oak. The approximate location of the premises is shown on Plans 1 and 2, annexed hereto.
- 2.2 Fair Oak is a medium sized village on the B3037 linking Botley to Winchester. The road is heavily used by commuter traffic.
- 2.3 Fair Oak provides a shopping centre catering adequately for day-to-day needs. The City of Winchester is about 6 miles distant. The former railway town of Eastleigh is about 4 miles. The City of Southampton is about 8 miles.

- 2.4 The property occupies a semi-rural position adjoining a large garden centre and in addition to the garden centre the surrounding users include a market garden nursery, public house and 2 restaurants, both of which are run by national operators.

3.0 **DESCRIPTION**

- 3.1 The property comprises a site, roughly rectangular in shape which, in addition taking frontage from Crowd Hill, takes a flank frontage to the privately maintained metalled access road to the adjoining garden centre.
- 3.2 The level of the site at its frontage with Crowd Hill is significantly above road level. It is contained by an earth revetment. It is enclosed by security fencing and, in addition to the office building described hereafter, is used for the open storage of landscape gardening materials. Parts of the site are also used (in the occupation of others) for the display of sectional buildings and garden sheds and a small unit that is occupied by a tent manufacturer.

To the east of the site is an area of hardstanding, which is used on an informal basis for customer parking.

4.0 **THE SITE**

- 4.1 The site has a width of about 193 ft 3 ins and an average depth in the order of 176 ft 6 ins. The site area is about .78 acres. The site is laid principally to rolled gravel and paving affording access to the various display areas. The permanent office building (which has been the subject of an extension) measures externally 15 ft x 32 ft 10 ins.

5.0 **RATING AND COUNCIL TAX ASSESSMENTS**

- 5.1 We have made verbal enquires of the Rating Authority and were informed that the property is assessed to rates as follows:

Rateable Value: £13,500.00

Total Annual Charge: £5,805.00

6.0 **CONDITION**

- 6.0 During the course of our inspection we formed the impression that the permanent buildings on the site are adequately maintained as is the perimeter fencing.

7.0 **CONTAMINATION**

- 7.0 We have not undertaken any environmental audit nor any site or soil tests and are, therefore, unable to give warranties in this respect.

- 7.1 There was nothing evident from our inspection of the subject premises to indicate that possible contamination existed.

8.0 **SERVICES**

- 8.1 Main water, drainage and electricity are connected to the property.

9.0 **PLANNING AND HIGHWAYS**

- 9.1 Verbal enquiry of the local planning authority reveals that the site is regarded as an integral part of the garden centre from a planning viewpoint. It would appear therefore that the owner is entitled to conduct a retail business encompassing all the items normally sold from such premises. Non planning related restrictions are referred to later in this report.

10.0 **TENURE**

- 10.1 We understand the site to be of freehold interest and our valuation is made assuming this to be so.
- 10.2 We understand that the instructing client occupies on licence, which commenced 9 years ago, and reserved for termination of the arrangement by service of 6 months notice by either party.
- 10.3 Southern Stone & Paving pay a license fee of £12,085.00 per annum. The company, however, recovers £7,356.00 per annum from the licensee occupying for the display of conservatories and sectional buildings. A similar amount is paid to the existing freeholder. The tent manufacturer pays a license fee of £2,100.00 per annum. The effective total rental income to the freeholder, therefore, amounts to £21,721.00 per annum.
- 10.4 We have not had sight of the title deeds nor have we carried out a Local or Land Registry search. In arriving at our valuation we have assumed a good unencumbered freehold interest with no onerous encumbrances, restrictions, easements, wayleaves, etc.

11 **THE BUSINESS**

- 11.1 The two principal businesses carried on from the site are complementary to, and undoubtedly benefit from, the adjoining garden centre use. It is understood that the licensee is prohibited from selling certain items of garden equipment, which will conflict with the adjoining owners (currently the freeholders of the subject site). The mortgagees' legal representative should ascertain that the user clause in the license or that to be incorporated in the conveyance do not impose a more restricted product range on the licensees.

- 11.2 At the time of our inspection, Southern Stone & Paving appeared to be well run and trading profitably but we emphasise that we have not had sight of business accounts.

12 **GENERAL REMARKS AND ADVICE ON VALUE**

- 12.1 Taking all factors into consideration, we value the freehold interest in the site in the sum of £250,000.00. We make the following comment:-

- (a) This is our opinion as to the Open Market Value and Estimated Realisation Price. In arriving at this figure we have assumed an appropriate marketing period of up to 9 months in which to achieve an unconditional exchange of contracts.
- (b) The above figure assumes that Southern Stone & Paving continue as an operational trading entity with a business open and trading.
- (c) Our opinion assumes that the site will be sold with complete vacant possession.
- (d) The solicitors acting for the mortgagee that no undue restriction is placed on the mortgagor in respect of the range of products to be sold.
- (e) No account has been taken of stock.

- 12.2 We believe that a good demand would exist if the property were offered for sale in the open market at the present time. While open storage sites are fairly readily available, those which incorporate a retail permission (albeit restricted to the type of goods which can be sold) are more difficult to obtain.

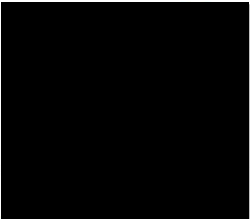
12.3 Having regard to the various provisos and assumptions set out in this Report, we are of the opinion that the property represents suitable security for Bank lending purposes.

13 **INSURANCE REINSTATEMENT FIGURE**

13.1 The need to insure (in the case of the instructing client) is restricted to the office building. We would advise that we consider an appropriate insurance figure to be in the sum of £15,000.00.

14 **CONFIDENTIALITY**

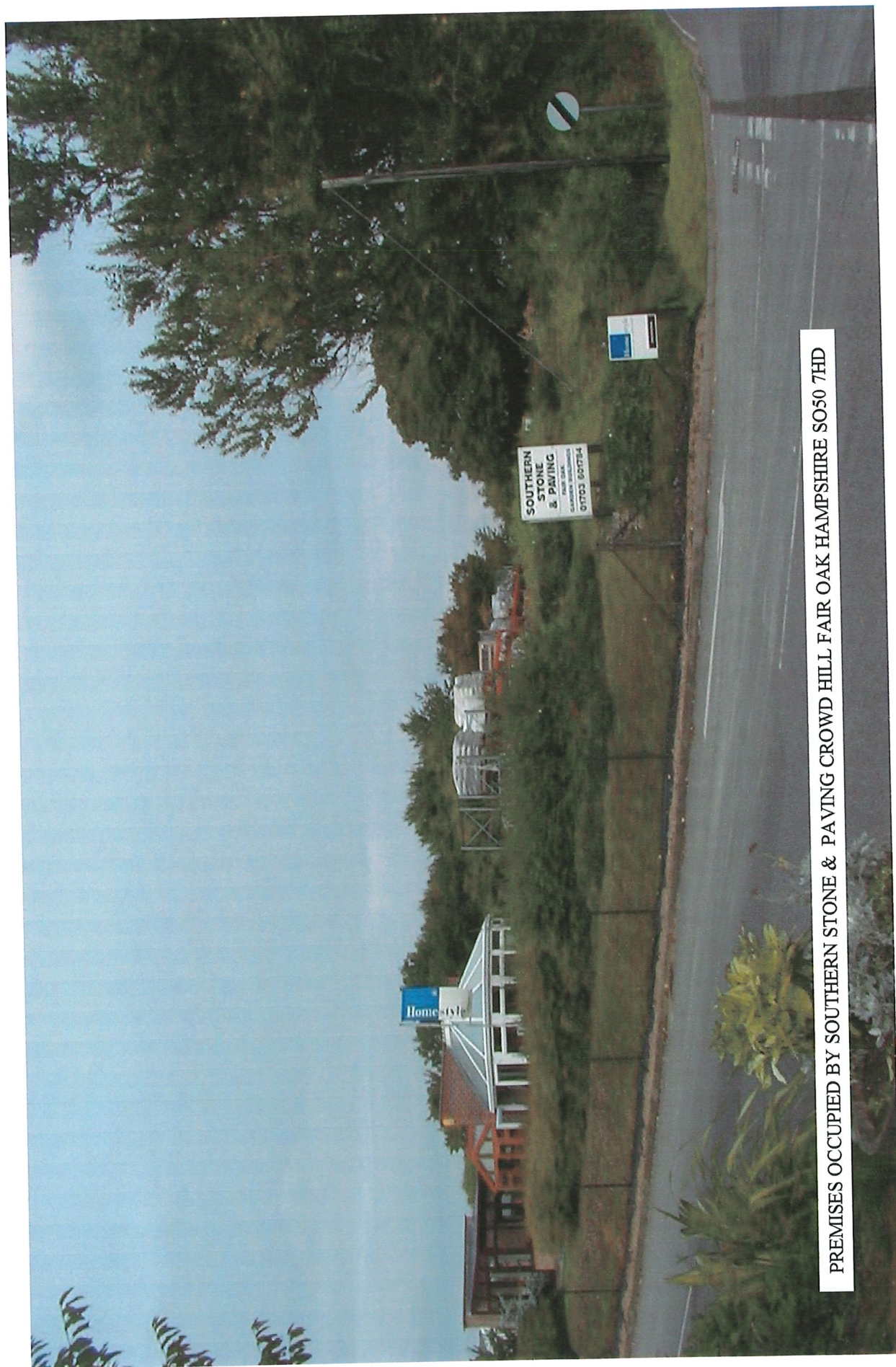
14.1 This report is strictly confidential to National Westminster Bank Plc and has been prepared for bank security purposes only. We understand that a copy of the report will be made available to the bank's customer, Southern Stone & Paving, for general information only. The report should not be disclosed to any other person or persons nor used for any other purpose without prior written approval. Gordon Birch Associates accepts no responsibility to any party other than National Westminster Bank Plc.



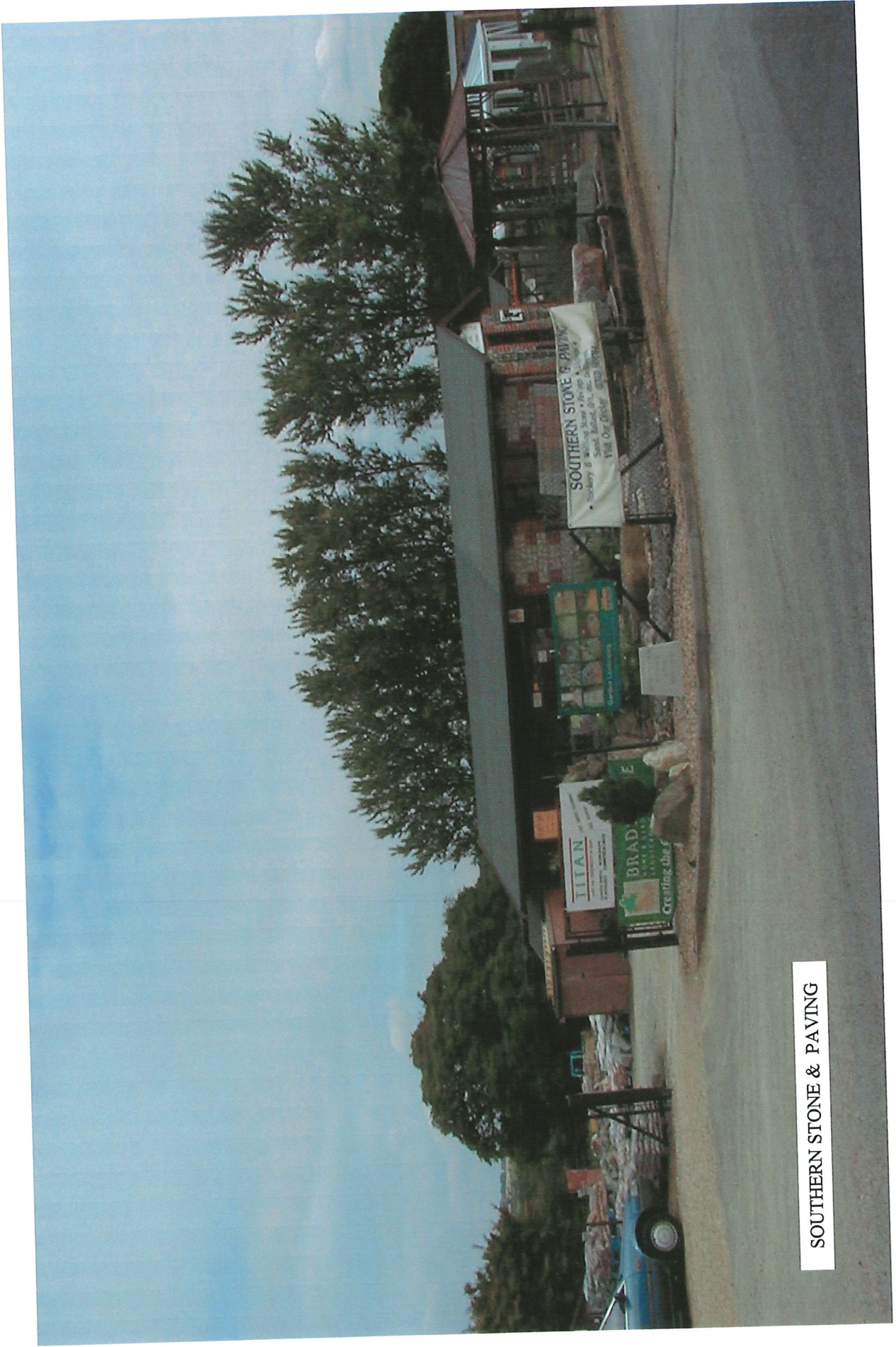
**GORDON D BIRCH FRICS
CHARTERED SURVEYOR**

DATED this 12th day of October 2001

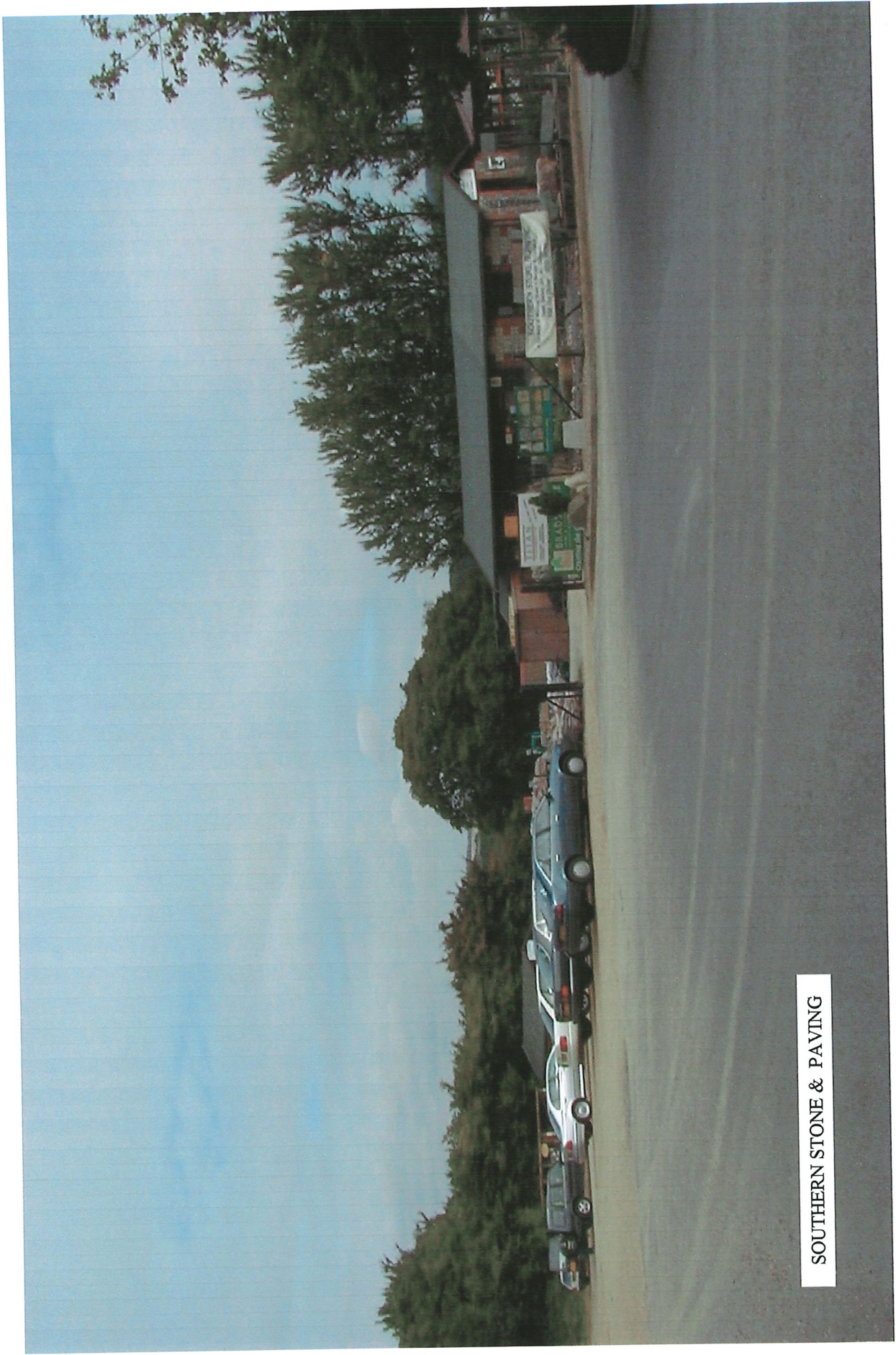
Gordon Birch Associates
35 Chessel Avenue
SOUTHAMPTON
Hampshire
SO19 4DY
Tel: [REDACTED]
Fax: (023) 8044 9003



PREMISES OCCUPIED BY SOUTHERN STONE & PAVING CROWD HILL FAIR OAK HAMPSHIRE SO50 7HD



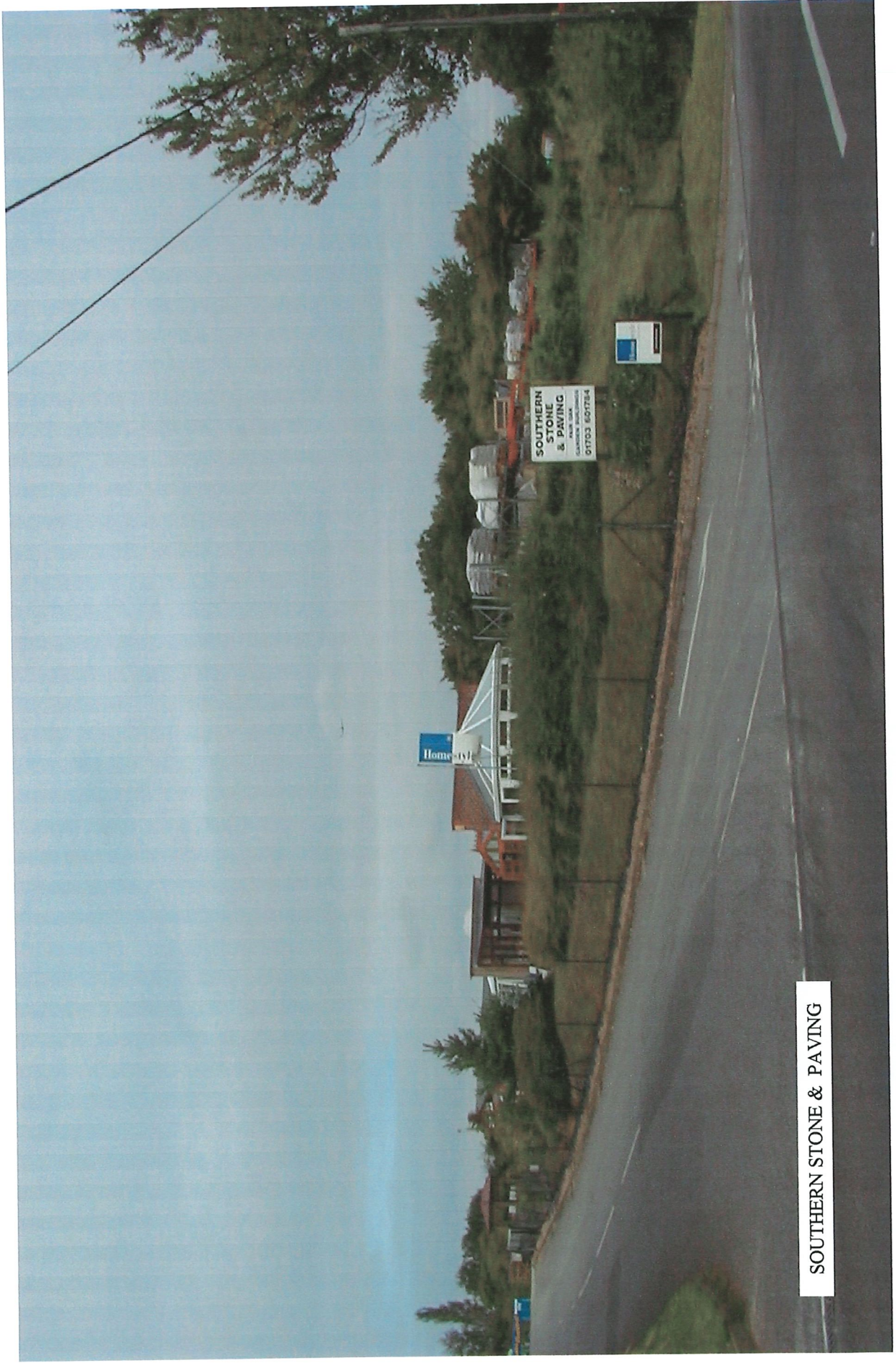
SOUTHERN STONE & PAVING



SOUTHERN STONE & PAVING



SOUTHERN STONE & PAVING



SOUTHERN STONE & PAVING



SOUTHERN STONE & PAVING

Appendix 1

- a. Unless otherwise stated, the premises have been inspected internally. The report is limited to such parts of the structure as could be inspected and woodwork or other parts of the structure which were covered, unexposed, or inaccessible were not inspected and it is, therefore, impossible to report that any such part of the property is free from defect.
- b. The report is confidential to the Client for the specific purpose to which it refers. It may be discovered to other professional advisers assisting the Client in respect of that purpose, but neither the whole, nor any part of the Report of Valuation certificate or any reference thereto may be included in any published document, circular or statement, nor published in any way without the Valuer's written approval of the form and context in which it may appear.
- c. This report is for the use and benefit of the addressee only and no responsibility can be accepted toward third parties.
- d. We have replied upon information provided by the Clients or its legal or other professional advisers relating to the tenure, tenancies and other relevant matters. We reserve the right to reconsider the valuation figures in the event of any inconsistencies or discrepancies which arise.
- e. We have not arranged for any inspection to be carried out to determine whether or not high alumina cement, concrete or calcium chloride additive or any other deleterious material has been used in the construction of the property and we are, therefore, unable to report that the property is free from risk in this respect. For the purposes of this valuation we have assumed that such investigation would not disclose the presence of any such material in any adverse requirement.
- f. Unless otherwise expressly stated we have assumed that the property is unaffected by any statutory notices the property nor its use or intended use give rise to a contravention of any statutory requirements.
- g. We have not arranged for any inspection to be carried out to determine whether or not blue asbestos or any other toxic substance or material has been used in the construction of the property and we are therefore unable to report that the property is free from such substance or material. For the purposes of this valuation we have assumed that such investigation would not disclose the presence of any such material in any adverse circumstances.
- h. The valuation will not become valid until the valuation fee has been paid in full.
- i. Open Market Valuation is the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming (a) a willing seller; (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms for the completion of the sale; (c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation; (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.