

VALUATION REPORT

For Private Purposes

SUBJECT OF VALUATION: Ardnamurchan Lighthouse Buildings, Kilchoan,
Acharacle, Ardnamurchan, PH36 4LN

PREPARED FOR: Ardnamurchan Lighthouse Trust

CLIENT: Ardnamurchan Lighthouse Trust

ALLIED SURVEYORS SCOTLAND PLC
Commerical House
20 High Street
Fort William
PH33 6AT
Tel: 0141 337 7575
Fax: 0141 337 3007
E Mail: wesley.weld-moore@alliedsurveyorsscotland.com

Date: 18th April 2018

Ref: FW0547

CONTENTS

EXECUTIVE SUMMARY

1. Instructions
2. The Premises (Subjects of Valuation)
3. Local Authority and Statutory Issues
4. Tenure
5. Additional Comments and Recommendations
6. Valuation
7. Suitability as Security
8. Signature and Date of Report
9. Terms of Engagement and Valuation Assumptions
10. Basis/Bases of Valuation

Appendices

Appendix I	Photographs/Digital Images
Appendix II	Location Plan/Ordnance Survey Extract Plan
Appendix III	Copy of Instruction Letter
Appendix IV	Contamination/Environmental Observation Checklist
Appendix V	Schedules of Dilapidations

EXECUTIVE SUMMARY

- Address:** Ardnamurchan Lighthouse Buildings and Cafe, Ardnamurchan Point, Kilchoan, Acharacle, PH36 4LN
- Postcode:** PH36 4LN
- Type of security:** Heritable interest held on lease by client.
- Location:** The property is situated at the most westerly point on the British mainland on the Ardnamurchan Peninsula with the nearest the village being Kilchoan about 6 miles distant.
- Description** The property consists of a two semi-detached single storey residential dwellings set within the walled area of the lighthouse. Outside this walled area is a single story detached unit used for exhibit purposes and a cafe/shop (known as the Stable block cafe and manager's office) further down from the lighthouse and Exhibition unit.
- Construction type** **Residential Dwellings (known as Keepers Cottage East and Keepers Cottage West):**
The main outer walls to the original building are of solid stone construction. Externally throughout the walls are pointed and internally lined in either plaster or plasterboard.
- The roofs to each dwelling are flat, have parapet walls and clad in what appears to be a specific paint or bituminous like material. It could be possible that the structure of the roof is of pre-cast concrete on timber or metal supports but only a full visual inspection can only confirm this.
- The Exhibition Unit/Former Engine Room**
This property appears to be of solid brick construction and is externally rendered and is internally plastered.
- The roof appears to be of a concrete or similar construction type with areas of bituminous and mineral felt cladding. The pitch of the roof is flat to very low pitch in design and possibly framed in timber.
- The Stable Block cafe and Manager's office**

The main outer walls are of solid stone construction and externally harled. The toilets and office are internally lined in plasterboard with the shop and cafe areas lined in the original stone structure.

The roof of this building is timber framed, pitched in design and clad in slate.

Age

All the buildings will likely pre-date 1900, with the exception of the Exhibition unit which is understood to have been constructed in the 1950's.

Planning Use

The subjects in accordance with the Town and Country Planning Act (Scotland) 1997, will cover a range of uses. Class 9 is residential use; Class 10 is non-residential use and covers such things as museums; Class 1 Shops, Class 3 Food and Drink and Class 4 business use (i.e. office use etc).

We have no knowledge that the property is used for other alternative purposes.

Floor Area

Keepers Cottages East and West

The gross internal floor area of Keepers Cottage East is measured to be approximately 86 square metres (925 square feet) and that of Keepers Cottage West measured at approximately 79 square metres (850 square feet).

Exhibition Unit-

This facility is measured to be approximately 180 square metres (1937 square feet).

Stable Block Cafe and Manager's office-

This is measured to be approximately 83 square metres (893 square feet)

Tenure

Following the abolition of the Feudal Tenure etc (Scotland) Act 2000 we have assumed the properties are held on Absolute or Scottish ownership.

The lighthouse trust leases the buildings from Highland Council.

Important issues

The following items should be investigated by the client's legal adviser.

1. Confirmation of a clear title should be obtained

2. Confirmation that there are no outstanding statutory notices
3. Confirmation that all appropriate local authority documentation is in place with regard to the current use of the property.

Market Factors

Valuation Date

The Valuation Date is the date of this report based on our inspection of the property on 23rd March 2018.

Security

Subject to the comments and assumptions contained within this report we consider that the given the mixed uses of the heritable interest with outright ownership the security would be variable with the best security attached to the Cottages.

The market for The Exhibition unit/former Engine Room and Stable block cafe and Manager's Office will have a more limited market. Therefore the security is considered less attractive for security for the purposes of a normal commercial loan or mortgage.

ENTIRE REPORT

This 'Executive Summary' should not be considered other than as part of the entire report and its appendices.

Ref:

4th April 2018

**Ardnamurchan Lighthouse,
Ardnamurchan Point,
Kilchoan,
Acharacle,
PH36 4LN.**

Dear Sirs

Client: Ardnamurchan Lighthouse Trust
Property: Ardnamurchan Lighthouse Buildings, Kilchoan, Acharacle, PH36 4LN

1. INSTRUCTIONS

This report has been prepared following written instructions dated 10th March 2018 and has been carried out by Wesley Weld-Moore, Bsc MLE, MRICS an External Valuer who is an RICS Registered Valuer and meets the requirements of the Red Book with regard to 'Qualifications of the Valuer', 'Knowledge and Skills' and 'Independence and Objectivity'.

We confirm that the Valuation has been prepared in accordance with the appropriate sections of the Valuation Practice Statements as contained within the RICS Valuation – Professional Standards (“the Red Book”) together with the Terms of Engagement and Valuation Assumptions, as issued by Allied Surveyors Scotland PLC, which are detailed herein at Section 9.

On the basis of your instructions we have provided herein a Valuation Report of the property for Private Purposes. In accordance with the definitions as contained in Section 10, we have been requested to provide our opinion of:

Market Value

The valuation advice is provided as at 23rd March 2018 based on an inspection undertaken on 23rd March 2018.

2. THE PREMISES (SUBJECT OF THE VALUATION)

2.1 LOCATION

The subjects are situated at the most western point on the British mainland on the Ardnamurchan Peninsula. Facilities nearby are few, with the nearest major towns being Tobermory via the Kilchoan-Tobermory ferry link, and Fort William which is approximately 60 miles distant via the Ardour to Corran Ferry service. The nearest village is Kilchoan which has a shop, church, primary school and a surgery.

The attached Ordnance Survey Extract Plan and Photographs should supplement the above information.

2.2 DESCRIPTION

The properties comprise two semi-detached houses contained within the walled enclosure of the lighthouse enclosure, another building used as an exhibit and the Stable block cafe and manager's office both of which are detached units. All buildings are situated in close proximity along the same road leading up to the lighthouse enclosure.

2.3 ACCOMMODATION

2.3.1 Keepers Cottage East: Hall, Kitchen, Bathroom, Lounge, 2 Bedrooms, Outbuilding.

2.3.2 Keepers Cottage West: Hall, Kitchen, Bathroom, Lounge, 2 Bedrooms, Outbuilding.

2.3.3 The Exhibition and former Engine Room Block: Porch, Hall, 5 Exhibit Rooms, separate entrances for a storage room and the former Engine Room.

2.3.4 Former Stable Block Cafe and Managers Office: Office, Toilets, Shop and Cafe

All buildings are single storey.

2.4 FLOOR AREA

We calculate the gross internal floor area of each of the buildings in accordance with the RICS Code of Measuring Practice (6th Edition) as follows:

The Exhibition and Engine Room Block is measured to be approximately 180 sq m (1937 sq ft) and the Stable Block Cafe and Managers Office measured to be approximately 83 sq m (893 sq ft).

The gross internal floor area of each of the semi-detached residential dwellings known as Keepers Cottage East and Keepers Cottage West are measured to be 86 sq m (925 sq ft) and 79 sq m (850 sq ft) respectively.

We can confirm the above floor areas are derived from measurements taken on site.

2.5 SITE

Attached hereto at Appendix II is an Ordnance Survey Extract Plan delineating the property as we understand it. The boundaries are assumed to be as generally indicated on site, although no checks have been made in this connection and they should be verified from the title deeds.

2.6 CONSTRUCTION

2.6.1 Keepers Cottage East and Keepers Cottage West

The main outer walls to the original building are of solid stone construction, externally pointed and internally lined in either plaster, plasterboard or in lath plaster.

The roofs to each are flat, have parapet walls and clad in what appears to be a specific paint or bituminous like material. It could be possible that the structure of the roof is of pre-cast concrete on timber or metal supports, but only a full visual inspection can confirm this.

2.6.2 The Exhibition and Engine Room Block

This property appears to be is of solid brick construction and is externally rendered and internally plastered.

The roof appears to be of a concrete or similar construction type with areas of bituminous and mineral felt cladding. The pitch of the roof is flat to very low pitch in design and is possibly framed in timber.

2.6.3 The Stable Block Cafe and Manager's Office

The main outer walls are of solid stone construction and externally harled. The toilets and office are internally lined in plasterboard with the shop and cafe areas lined in the original stone structure.

The roof is of this building is timber framed, pitched in design and clad in slate.

2.7 SERVICES

All properties as described in this report are understood to be connected to the mains water, electricity and drainage systems.

We would stress that no specific tests have been carried out on any of the service installations for the purpose of this report and therefore no guarantee can be given that they function satisfactorily.

2.8 GENERAL STATE OF REPAIR

We have inspected the property for the purposes of providing advice as to its current Market Value and a detailed surface examination of the fabric has been undertaken.

We have provided a schedule of condition for each of the buildings attributed to this report which can be found in appendix 5 however, a brief summary of the condition of the properties is provided below.

With the exception of the former Stable Block Cafe and Managers Office, each building was found to be generally in a poor state of repair, the main cause of such disrepair being dampness. It should also be understood that water ingress is very often the main cause of damp leading to other defects and during the inspection there was evidence that this was the case. Damp staining was seen on both ceilings and walls of the buildings.

Externally much of the defects were as a result of weathering over time. Areas of weathered/eroded pointing work are present between the stonework of the cottages and stable block. Also areas of delaminated (Boss) rendering is present to the walls of The Exhibition and Former Engine Room.

Items of external joinery (i.e. doors and window frames) are weathered with areas areas of decay. It should also be mentioned that the rainwater fittings (i.e. the gutters and downpipes) require replacement or an overhaul.

A remit is also to provide to you costs for undertaking repair works to the properties. It should be understood that building repair costs can be variable because different tradesmen can quote different prices for the same proposed works. In order to progress this further it would be advised to consult a timber and damp specialist to undertake a further inspection and provide costs for the works as outlined in this report.

2.9 ECONOMIC LIFE

In their present condition it is estimated the properties have a functional and economic life up to 75 years providing that the essential items of repair are attended to within the immediate future and, thereafter, structured and ongoing maintenance works are implemented.

2.10 MARRIAGE/SPECIAL PURCHASER VALUE

As far as we are aware, there is no marriage or special purchaser value attributable to the property now or likely to arise in the near future and no allowance has been made for such enhancement in value.



ALLIED
SCOTLAND
Chartered Surveyors

Property Address: Ardnamurchan Lighthouse Buildings and Cafe, Ardnamurchan.

3. LOCAL AUTHORITY AND STATUTORY ISSUES

Local Authority: The Highland Council

3.1 RATING ASSESSMENT

The Scottish Assessors Association website (for which we can accept no responsibility for accuracy) indicates that the information centre (which we have assumed to be the Stable block judging by the dimensions indicated on their website) is included in the current Valuation Roll with a Rateable Value of £6,000 effective from the 1st April 2017.

The Uniform Business Rate for the year 2018/19 is £0.48
According to the Scottish Assessors Association website (for which we can accept no responsibility for accuracy) the Cottages indicate a C council tax banding.

3.2 TOWN PLANNING

The subjects comprise two semi-detached cottages, a detached information centre and engine room or exhibition unit and a detached former stable block used as a shop/cafe and an office. It is assumed the exhibition unit benefits from Class 10 Use (Non-Residential Institutions i.e. museums etc), the former stable block Class 3 (Food and Drink consumed on the premises) and Classes 4 (Office use). Class 9 (Residential) will likely be attributed to each of the semi-detached cottages.

The above uses are covered by the various Use Consents as defined within the current Schedule to the Town & Country Planning Acts (Use Classes) (Scotland) Order. It is assumed there are no adverse conditions attached to such consent. This should be verified by the client's legal adviser.

In arriving at our valuation advice it has been assumed that each and every building enjoyed permanent planning consent for its existing use or enjoys, or will be entitled to enjoy the benefit of a Certificate of Lawful Use or Development Certificate under the Town & Country Planning Acts.

3.3 DEVELOPMENT/CHANGE OF USE

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

3.4 HIGHWAYS AND RIGHTS OF ACCESS

We have assumed that unclassified public road running in parallel to the properties has been adopted by the Local Authority and is maintainable at public expense but this should be verified by the client's legal adviser.

3.5 LICENSES

Not applicable.

3.6 FIRE REGULATIONS

Under current legislation Fire Authorities no longer issue Fire Certificates and those previously in force now have no legal status. A Fire Risk Assessment must be undertaken by a suitably qualified person and must now be produced having regard to the way the premises are used and, thus, this is not something that runs with a property or is transferred to a new occupier.

The client is advised to obtain a Fire Risk Safety Assessment which should be kept under review.

3.7 HEALTH AND SAFETY

All occupiers should be aware that Health and Safety requirements differ greatly according to how the premises are used. We have not made enquiries to ascertain the appropriateness of the premises for their current use or to confirm compliance with all regulations and further advices should be obtained by the client prior to entering into a commitment to purchase.

3.8 CONTROL OF ASBESTOS

These Regulations require every 'duty holder' of non-domestic premises to assess whether asbestos is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A 'duty holder' is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises.

For the purposes of this report and the advice contained herein we have assumed that such an assessment in terms of the Regulations will not reveal any immediate expenditure or aspects which pose a significant risk to health or breach the Health and Safety Regulations, albeit should this not be the case we would wish to be advised immediately as this may influence our opinion of the property, particularly as to Market Value.

3.9 EQUALITY ACT

This Act requires that certain buildings must be adapted to accommodate persons with disabilities. Its purpose is to make it unlawful to discriminate against disabled persons in employment or in the provision of goods, facilities and services. It will be the responsibility of the owner/tenant to make all reasonable steps to prevent a physical feature placing a disabled person at a substantial disadvantage in comparison to those who are not disabled.

Within the limitations of our inspection/expertise it was noted that some adaptations/alterations may be required to the property to be fully compliant with the terms of this legislation. An example would be a wheelchair ramp at the door leading to the shop and the possible widening of the doorway leading into the storage unit and toilet facilities.

3.10 MORTGAGE REGULATION

Lenders are required to ensure the mortgage contract will be regulated if more than 40% of the land to be given as security is (or should be) in residential use.

We would draw to your attention that part of the property is to be regarded as 'residential available for the sole use of the applicant personally' but we consider this portion extends to less than 40% of the floor area of the security and therefore we would not consider any mortgage contract need be 'regulated'.

3.11 CONTAMINATION

As stated in the Terms of Engagement and Valuation Assumptions (Section 9) Allied Surveyors Scotland PLC is not qualified to undertake scientific investigations of sites, buildings or neighbouring premises to establish the existence or otherwise of any environmental contamination or other issues, nor do we undertake searches of Public Archives to seek evidence of past activities which might identify the potential for contamination. Accordingly, we do not provide formal environmental assessment of this property and any investigations into environmental matters and issues should be commissioned from a suitably qualified and insured Environmental Specialist.

Subject to the above while undertaking our valuation inspection we have not been made aware of any issues conducted at the subject property nor did our inspection reveal any visible signs of contamination or environmental issues affecting the property or neighbouring properties which would adversely affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use this might reduce the values now reported;

3.12 FLOODING

We have not made specific enquiries but we are not aware that the property has been identified by the Scottish Environment Protection Agency as being one where there is an increased risk of flooding, such as on a floodplain.

To the best of our knowledge, recent flooding affecting the property has not occurred.

3.13 RADON

Areas of Scotland have been identified by the Health Protection Agency as being at risk of radon gas which can prove to be a health hazard. This is a naturally occurring radioactive emission. It is beyond the scope of our inspection to determine whether radon gas is present or not. Accordingly, we would recommend that the client investigates this matter as a condition/prior to entering into any commitment to purchase or lease the property. Further

details/information can be obtained from the Health Protection Agency or National Radiological Protection Board.

For the purposes of this report and our valuation advice we have assumed that if any remedial works are required in this regard they will not be significant as to affect the value of the property but we reserve the right to review our advice once further investigations in this regard are undertaken.

3.14 COAL MINING

To the best of our knowledge the property is not located in a coal mining area.

3.15 ENERGY PERFORMANCE CERTIFICATE

In line with the EU Energy Performance of Buildings Directive (EPBD), the Government is seeking to improve environmental efficiency of all buildings. Most residential, public and commercial buildings that are sold or let are now required to have an EPC.

Under the Climate Change (Scotland) Act 2009 and most recently The Assessment of Energy Performance of Non Domestic Buildings (Scotland) Regulations 2016, the Government intends to enforce Energy Improvement Works on occupiers as detailed within the Energy Performance Certificate and within a predetermined Compliance Period. These most recent Regulations relate only to buildings over 1,000 sq m and come into force on 1st September 2016. However, it's expected that further Regulations will be published shortly on buildings under this threshold.

Within our valuation we have applied what we consider are appropriate capital values based on the age and nature of the building having regard to current market conditions. The market is now starting to consider the cost of upgrading buildings in light of these Regulations, although it remains unclear exactly how it's impacting on the value of buildings. We expect that non-compliant buildings will experience downward movement in value in line with the cost of upgrading works once purchasers become more aware of this forthcoming requirement.

4. TENURE

We have not been provided with any title documents and have assumed for the purposes of this valuation that the property has a good and marketable title and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing.

All aspects of title should be checked by the client's legal representatives prior to exchange of contract and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

4.1 TENANCIES

It is understood the subjects are leased by Ardnamurchan Lighthouse Trust from The Highland Council.

4.2 LEASE COMMENTS

We have not been provided with details of the lease. However it is understood that Ardnamurchan Lighthouse Trust are purchasing the property from The Highland Council at vacant possession value. Therefore any lease is immaterial in this case.

5. ADDITIONAL COMMENTS AND RECOMMENDATIONS

5.1 MARKET CONDITIONS, ANALYSIS & METHODOLOGY

The subjects are situated at the Westernmost point on the British Mainland on the Ardnamurchan Peninsula within a rural community of the Kilchoan district.

The subjects are comprised of both residential and non-residential elements and therefore if they were to be sold on the open market, each of these elements would likely be disposed of separately.

Each of the semi-detached dwellings would likely attract a reasonable interest from private parties for use as homes, holiday homes or for letting purposes, most likely use as holiday lets.

The Exhibition unit and former stable block and office are likely have more limited marketing potential. Interest is likely to be limited to such organisations as Community Trusts, Conservation Charities (e.g. RSPB, National Trust etc)

In undertaking our analysis of values we took into consideration local market conditions and the condition of each of the buildings. However, one should bear in mind the anticipated cost in upgrading/renovating the buildings is likely to be high.

6. VALUATION

6.1 VALUATION FIGURES

The valuation advice provided below is subject to all comments and assumptions made within this report and its appendices.

Market Value

We are of the opinion that the heritable interest in the property comprising Ferry House, Ferry Stores with associated buildings including the storage unit and petrol kiosk and situated in the village of Kilchoan, in their present condition and with the benefit of vacant possession have a Market Value in the sum of **£275,000 (Two Hundred and Seventy Five Thousand Pounds)**.

Separately we would value each of the cottages at a figure fairly stated at **£110,000 (One Hundred and Ten Thousand Pounds)** the Former Engine Room and Exhibition Unit at **£30,000 (Thirty Thousand Pounds)** and the former stable block at a figure fairly stated at **£25,000 (Twenty Five Thousand Pounds)**.

It should be pointed out however that given the condition of the property it would be prudent to make a full and final offer subject to a timber specialists report. Should it be proven that the extent of the timber defects and dampness is greater than that detected in our inspection then we reserve the right to alter our opinion of the market values of the properties.

Estimated Reinstatement Cost for Insurance Purposes

As a guide, we would recommend that heritable interest be insured on a reinstatement basis for a minimum of **£1,000,000 (One Million Pounds)**. For the avoidance of doubt this figure is for all the buildings that make up the property as described in this report.

The client should confirm with their Insurer that the property can be reasonably insured in their current state against all usual risks and at acceptable premiums.

6.2 CURRENCY ADOPTED

Currency adopted: - All amounts expressing value are quoted in pounds sterling (£).

6.3 VALUATION DATE

Unless stated to the contrary, our valuation advice has been assessed as at the date of our report based on our inspection of the property on Friday 23rd March 2018.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

7. SUITABILITY AS A SECURITY

While we have not been provided with specific details regarding a loan facility being contemplated subject to the comments and assumptions contained within this report we consider that the heritable interest with outright ownership in this property provides mixed security for the purposes of a normal commercial loan.

On the presumption the essential items of repair are attended to in the immediate future and thereafter that the property is maintained to a suitable standard the future performance/value of the premises should be sustained during the period of a loan.

A copy of this Valuation Report should be reviewed by the bank's legal adviser prior to any commitment to a loan contract and they should be requested to inform us if they are aware of any aspects which are different or in variance to that which we have set out within the main body of this report; in such a case the matter should be referred back to the Valuer in order to provide us with the opportunity to reappraise/reconsider our opinion of value.

8. SIGNATURE AND DATE OF REPORT

The property was inspected 23rd December 2018 by Wesley Weld-Moore BSc, MLE, MRICS and the report prepared by Wesley Weld-Moore BSc, MLE, MRICS, an External Valuer, who has the relevant experience and knowledge of valuing this type of property.

We confirm that neither the firm nor the Valuer has any conflict of interest in this matter.

The undersigned has not previously had any professional involvement in connection with the property.

Signed.....
Wesley Weld-Moore BSc, MLE, MRICS

For and on behalf of



ALLIED SURVEYORS SCOTLAND PLC

**Herbert House
30 Herbert Street
Glasgow
G20 6NB**

Tel: 0141 337 7575

Fax: 0141 337 3007

E Mail: wesley.weld-moore@alliedsurveyorsscotland.com

Date of Report: **18th April 2018**, which is the Valuation Date unless stated otherwise.

9. TERMS OF ENGAGEMENT AND VALUATION ASSUMPTIONS

Set out below are the terms of engagement and assumptions upon which our valuations and reports are prepared, unless otherwise referred to, and which form an integral part of our valuation report and apply to the valuation(s) which are the subject of this instruction. In reporting the valuation we will meet the relevant requirements of the RICS Valuation – Professional Standards and shall make certain assumptions in relation to facts and other matters which we shall not verify and in the event that any of these assumptions prove to be incorrect then our valuation(s) may require to be reappraised/reviewed.

9.1 VALUATION ADVICE/BASIS/BASES OF VALUATION

The purpose of the valuation shall be as agreed between the client/client's representatives and the valuer. The basis/bases of valuation will be set out in the Letter of Engagement and are more particularly defined within Appendix III of our valuation report.

Unless otherwise agreed the basis/bases of valuation to be provided will be as prescribed by the RICS Valuation – Professional Standards

The basis/bases of valuation where a number of properties form part of the subject of valuation the properties will be valued individually and any overall valuation figure provided assumes the aggregate of the parts forming the whole. It is further assumed that should the need for a disposal arise the individual properties would be marketed in an orderly manner.

All amounts expressing value are quoted in pounds sterling (£).

9.2 SCOPE OF INSPECTION

Our inspection of the property is for valuation purposes only and, accordingly, no detailed examination of the fabric will be undertaken. Our valuation will take account of the general condition of the property as observed from the valuation inspection which shall generally comprise a visual inspection of the exterior and interior of the property, such as can be undertaken from standing at ground level within the boundaries of the site and adjacent/public communal areas and which is readily accessible with safety and without undue difficulty. We will not carry out a building survey of the property nor will we inspect woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are, therefore, unable to report that any such parts of the property are free from defect. Our report does not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. We will make an assumption that the property is free from any rot, infestation, adverse toxic chemical treatments and design or structural defects other than those which may be mentioned in our valuation report.

No ground, geological or other site investigations will be undertaken. We will make the assumption that the load bearing qualities of the site are satisfactory and capable of coping with the buildings erected thereon or, indeed, any buildings to be constructed thereon. Further we will assume that it is not land-filled ground, there are no abnormal ground conditions, archaeological remains or any other factors which may adversely affect the occupation, development or value of the property.

We will inspect the property and will either take appropriate measurements, will calculate floor areas from plans provided by the client/the customer or will apply floor areas in certain circumstances as provided by the client/the customer. All areas will be in accordance with the current Code of Measuring Practice as prepared by the RICS, albeit in the event that floor areas are provided to us we shall assume that they have been calculated in accordance with the current Code of Measuring Practice.

A site plan will be provided and the boundaries will be assumed to be as generally indicated on site, although no checks will be made in this connection and the site area(s) are subject to verification from the title deeds.

We will not arrange for investigations to be made to determine whether any deleterious materials, such as high alumina cement concrete, calcium chloride additive, woodwool slabs or any other deleterious materials have been used or since incorporated into the structures and, accordingly, we will not be able to confirm that the property is free from any risks in this regard. For the purposes of our valuation(s) we will make an assumption that any such investigations would not reveal the presence of such materials.

No specific tests will be carried out on any of the service installations for the purposes of the report and valuation(s) and, therefore, no guarantee can be given that they function satisfactorily. We will make the assumption that all services, including gas, water, electricity and drainage are provided and are functioning satisfactorily. Further, we have made the assumption that there are no services on or crossing the site in a position which would inhibit development or make it unduly expensive.

No allowance will be made for any items of plant or machinery which do not form part of the service installations of the property. Our valuation(s) will include all items which are in the nature of "landlords fixtures" but will specifically exclude all items of plant, machinery, equipment and the likes wholly or primarily installed in connection with the occupants business, such as furniture, equipment, stock or other business assets. In respect of properties in the course of development or requiring refurbishment unless otherwise referred to in the Valuation Report we have relied upon all information relating to construction, associated costs and the likes in respect of both the work completed and the work necessary for completion together with a completion date as advised by the owner/the client or their professional advisers. In addition, our valuation of the completed building has been based on an assumption that all works of construction have been completed satisfactorily in accordance with the specifications provided to us and in full compliance with all Local Authority Regulations. It has also been assumed that a Duty of Care and all appropriate Warranties will be available from the professional advisers, the contractors and will be assignable to all third parties.

No account will be taken in our valuation(s) of any business goodwill that may arise from the present occupation of the property unless otherwise instructed.

9.3 PLANNING

We have not made any formal searches or enquiries in respect of the property and are, therefore, unable to accept any responsibility in this connection and would recommend that this is further investigated the client's Legal Advisers by way of formal Property Enquiry Certificates.

Most Planning Authorities will not provide verbal information and as such require a formal written application for information which in most cases will involve a charge. Unless instructed otherwise we will not undertake any formal written application for information.

We will make reasonable efforts to obtain verbal/online information from Officers within the Town Planning Division of the relevant Local Authority but it must be noted that any information supplied to us on this basis cannot be relied upon as it is the view of the individual Officer and not that of the Council and is supplied to us on that understanding. We have, however, assumed that a full planning history and further formal enquiries will be conducted by the client's Legal Advisers.

We have assumed that the property has been constructed and is being used in full compliance with all valid Town Planning and Building Regulation approvals and that the property is fully compliant with all relevant statutory requirements. Similarly, we have also made the assumption that the property is not subject to any outstanding Statutory Notices.

If we are instructed to value a property with the benefit of a recently granted planning consent or on the special assumption that planning consent is to be granted we will make an assumption that it will not be challenged under judicial review.

9.4 STATUTORY MATTERS

No allowance has been made for any obligations or liabilities whether prospective or accrued under the Defective Premises Act 1972.

Unless advised to the contrary we will assume

- (i) In terms of the Control of Asbestos at Work Regulations we will assume that there is a duty holder as defined therein and that a Register of Asbestos and Effective Management Plan is in place which does not require any immediate expenditure or pose a significant risk to health or breach the HSE Regulations. We recommend that such enquiry be undertaken by the client's Legal Adviser as a condition of any offer/loan funding.
- (ii) That the property has the benefit of a current Fire Risk Assessment compliant with all requirements of the current Fire Regulations.
- (iii) That an appropriate Access Audit is in place and that all necessary works have been implemented and that the premises are fully compliant with the terms of the Equality Act and preceding legislation.
- (iv) That an EPC has been provided compliant with existing legislation.

9.5 ENVIRONMENTAL MATTERS

We shall make verbal enquiries only in relation to environmental matters, including contamination and flooding.

Allied Surveyors Scotland PLC or any qualified employee, director or otherwise providing advice as to valuation are not qualified to undertake scientific investigations of sites, buildings or neighbouring premises to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify the potential for contamination. Accordingly, we shall not provide a formal Environmental Assessment of these property.

We will not carry out an inspection for the purpose of identifying Japanese Knotweed, Giant Hogweed or any other particularly prevalent invasive species of vegetation. Unless otherwise stated, our valuation advice will assume that there is no harmful/invasive vegetation within the property or any neighbouring properties.

If our enquiries lead us to believe that the property/properties are unaffected by contamination or other environmental problems and unless instructed otherwise our valuation will be based on the assumption that no contamination or other adverse environmental matters exist in relation to the property which would adversely affect the valuation(s). It must, however, be appreciated that in certain circumstances we may issue a valuation report on the special assumption that the property is not affected by any environmental matters and while this is a departure from the requirements of the RICS in these circumstances the valuation report will include a recommendation that further investigations should be undertaken to identify any environmental matters and quantify the costs and that once such reports and estimates are available our valuation(s) should be reviewed.

There are instances whereby depending on the nature of our enquiries/investigations our valuation report may include a statement that a prudent purchaser may undertake further investigations and in the event that these reveal contamination or other environmental issues then this might reduce the value(s) reported.

Where our enquiries lead us to believe that the property is unaffected by contamination or any other environmental problems unless instructed by you otherwise our valuation will be based on the assumption that no contamination or other adverse environmental matters exist in relation to the property in a manner sufficient to affect value.

9.6 TENURE, TITLE AND/OR TENANCIES

Unless otherwise stated we have not inspected the title deeds, leases and related legal documents and unless otherwise disclosed to us we have made the assumption that the titles are good and marketable and are free from any rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoing. We shall also make the assumption that the property is free from mortgages, charges or other encumbrances.

If a solicitors report on title has been provided to us our valuation advice will have regard to the matters therein and shall rely wholly on the information provided by this third party without liability.

Similarly, if a solicitors report on the leases/tenancies has been provided to us our valuation(s) will have regard to the matters therein and shall rely on the information provided by the third party without liability. In the event that no such documentation is supplied in relation to the leases/tenancies our valuation(s) will be based on the assumption that no questions of doubt arise as to the interpretation of the provisions within the leases.

9.7 LEGAL MATTERS

Interpretation of matters relating to title and leases may have a significant bearing on the value of an interest in property. Any interpretation of legal documents and legal assumptions or opinions thereon as stated within the report are subject to verification by the client with a suitably qualified solicitor if they are to be relied upon. We accept no responsibility or liability for the true interpretation of the legal position of the client or other parties in respect of the valuation.

9.8 INFORMATION

In preparing our valuation we have based our opinion on information supplied to us by the client/customer and its advisers and have made the assumption that this is both full and correct and have relied upon this without liability to ourselves; we have only attempted to obtain verification where there appears to be a risk of doubt. All information supplied to us by the client/customer or other connected parties if to be relied upon should be verified through formal legal enquiries.

9.9 TAXATION

When preparing our valuation advice no allowance has been made to reflect any liability for taxation which may arise on disposal, nor for any costs associated with disposal incurred by the owner. In addition, no allowance will be made to reflect any liability to repay any grants or similar government funding or taxation allowance that may arise on disposal.

We are not aware if VAT is chargeable on a disposal and for the purpose of this report we have assumed that this aspect would not affect our advice.

9.10 ESTIMATED REINSTATEMENT COST FOR INSURANCE PURPOSES

If requested we provide an estimate as to the reinstatement cost for insurance purposes but will not carry out a reinstatement cost assessment through our Buildings Department. The assessment advice should be treated as a guide only and should not be relied upon. Indeed, if an accurate figure is required a formal Reinstatement Cost Assessment should be commissioned from a suitably qualified Surveyor.

Our estimated reinstatement cost for insurance purposes will be our assessment of the cost of reconstructing the property at the date of valuation. It will include an allowance for demolition, site clearance and an estimate as to professional fees which are likely to be incurred but will exclude any allowance for VAT. The figure will make no allowance for loss of rent, the cost of alternative accommodation or the cost of dealing with any contamination which may be present and have to be dealt with as part of the rebuild

We will assume that the building, its use and design will be similar to that as existing but that the reconstructed building will not necessarily use the same materials or techniques as the original structure.

We will assume that the property can be reasonably insured in their current state against all usual risks and at acceptable premiums.

9.11 PUBLICATION STATEMENT

The Valuation Report will be provided for the stated purpose(s) and for the sole use of the named client and its professional advisers. It will be confidential to the client and the client's professional advisers/representatives. The valuer accepts a responsibility to the client alone that the Valuation Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the Valuation Report nor any reference thereto may be included in any published document, circular or statement, nor published in any way without the prior written approval of the valuer as to the form and context in which it may appear.

9.12 COMPLAINTS/MONITORING

Allied Surveyors Scotland PLC has a Complaints Handling Procedure, a copy of which may be obtained by contacting Allied Surveyors Scotland PLC, Herbert House, 24 Herbert Street, Glasgow G20 6NB.

The valuation report may be subject to monitoring by the RICS under its conduct and disciplinary regulations.

9.13 LIMITATIONS

We will not be responsible or accept liability for any consequential loss as a result of our valuation. We will only be responsible for such sum which it would be just and equitable for us as surveyors to pay having regard to the extent of our responsibility and the involvement of other parties. We acknowledge that you will rely upon our findings but we urge you to seek expert advice on areas outside our expertise, these areas are detailed within the terms provided.

10. BASIS/BASES OF VALUATION

This valuation has been prepared in accordance with written instructions, as agreed, and the RICS Valuation – Professional Standards

10.1 DEFINITIONS:

10.1.1 MARKET VALUE is defined as:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

If in preparing our valuation on the basis of the Market Value it is necessary for us to make a "Special Assumption" a Special Assumption is referred to as an "assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date."

10.1.2 MARKET RENT is defined as:

The estimated amount for which an interest in real property should be leased [let] on the valuation date between a willing lessor and a willing lessee on appropriate lease terms, in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

10.1.3 INVESTMENT VALUE is defined as:

The value of an asset to the owner or a prospective owner for individual investment or operational Objectives (Also known as Worth)

10.1.4 FAIR VALUE 1 is defined 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

10.1.5 FAIR VALUE 2 is defined as:

The estimated price for the transfer of an asset or liability between identified, knowledgeable and willing parties that reflects the respective interests of these parties.

APPENDIX II

Location Plan/Ordnance Survey Extract Plan

INSERT LOCATION PLAN

INSERT OS PLAN

APPENDIX III

Copy of Instruction Letter

(Additional pages to be added to suit)

APPENDIX IV

CONTAMINATION/ENVIRONMENTAL OBSERVATION CHECKLIST

NB This checklist is intended to provide basic information to help a third party Environmental Surveyor carry out an initial desktop appraisal and to recommend whether further investigations or tests should be undertaken. It does not constitute any form of Environment Report in itself and it should not be relied upon to draw conclusions in respect of freedom from contamination. Should such a desktop appraisal or further investigations indicate any contamination is significant, the value of the property will be likely to be seriously affected.

a. Was the building constructed before 1999?

No
If 'Yes', further comment:

b. Were you informed that there is an Asbestos Survey report?

No
If 'Yes', further comment:

c. If 'yes' to the question above, is there an Asbestos Management Plan?

N/A
If 'Yes', further comment:

d. Are there Petroleum or fuel tanks?

Yes
If 'Yes', further comment: A tank situated adjacent to the Petrol Kiosk.

e. Are there other chemical tanks or containers?

No
If 'Yes', further comment:

f. Is there oil or chemical staining?

No
If 'Yes', further comment: Evidence of oil staining close to the petrol and diesel pumps.

g. Is vehicle maintenance or refuelling undertaken on site or adjacent?

No
If 'Yes', further comment: Refuelling undertaken at petrol and diesel pumps.

h. Is there a watercourse on site or within 50m?

Yes
If 'Yes', further comment:

i. Is there significant litter or evidence of fly tipping on site?

No
If 'Yes', further comment:

j. Is there evidence of land filling on site or adjacent?

No
If 'Yes', further comment:

k. Is the waste on site poorly managed or is there evidence of abuse?

No
If 'Yes', further comment:

l. Is there, readily apparent, evidence of uses or adverse ground conditions in adjoining properties which may give rise to land contamination or otherwise significantly impact on the value of the property?

No
If 'Yes', further comment:

m. To your knowledge, are there any environmental issues relating to previous activities on this or adjacent sites?

No
If 'Yes', further comment:

n. Have you been informed as to existence of any environmental issues relating to the site?

No
If 'Yes', further comment:



ALLIED
SCOTLAND
Chartered Surveyors

Property Address: Ardnamurchan Lighthouse Buildings and Cafe, Ardnamutchan.
