THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This Document comprises a prospectus relating to One Heritage Group plc (the "**Company**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA.

This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. Applications have been made to the FCA for all of the ordinary shares in the Company whether issued or to be issued pursuant to the Subscription (as defined in paragraph 3.1.1 on page 8) (the "**Ordinary Shares**") to be admitted to the Official List of the FCA (the "**Official List**") (by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time (the "**Listing Rules**")) and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**").

This Document has been approved by the FCA as the competent authority under Regulation (EU) 2017/1129. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Document. Such approval should not be considered as an endorsement of the issuer that is the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities.

It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 23 December 2020. Dealings in Ordinary Shares before Admission will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS DOCUMENT.

The Company and the Directors, whose names appear on page 24 accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

One Heritage Group plc

(Incorporated on 21 July 2020 and registered in England and Wales under the Companies Act 2006 with registration number 12757649)

ONE HERITAGE
• GROUP PLC •

Subscription for 9,300,000 New Ordinary Shares of 1p each at 10p per New Ordinary Share

Admission of 30,000,000 Ordinary Shares of 10p each to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities.

Financial Adviser

Hybridan LLP

Hybridan LLP ("**Hybridan**"), which is authorised and regulated by the FCA in the conduct of investment business, is acting exclusively for the Company and for no-one else in connection with the Subscription and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Hybridan or for providing advice in relation to the contents of this Document or any matter referred to in it. Hybridan is not making any representation, express or implied, as to the contents of this Document, for which the Company and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by Hybridan for the accuracy of any information or opinions contained in this Document or for any omission of information, for which the Company and the Directors are solely responsible.

The information contained in this Document has been prepared solely for the purpose of the Subscription and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. The New Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank pari passu in all other respects with all other Ordinary Shares in issue on Admission. This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

*None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.*

CONTENTS

SUMMARY

1. Introduction, containing warnings

This summary should be read as an introduction to the prospectus issued by One Heritage Group plc (the "**Company**") on 18 December 2020 ("**Prospectus**") and any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities to be admitted to trading on the regulated market of the London Stock Exchange plc ("**London Stock Exchange**") for officially listed securities ("**Main Market**") ("**Admission**") are ordinary shares of 1p each in the capital of the Company (ISIN: GB00BLF79495) ("**Ordinary Shares**").

The Company can be contacted by writing to the company secretary, Shaun Zulafqar, at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR or by calling, within business hours, 020 7264 4444. The Legal Entity Identity number ("**LEI**") for the Company is 2138008ZZUCCE4UZHY23. The Prospectus was approved on 18 December 2020 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN ("**FCA**"). Contact information relating to the FCA can be found at https://www.fca.org.uk/contact.

2. Key information on the issuer

2.1 *Who is the issuer of securities?*

The Company was incorporated with limited liability under the laws of England and Wales on 21 July 2020 with registered number 12757649 as a public company limited by shares under the Companies Act 2006 (the "**Act**") and regulations made thereunder. It is domiciled in the United Kingdom and is subject to The City Code on Takeovers and Mergers ("**City Code**"). The Company's LEI is 2138008ZZUCCE4UZHY23.

2.1.1 *Principal Activities*

The Group undertakes development and re-development of new and existing buildings ("**Development Activities**") to create Self-contained residential apartments, and the refurbishment of existing residential properties ("**Refurbishment Activities**") to create Co-living accommodation. The Group will act as its own principal or as a development manager on behalf of third-party investors for both Development Activities and Refurbishment Activities. The Group also undertakes letting and property and facilities management ("**L&PFM**") services for these products. All Group activities are undertaken solely in the UK.

Developed or refurbished properties owned by the Group will then be sold or retained. Co-living properties will be sold on the open market primarily to investors through the Group's marketing network in Hong Kong. Schemes of Self-contained apartments will be sold to investors through the Group's marketing network in Hong Kong or through a forward sale agreement to institutional investors.

(i) Business strategy and execution

The Group will undertake its principal activities by deploying a design approach and L&PFM service levels that are attractive to younger socially mobile professionals and those seeking more flexible living arrangements. The Directors consider that the product range of Self-contained apartments and Co-living accommodation, allied with high quality L&PFM services, will provide a broad appeal to this demographic group.

The initial geographical focus of the Group's principal activities will be primarily high demand areas in the North West of England. This demand will be underpinned by strong economic and employment growth in Manchester, which is forecast to be one of the UK's strongest performing cities over the next few years according to Ernst & Young LLP's Regional Economic Forecast. Data from the Office of National Statistics, predicts that the growth in the number of households in Greater Manchester between 2020 and 2038 will be 10.4 per cent. compared to 7.4 per cent. over the previous 10 years. This increased demand is twinned with structural undersupply of housing which, over the last 10 years, has shown that the number of net new dwellings is 15 per cent. less than the growth in households with the Greater Manchester Economic Forecasting Model showing an increase in employment of 10.7 per cent. over the same period.

The Group will focus on edge of city centre locations where there are good transport links or where there is a major local employer to underpin demand allowing a high-quality housing product to be delivered at a competitive price point.

Over the next three years, the Company intends to expand its activities to other locations throughout the UK that demonstrate similar characteristics to those currently identified in the North West of England, such as in Yorkshire and the East and West Midlands.

The Group will be involved in the full life-cycle of a property development, which includes:

- the acquisition of land or existing property;
- obtaining any required revisions to existing planning permission;
- undertaking development or refurbishment to deliver a high-quality living space;
- disposal of developed or refurbished property to investors; and

- provision of L&PFM services to those investors and to other owners of Self-contained apartments or Co-living accommodation.

The Group employs experienced development and letting professionals, and where appropriate supplements this experience with external providers in order to deliver the Group's Principal Activities. The structure of the business and its principal activities are intended to establish an alignment of interest with the Company's stakeholders that will ultimately drive a growing, stable income for shareholders.

Where the Group undertakes development or refurbishment on its own account, income will be derived from:

- profit made on the disposal of completed properties; and
- management fees from the provision of L&PFM services to investors who acquire the properties.

Where development and refurbishment works are carried out on behalf of third-party investors, additional income will be derived from:

- initial fees for sourcing and structuring land and property acquisitions;
- development and refurbishment management fees during the period of building works; and
- a profit share on disposal of the completed properties.

The expectation is that the Group will leverage its marketing network in Hong Kong to pre-sell a significant number of units. This will de-risk the exit and improve the ability of the Group to secure debt finance where this is considered beneficial in improving risk-adjusted returns. The Directors believe that this strategy will enable the Group to establish a strong market position, and with its in-house capabilities, to generate new business opportunities. The Directors are focused on establishing the Group as a recognised provider of innovative and high-quality residential developments in the UK and to increase shareholder value (measured in terms of profitability, dividend income or increased share price), in the medium to long term.

2.1.2 *Major Shareholders*

The following persons, directly or indirectly, have an interest in the Company's capital or voting rights, which is notifiable under English Law:

Name	*No. of Existing Ordinary Shares*	*Per cent. of Existing Ordinary Shares (%)*	*Number of Ordinary Shares on Admission including Subscription Shares*	*Per cent. of Enlarged Share Capital (%)*
One Heritage Property Development Limited*	20,700,000	100	20,700,000	69
Jason David Upton	–	–	1,000,000	3.33

*Yiu Tak (Peter) Cheung has an indirect interest in the Company through his 38.33 per cent. shareholding in One Heritage Holding Group Limited, which owns 100 per cent. of the Company's parent company, One Heritage Property Development Limited.

2.1.3 *Key Managing Directors*

The Company's board of directors ("**Board**") is comprised of David Stewart Izett, Jeffrey Ian Pym, Jason David Upton, and Yiu Tak (Peter) Cheung ("**Directors**" and each a "**Director**").

David Stewart Izett is the Non-Executive Chairman and is a fellow of The Royal Institution of Chartered Surveyors with more than 40 years' experience of the real estate industry both in the UK and internationally. Jeffrey Ian Pym is a Non-Executive Director who will chair the Audit and Risk Committee being a qualified Chartered Accountant and highly experienced Chief Financial Officer with over 25 years' experience of the real estate industry. Both have experience of working in companies that have been listed on the London Stock Exchange. Jason David Upton is the Chief Executive Officer and Yiu Tak (Peter) Cheung is the Chief Investment Officer, both of whom are the founders of the Group's business in the UK, with Yiu Tak (Peter) Cheung being a founder of One Heritage in Hong Kong and a significant shareholder in the Company.

The Executive Management Team also includes Peter Childs who leads the Group's lettings business, and has over 30 years of experience in the real estate industry; Martin Crews, who is Development Director, with over 10 years of experience in property development; and Markus Luke Piggin, who is a qualified Chartered Accountant, a CFA Charterholder and is the Group's Finance Director. Markus Luke Piggin has previous listed company experience in a senior finance role.

2.1.4 *Statutory Auditors*

The Company has engaged Haysmacintyre LLP as its statutory auditors.

2.2 ***What is the key financial information regarding the issuer?***

The Company has not yet commenced operations, but the One Heritage Property Development (UK) Limited and its subsidiaries ("**Trading Group**") that the Company owns has been trading since its incorporation on 7 May 2019. The tables below set out selected key financial information for the Company from incorporation on 21 July 2020 to 31 July 2020 and the Trading Group for the period indicated from incorporation of the company on 7 May 2019 to 31 March 2020. The proforma information sets out the position of the consolidated position of the Company and the Trading Group (the "**Enlarged Group**") as if the transactions discussed after 31 March 2020 occurred on that date.

2.2.1 *Summary statement of financial position of the Company*

	2020
	£
Assets	
Current assets	
Cash and Cash equivalent	1
Net assets	1
Equity and liabilities	
Capital and reserves attributable to the shareholders of the company	
Share capital	1
Total Equity	1
Current liabilities	
Trade and other payables	–
Total liabilities	–
Total equity and liabilities	1

2.2.2 *Statement of cash flows for the period of incorporation to 31 July 2020*

	2020
	£
Cash flows from operating activities	–
Cash flows from investing activities	–
Cash flows from financing activities	1
Net increase in cash and cash equivalents	1

2.2.3 *Statement of changes in equity for the period from incorporation to 31 July 2020*

	Share Capital	*Retained Earnings*	*Total*
	£	*£*	*£*
Balance at 21 July 2020	–	–	–
Issue of share capital	1	–	1
Loss for the year	–	–	–
Balance at 31 August 2020	1	–	1

2.2.4 *Summary statement of financial position of Trading Group as at 31 March 2020*

	Reviewed as at 31 March 2020
	£
Total assets	17,465,370
Total equity	(203,436)

2.2.5 *Summary income statements of Trading Group*

	Reviewed period ended 31 March 2020
	£
Revenue	234,323
Operating loss	(170,905)
Net loss	(203,536)
Loss per share	(2,035.36)

2.2.6 *Summary cash flow statements of Trading Group*

	Reviewed period ended 31 March 2020 £
Cash used in operating activities	(15,348,968)
Cash inflows from financing activities	17,125,417
Net cash increase	692,306

2.2.7 Unaudited pro forma financial consolidated net asset statement and profit and loss account for Enlarged Group

	One Heritage Property Development (UK) Limited net assets at 31 March 2020	*1**	*2***	*3****	*4*****	*Pro forma net assets of the Group at 31 March 2020*
Assets						
Non-current assets						
Property, plant and equipment	172,869	–	–	–	–	172,869
Investment properties	771,979	(771,979)	–	–	–	–
Investments	257,112	–	–	–	–	257,112
Total non-current assets	1,201,960	(771,979)	–	–	–	429,981
Current assets						
Inventory	14,192,522	(12,172,482)	1,246,250	–	–	3,266,290
Trade and other receivables	1,378,582	–	–	–	–	1,378,582
Cash and cash equivalents	692,306	(82,837)	–	–	623,750	1,233,219
Total current assets	16,263,410	(12,255,319)	1,246,250	–-	623,750	5,878,091
Total assets	17,465,370	(13,027,298)	1,246,250	–	623,750	6,308,072
Liabilities						
Current liabilities						
Trade and other payables	(12,023,425)	9,027,298	(1,246,250)	2,749,900	–	(1,492,477)
Non-current liabilities	(5,645,381)	4,000,000	–	–	–	(1,645,381)
Total liabilities	(17,668,806)	13,027,298	(1,246,250)	2,749,900	–	(3,137,858)
Net assets	(203,436)	–	–	2,749,900	623,750	3,170,214
Equity	(203,436)	–	–	2,749,900	623,750	3,170,214
Net asset per share						10.57p
Revenue	234,323	(234,323)	–	–	–	–
Cost of sales	(170,905)	170,905	–	–	–	–
Gross profit	63,418	(63,418)	–	–	–	–-
Administrative expenses	(262,442)	4,988	–	–	–	(257,454)
Operating profit/(loss)	(199,024)	(58,430)	–	–	–	(257,454)
Interest payable	(4,512)	–	–	–	–	(4,512)
Profit/(loss) before tax	(203,536)	(58,430)	–	–	–	(261,966)
Income tax expense	–	–	–	–	–	–
Profit/(Loss) for the financial year	(203,536)	(58,430)	–	–	–	(261,966)

* Transfer out of One Heritage Tower Limited and Harley Street Developments Limited into One Heritage Property Management Limited, a subsidiary of One Heritage Property Development Limited. Consideration was the net asset value of the entities as at 31 August 2020.

** Acquisitions: Acquisition of Generation 100 Limited for £1.2 million plus acquisition costs, The sole asset in this entity Chester Road, Manchester development, and a £30,000 deposit paid on the land at Church Gate, Leicester.

*** Conversion of Shareholder Loan between One Heritage Property Development (UK) Limited and One Heritage Property Development Limited to equity in One Heritage Property Development (UK) Limited.

**** The expected net proceeds of the capital raise, which is the amount after capital raise costs.

Note: The Trading Group above show the balance sheet as at 31 March 2020.

2.2.4 *Qualifications to audit report*

Not applicable. There are no qualifications in the accountant's report relating to the historical financial information.

2.3 ***What are the key risks that are specific to the issuer?***

The Company is newly formed, and its subsidiaries have limited operating history. The Company was incorporated in July 2020, and its subsidiaries have been incorporated in the last 18 months. The Group currently owns three residential development sites, with only one currently under construction, one development site on which contracts for purchase have been exchanged and the letting management business. The Group will be undertaking development management for two additional sites, by way of a development management agreement. Construction on these sites has yet to commence. It is therefore not currently possible to fully evaluate the Group's ability to successfully develop property for profit in the UK.

There is no assurance that the Group will complete land and build development opportunities ("Development" and together "Developments") in a timely manner or at all. The time taken to complete Developments is dependent on a number of external factors and failure to complete Developments in a timely manner or, at all, may reduce the level of return on such Developments and the Group may even incur a loss.

The Group will initially be exposed to a small number of Developments. The Group has acquired three sites that it intends to develop. With such a small number of Developments, any adverse financial performance of one or more of those projects may have a material impact on the financial performance and prospects of the Group.

The Group may face significant competition for Developments. A number of these competitors may possess greater technical, financial, human, and other resources than the Group. The Group cannot assure investors that it will be successful against such competition.

Evaluation of the financial returns from Developments requires the application of subjective assessment. The Group will apply a number of assumptions in evaluating the potential return from any Developments. The Group will seek appropriate professional advice in formulating such assumptions, but such assumptions may not necessarily involve a subjective assessment of future unknown events, such as the demand for and value of the completed Developments. The actual returns achieved may not be the same as those that were anticipated, which may reduce the returns made by the Group and may result in a loss.

Any costs associated with potential Developments that do not proceed to completion will affect the Group's performance. The Group expects to incur costs in sourcing and evaluating the financial prospects of potential Developments, not all of which will proceed to completion. Whilst the Group will seek to minimise such costs, it can give no assurance as to the ongoing level of such costs or the number of Developments that do not reach completion. The greater the number of Developments that do not reach completion the greater the likely impact on the financial performance and business prospects of the Group.

The Group will have insufficient working capital to complete the existing developments if it cannot raise construction finance. The timelines set out in the prospectus for projects assume that the Group can procure standard construction finance to complete projects. Construction finance has not been secured at the time of the prospectus. If construction finance is not available to the Group, then working capital will be insufficient to complete the developments in the timelines set out and therefore return expectations will be lower. The ability to achieve returns on Developments may be enhanced by the use of development finance. The availability and terms on which such debt finance can be arranged will depend on the debt finance market and prevailing interest rates in the wider economy, as well as views from lenders as to the viability of the Developments and of the Group. Accordingly, there is no certainty that the Group will be able to secure debt finance on acceptable terms, if at all.

The Group's borrowings may result in a loss if the Group were to default on the terms of a loan. The incurrence by the Group of substantial indebtedness in connection with Developments could result in loss arising from foreclosure on the Group's assets, accelerated or immediate repayment of debt and any accrued interest and the inability of the Group to obtain additional debt finance.

The use of borrowing may expose the Group to interest rate risks and refinance risks. The Group anticipates incurring debt with fixed interest rates and fixed repayment dates. If Developments are not completed by the repayment date of the debt facility, the Group may have to repay such debt from cash reserves or refinance such debt on the terms available in the market at such time. Accordingly, there is no certainty that the terms of any refinance will be the same as those of the original facility, if refinance is available at all, and may result in increased costs, which may adversely affect the returns on a given development and may lead to a loss.

The Group's performance will depend on the performance of the residential property market. The Group has identified a business strategy based on the development and sale of residential property. The performance of the residential property market is dependent on demand by new and existing homeowners, those seeking to rent and on the general economy as a whole. The performance of the residential property market is also dependent on local and national trends, competing uses and political initiatives, which may result in changing levels of demand for residential property developed by the Group.

3. Key information on the securities

3.1 *What are the main features of the securities?*

3.1.1 *Description and class of securities*

The securities subject to Admission are Ordinary Shares of 1p each which will be registered with ISIN number GB00BLF79495 and SEDOL number BLF7949. The Ordinary Shares are denominated in UK Sterling and the subscription price of 10p per Ordinary Share ("**Subscription Price**") paid is in UK Sterling.

The issued share capital of the Company on Admission will consist of 20,700,000 Ordinary Shares of 1p each and the 9,300,000 new Ordinary Shares to be allotted and issued pursuant to a subscription, conditional upon Admission occurring at a certain date ("**Subscription**"), at a price of 10p per Subscription Share ("**Subscription Shares**").

3.1.2 *Rights attaching to the securities*

Each Ordinary Share, including the Subscription Shares, will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank pari passu in all other respects with all other Ordinary Shares in issue on Admission.

The Directors can call a general meeting at any time. All members who are entitled to receive notice under the articles of association of the Company ("**Articles**") must be given notice. Every shareholder present in person, by proxy or by a duly authorised corporate representative at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every shareholder present in person, by proxy, or by a duly authorised corporate representative shall have one vote for every Ordinary Share of which he is the holder. Subject to the Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommend by the Board.

All Ordinary Shares, including the Subscription Shares, are freely transferable.

3.1.3 *Dividend Policy*

The Directors do not expect to declare a dividend in the first Financial Year. In the years following, it will be reviewed with reference to opportunities in the market and managements' certainty in generating growing reoccurring distributions in future periods. In the future, it is expected that investor returns will be a combination of both dividends and capital growth.

3.2 ***Where will the securities be traded?***

Application has been made for the Ordinary Shares (issued and to be issued) to be admitted to the Official List of the FCA by means of a standard listing under Chapter 14 of the Listing Rules ("**Standard Listing**") and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 23 December 2020.

3.3 ***What are the key risks that are specific to the securities?***

There may be a dilution of the existing Ordinary Shares if the Company decided to offer additional Ordinary Shares in the future, this could dilute the interests of investors and/or have an adverse effect on the market price of the Ordinary Shares. Furthermore, in the event that the Hybridan Warrants (as defined below) are all exercised, this would dilute the interests of the Shareholders by approximately 1.96 per cent. of the Fully Diluted Enlarged Share Capital (as defined below).

There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Subscription following Admission and the price of the Ordinary Shares may fall.

The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing. Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. **A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares.**

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. **Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable.** Accordingly, the Ordinary Shares may not be suitable for short-term investment.

4. Key information on the offer of securities to the public and/or the admission to trading on a regulated market

4.1 ***Under which conditions and timetable can I invest in the securities?***

4.1.1 *Terms and Conditions*

The Company has issued 9,300,000 Subscription Shares at 10p per share conditional, *inter alia*, upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 23 December 2020 (or such later date as the Company may agree). The Subscribers' commitment is irrevocable. The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

4.1.2 *Expected Timetable*

Action	*Timeframe*
Publication of the Prospectus	18 December 2020
Admission and commencement of dealings with Ordinary Shares	8.00 a.m. on 23 December 2020
Delivery of Ordinary Shares into CREST	8.00 a.m. on 23 December 2020
Ordinary Share certificates despatched no later than	7 January 2021

4.1.3 *Details of Admission*

Application has been made for the Ordinary Shares (issued and to be issued) to be admitted to the Official List of the FCA by means of a Standard Listing and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 23 December 2020.

4.1.4 *Distribution*

The Ordinary Shares will be available to be issued in either registered form (i.e. certified) or electronic form (i.e. via CREST). Where applicable, definitive share certificates in respect of the Ordinary Shares to be issued pursuant to the Subscription are expected to be dispatched, by post at the risk of the recipients, to the relevant holders, not later than 7 January 2021. Prior to the dispatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Dilution

Hybridan will be issued with warrants on Admission over 600,000 Ordinary Shares which have an exercise price of 10p per Ordinary Share ("**Hybridan Warrants**"). The Hybridan Warrants will become exercisable at any time from the date of Admission to the fifth anniversary of Admission. If any of the Hybridan Warrants are exercised then the proportion of shares held by the Shareholders will be diluted. In the event that the Hybridan Warrants are all exercised and/or issued this would dilute the interests of the Shareholders by approximately 1.96 per cent. of the issued share capital of the Company following the exercise of the Hybridan Warrants (the "**Fully Diluted Enlarged Share Capital**").

Upon exercise of the Hybridan Warrants, the Hybridan Warrants will represent approximately 1.96 per cent. of the Fully Diluted Enlarged Share Capital of the Company. The exercise of the Hybridan Warrants will result in the Existing Ordinary Shares being diluted so as to constitute 98.04 per cent. of the Fully Diluted Enlarged Share Capital of the Company. Upon Admission the Existing Ordinary Shares and the Subscription Shares will represent approximately 70 per cent. and 30 per cent. of the Enlarged Share Capital of the Company respectively.

4.1.5 *Expenses of the Offer*

The total expenses incurred (or to be incurred) by the Company in connection with Admission and the Subscription are approximately £306,250 (exclusive of VAT). No expenses will be charged to investors.

4.2 ***Why is this prospectus being produced?***

4.2.1 *Reasons for the Subscription and Admission, use and estimated net amount of proceeds*

The Company has conditionally raised gross proceeds of £930,000 through the Subscription. The estimated net proceeds of the Subscription are approximately £623,750.

The net proceeds are to be used to fund the equity requirements of the existing developments. The proceeds will be split as follows:

- Chester Road, Manchester: £206,250;
- Lincoln House, Bolton: £123,750; and
- Church Gate, Leicester: £293,750.

These amounts are the Board's expectation of equity requirements to take Chester Road, Manchester and Church Gate, Leicester to completion assuming that construction finance is raised in line with the Board's expectation. Lincoln House will require further funds that will be raised through existing debt facilities.

If the Group is unable to secure construction finance the developments will proceed but with specific delays which will enable them to complete with existing equity and debt resources. In this situation, the Group would delay the start of the Lincoln House development by six months and the Church Gate development by twelve months.

4.2.2 *Conflicts of interest*

There are no material conflicts of interest pertaining to the Subscription or Admission.

18 December 2020

RISK FACTORS

Investment in the Group and the Ordinary Shares of the Company carries a significant degree of risk, including risks in relation to the Group's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this Document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Group and the Directors consider to be the material risks relating to the Group. However, there may be additional risks that the Group and the Directors do not currently consider to be material or of which the Group and the Directors are not currently aware that may adversely affect the Group's business, financial condition, results of operations or prospects. Investors should review this Document carefully and, in its entirety, and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Group could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

RISKS RELATING TO THE COMPANY'S BUSINESS STRATEGY

The Company is newly formed and its subsidiaries have limited operating history

The Company was incorporated in July 2020, and its subsidiaries have been incorporated in the last 18 months. The Group currently owns three residential development sites, with only one currently under construction, one development site on which contracts for purchase have been exchanged and the letting management business. The Group will be undertaking development management for two additional sites, by way of a development management agreement. Construction on these sites has yet to commence. It is therefore not currently possible to fully evaluate the Group's ability to successfully develop property for profit in the UK.

There is no assurance that the Group will complete Developments in a timely manner or at all

The success of the Group's business strategy is dependent on its ability to develop its existing property assets and to acquire and develop additional assets. There is no assurance that the Group will develop its existing or future property assets in a timely manner. The time taken to complete Developments is dependent on a number of factors, including, but not limited to, the time taken to obtain planning permission and the availability and competence of contractors and other real estate professionals engaged by the Group to undertake Developments. Failure to complete Developments in a timely manner or, at all, may reduce the level of return on such Developments and the Group may even incur a loss.

The Group will initially be exposed to a small number of Developments

The Group has acquired three sites that it intends to develop. With such a small number of Developments, any adverse financial performance of one or more of those projects may have a material impact on the financial performance and prospects of the Group.

The Group may face significant competition for Developments

There may be significant competition for the Developments that the Group may wish to explore. Such competition may, for example, come from other residential investors, developers or from buyers who have identified an alternative use for such sites. These competitors may be more established and have extensive experience in identifying and completing land and build development opportunities. A number of these competitors may possess greater technical, financial, human, and other resources than the Group and may apply different criteria in assessing the value of such sites. The Group cannot assure investors that it will be successful against such competition. Failure to secure such sites will restrict the Group's ability to generate income in the future.

Evaluation of the financial returns from Developments requires the application of subjective assessment

The Group will apply a number of assumptions in evaluating the potential return from any Developments. The Group will seek appropriate professional advice in formulating such assumptions, but such assumptions may not necessarily involve a subjective assessment of future unknown events, such as the demand for and value of the completed Developments. The actual returns achieved may not be the same as those that were anticipated, which may reduce the returns made by the Group and may result in a loss.

Any costs associated with potential Developments that do not proceed to completion will affect the Group's performance

The Group expects to incur costs in sourcing and evaluating the financial prospects of potential Developments, not all of which will proceed to completion. Whilst the Group will seek to minimise such costs, it can give no assurance as to the ongoing level of such costs or the number of Developments that do not reach completion. The greater the number of Developments that do not reach completion the greater the likely impact on the financial performance and business prospects of the Group.

The Group will have insufficient working capital to complete the existing developments if it cannot raise construction finance.

The timelines set out in the prospectus for projects assume that the Group can procure standard construction finance to complete projects. Construction finance has not been secured at the time of the prospectus. If construction finance is not available to the Group, then working capital will be insufficient to complete the developments in the timelines set out and therefore return expectations will be lower. The ability to achieve returns on Developments may be enhanced by the use of development finance. The availability and terms on which such debt finance can be arranged will depend on the debt finance market and prevailing interest rates in the wider economy, as well as views from lenders as to the viability of the Development and of the Group. Accordingly, there is no certainty that the Group will be able to secure debt finance on acceptable terms, if at all.

The Group's borrowings will likely include covenants to protect the lender

Any borrowings secured by the Group for a Development will likely include a range of covenants, such as maintaining certain levels of loan to valuation. Any fall in the value of the Group's assets could result in a breach of potential loan covenants with remedies including repayment of all or part of the loan, payment of higher rates of interest, additional fees and potentially the sale or forfeiture of the asset with any resulting losses being incurred by the Group.

The Group's borrowings may result in a loss if the Group were to default on the terms of a loan

The incurrence by the Group of substantial indebtedness in connection with Developments could result in:

(i) default and foreclosure on the Group's assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;

(ii) acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;

(iii) a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or

(iv) an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The use of borrowing may expose the Group to interest rate risks and refinance risks

The Group anticipates incurring debt with fixed interest rates and fixed repayment dates. If Developments are not completed by the repayment date of the debt facility, the Group may have to repay such debt from cash reserves or refinance such debt on the terms available in the market at such time. Accordingly, there is no certainty that the terms of any refinance will be the same as those of the original facility, if refinance is available at all, and may result in increased costs, which may adversely affect the returns on a given development and may lead to a loss.

The Group's performance will depend on the performance of the residential property market

The Group has identified a business strategy based on the development and sale of residential property. The performance of the residential property market is dependent on demand by new and existing homeowners, those seeking to rent and on the general economy as a whole. The performance of the residential property market is also dependent on local and national trends, competing uses and political initiatives, which may result in changing levels of demand for residential property developed by the Group.

The Group's performance will depend on the performance of the general real estate market

The ability of the Group to generate profits will depend on the performance of the real estate market in the North West of England and the rest of the UK. Market conditions may have an impact on the value of sites, the costs of construction and the value of completed developments, which is in turn dependent on the level of demand for units within Developments. The real estate market may also be impacted by overall economic conditions in the UK. The investments made by the Group may not achieve the anticipated level of return and may even incur a loss.

The Group's investment strategy is focused on development opportunities in the North West of England

A key geographical area in which the Group will seek development opportunities is the North West of England. The Group has been successful in identifying three development sites in this area. These sites have been selected on the basis that the development value will exceed the cost of acquiring the land and developing property thereon. As the development of these sites has yet to commence, there is a risk that the value of the developed property may be less than originally estimated. The value of the developed property is dependent on the continued demand for residential property in the area, and is therefore linked to the general prosperity of homeowners and those seeking to rent and the attractiveness of the area for future residents.

The Group is also intending to acquire residential development sites in other areas of the UK. The Group has acquired one other site outside the North West of England. There is no assurance that the Group will be able to acquire further sites and develop them on a profitable basis.

The Group may be subject to liability following the disposal of Developments

The Group may be exposed to future liabilities and/or obligations with respect to the disposal of any Developments. The Group may be required to set aside money for warranty claims or contingent liabilities in respect of disposals of Developments. The Group may be required to pay damages (including but not limited to litigation costs) to the extent that any representations or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Group may become involved in disputes or litigation in connection with such disposed Developments. Certain obligations and liabilities associated with the ownership of Developments can continue to exist notwithstanding any disposal, such as environmental liabilities. Any such claims, litigation or obligations, and any steps, which the Group is required to take to meet the cost, such as sales of assets or increased borrowings, could have an adverse effect on the Group's performance, financial condition and business prospects.

The Group has made an investment into a residential property management company

The Group has invested in One Heritage Complete Limited, which undertakes residential property management on behalf of the Group and for third party landlords. The value of Developments are dependent on the continued profitable operation of One Heritage Complete Limited and its subsidiary companies. Accordingly, any adverse change in the property letting market arising from reduced levels of demand for letting management services or the wider economy could reduce the profitability of One Heritage Complete Limited and could result in a loss of its entire investment. The Group is not obliged to provide further financial support to One Heritage Complete Limited in such circumstances, although the Group may choose to do so, if it considers such losses to be recoverable in the future and are not of a recurrent nature.

Through the acquisition of Developments, the Group could be exposed to environmental-related liabilities

The Group views the assessment of environmental risk as an important element of its due diligence when acquiring Developments. However, there can be no guarantee that the Group will not incur unexpected liabilities such as clean-up costs and fines for environmental pollution in respect of Developments acquired by the Group.

The Group may incur losses in excess of insurance proceeds, if any, from uninsurable events

The Group will enter into insurance arrangements to cover material risks in relation to the Group's business. Insurance cover will only provide protection to the extent that it is available from insurers at a given time and may not cover all potential losses. Some potential losses from catastrophic events may not be insurable or not economically insurable. Any realised losses that are not covered by an insurance arrangement may have an adverse effect on the Group's financial performance and business prospects.

The Group's relationship with the Directors

The Group is dependent on the Directors to develop the existing property assets of the Group, to identify potential land and build development opportunities and to complete Developments and the loss of the services of the Directors could have a material adverse effect.

The Non-Executive Directors are not required to commit all their time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments

The Non-Executive Directors may be engaged in other business endeavours. If the Non-Executive Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Group's ability to complete Developments.

The Group is dependent on recruiting and retaining experienced and competent senior personnel

The Group's business model is reliant on a small number of key personnel, whose expertise in their particular business field is important to the success of the Group. The Group is dependent, in particular, on its senior staff. The loss of key personnel and/or the inability to recruit further key personnel could have a material adverse effect on the future of the Group through the impairment of its ability to identify and pursue appropriate Developments and the loss of any existing Group relationships.

MACRO RISKS

The Group is exposed to the economic impact of COVID-19

The recent outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the UK economy and UK households. The extent of this adverse disruption and the period over which it will continue cannot currently be determined.

There is a risk to the Group that this may reduce the level of growth in the number of households seeking accommodation, and the ability of those households to finance such accommodation, be that the purchase of, or the ability to pay rent for, a home. This has the potential to reduce demand for the residential property that the Group will construct in the future.

There is also uncertainty as to the impact of COVID-19 on the construction industry, such as the imposition of restrictive measures that prevent contractors working on site and the impact on the construction industry supply chain, which may delay access to, increase the cost of, or restrict the availability of construction materials. These risks may delay, or prevent, the Group from completing construction of residential property on the sites that it currently owns or may acquire in the future.

The Group's employees or directors may contract COVID-19, which may temporarily prevent them from working. It may even cause the death of such individuals. This may delay, or prevent, the Group from acquiring or completing residential developments or providing letting and property and facilities management ("**L&PFM**") services.

Any reduction in demand, delay in construction, increase in construction costs, or any reduction in the level of working hours of employees may reduce the income of the Group and may result in financial loss.

The Group is exposed to the economic impact of BREXIT

The UK left the European Union on 20 January 2020 (commonly referred to as BREXIT) as set out in the Withdrawal Agreement signed by the UK and the EU. This Agreement set out a period of transition, which started at the date that the UK left the EU and that will end on 31 December 2020. During this period of transition, a trade agreement between the UK and the EU will be negotiated. The outcome of those negotiations is currently unknown, and this represents significant uncertainty as to the impact that this will have the UK economy.

If there is an adverse impact on the UK economy, there is a risk to the Group that this may reduce the level of growth in the number of households seeking accommodation, and the ability of those households to finance such accommodation, be that the purchase of, or the ability to pay rent for, a home. This has the potential to reduce demand for the residential property that the Group will construct in the future.

The terms of any trade agreement may adversely affect the construction industry, potentially reducing access to or increasing the cost of construction materials. It may also restrict the supply of labour to the construction industry, which may increase the cost of construction or delay the completion of construction.

Any reduction in demand, delay in construction, or increase in construction costs, may reduce the income of the Group and may result in financial loss.

The Group is exposed to the combined effect of COVID-19 and BREXIT

The risks to the Group from COVID-19 and BREXIT are set out above. These risks are the risks relating to these individual events. The current combination of both COVID-19 and BREXIT increases the uncertainty of both the extent and duration of the economic impact on the UK and on UK households.

This increases the risk that the Group may not be able to acquire, construct or sell residential accommodation, or provide residential lettings services. This will reduce the income of the Group and may result in financial loss.

RISKS RELATING TO THE ORDINARY SHARES

The value and/or market price of the Ordinary Shares may go down as well as up

Prospective investors should be aware that the value and/or market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of, their investment.

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Ordinary Shares or other securities exchangeable for, or convertible into, its Ordinary Shares in the future, the addition or departure of board members, replacement of the manager, change in the investment team, change to the manager, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK commercial property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside of the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political, and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance that shareholders will receive back the amount of their investment in the Ordinary Shares.

Major Shareholding

On Admission and for a significant time afterwards the Company will have a single major shareholder, One Heritage Property Development Limited, who will hold more than 69 per cent. of the shares in the Company. The interests of that shareholder may not align with other shareholders in the Company.

Dilution of Existing Ordinary Shares

If the Company decided to offer additional Ordinary Shares in the future, for example, for the purposes of or in connection with Developments, this could dilute the interests of the investors and/or have an adverse effect on the market price of the Ordinary Shares. Furthermore, in the event that the Hybridan Warrants are all exercised, this would mean approximately a further £60,000 of funding to the Company and also dilute the interests of the Shareholders by approximately 1.96 per cent. of the Fully Diluted Enlarged Share Capital.

Upon exercise of the Hybridan Warrants, the Hybridan Warrants will represent approximately 1.96 per cent. of the Fully Diluted Enlarged Share Capital of the Company. This will result in the Existing Ordinary Shares being diluted so as to constitute 98.04 per cent. of the Fully Diluted Enlarged Share Capital of the Company.

Post-admission trading

There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Subscription following Admission and the price of the Ordinary Shares may fall.

The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing

Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on page 18.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

The price of the Ordinary Shares after issue can also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, there is no assurance that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not expect to pay dividends in the first Financial Year

The Directors do not expect to declare a dividend in the first Financial Year. In the years following, it will be reviewed with reference to opportunities in the market and managements' certainty in generating growing reoccurring distributions in future periods. In the future, it is expected that investor returns will be a combination of both dividends and capital growth. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

RISKS RELATING TO TAXATION

The acquisition and disposal of Ordinary Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Ordinary Shares from a taxation point of view and generally.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of shareholders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in the UK or any other relevant jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will act as the holding company to a trading group. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Ordinary Shares to be admitted to the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

The Company shall, when listed, comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company will also comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regards to the Listing Principles at 7.12A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the FCA.

Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares must be admitted to trading on a regulated market at all times. Such companies must have at least 25 per cent. of the shares of any listed class in public hands at all times in one or more EEA States and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- The forwarding of circulars and other documentation to the National Storage Mechanism and related notification to a RIS;
- The provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- The form and content of temporary and definitive documents of title;
- The appointment of a registrar;
- Notifying an RIS in relation to changes to equity and debt capital; and
- Compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure Guidance and Transparency Rules.

In addition, as a Company with a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Admission;
- Chapter 9 of the Listing Rules regarding the continuing obligations that an issuer with a premium listing of equity shares is required to comply with, once its shares have been admitted to the Official List;
- Chapter 10 of the Listing Rules relating to significant transactions. Shareholder consent is not required under Listing Rule 10 as the Company is not seeking a Premium Listing;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors and (if required by the Act) the approval from shareholders;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would able to fulfil the relevant eligibility criteria.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false, or deceptive.

IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under the FSMA, the Prospectus Regulation Rules, Listing Rules, Disclosure Guidance and Transparency Rules and MAR, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the sections headed 'What are the key risks that are specific to the issuer?' and 'What are the key risks specific to the securities?' of the Summary together with the risks set out in the section headed "Risk Factors" set out at page 11 of this Document.

Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, Ordinary Shares by any person in any jurisdiction:

(i) in which such offer or invitation is not authorised;

(ii) in which the person making such offer or invitation is not qualified to do so; or

(iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation, or invitation.

The distribution of this Document and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company and the Directors to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required.

Neither the Company nor the Directors accept any responsibility for any violation of any of these restrictions by any other person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, or Japan. Subject to certain exceptions, the Ordinary Shares and Hybridan Warrants may not be, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada or Japan or to any national, resident or citizen of the United States, Australia, Canada or Japan.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period. Prospective investors are also notified that the Company may be classified as a passive foreign investment company for United States federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to US holders of Ordinary Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares for any year in which the Company is a passive foreign investment company.

Available information

The Company is not subject to the reporting requirements of section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). For so long as any Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis, and enquiry of the Company, this Document, and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- The legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- Any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- The income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of the Company, which investors should review.

Forward-looking statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to the Development. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, and depend on circumstances that may or may not occur, in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- The Company's ability to identify suitable acquisition opportunities or the Company's success in completing a Development;
- The Company's ability to ascertain the merits or risks of a land and build development opportunity;
- The Company's ability to deploy the Net Proceeds on a timely basis;
- The availability and cost of equity or debt capital for future transactions;
- Currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such fluctuations (if such strategies are in fact used); and
- Legislative and/or regulatory changes, including changes in taxation regimes.

Prospective investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 5 of Part VIII of this Document (General Information).

Forward-looking statements contained in this Document apply only as at the date of this Document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward looking statement, whether as a result of new information, future developments or otherwise.

Third party data

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware, and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this Document to "British pound sterling", "sterling", "£", "pounds" or "pence" are to the lawful currency of the UK.

No incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Definitions

A list of defined terms used in this Document is set out in "Definitions" beginning at page 225.

Governing Law

Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and subject to changes in relation to thereto.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Action	*Timeframe*
Publication of this Document	18 December 2020
Admission and commencement of dealings with Ordinary Shares	8.00 a.m. on 23 December 2020
Delivery of Ordinary Shares into CREST	8.00 a.m. on 23 December 2020
Ordinary Share certificates despatched no later than	7 January 2021

All references to time in this Document are to London time unless otherwise stated.

STATISTICS

Statistic	*Amount*
Total number of Shares in issue prior to the Subscription	20,700,000
Total number of Subscription Shares issued conditional on Admission occurring on or before 31 December 2020 (or such later date as the Company and Hybridan may agree)	9,300,000
Total number of Ordinary Shares in issue following Admission	30,000,000
Price per Subscription Share	10p
Estimated Proceeds of Subscription receivable by the Company	£930,000
Estimated Admission and Subscription Costs (exclusive of VAT)	£306,250
Estimated Net Proceeds of Subscription receivable by the Company	£623,750

DEALING CODES

ISIN:	GB00BLF79495
SEDOL:	BLF7949
EPIC/TIDM:	OHG
LEI:	2138008ZZUCCE4UZHY23

DIRECTORS AND ADVISORS

Role	*Name*	*Address*
Directors	Jason David Upton (*Chief Executive Officer*) Yiu Tak (Peter) Cheung (*Chief Investment Officer*) David Stewart Izett (*Non-Executive Chairman*) Jeffrey Ian Pym (*Non-Executive Director*)	Each of: 80 Mosley Street St Peters Square Manchester M2 3FX
Financial Adviser	Hybridan LLP	2 Jardine House, The Harrovian Business Village, Bessborough Road, Harrow, Middlesex, HA1 3EX
Auditors & Reporting Accountants	Haysmacintyre LLP	10 Queen Street Place London EC4R 1AG
Solicitors	Shakespeare Martineau LLP	No 1 Colmore Square Birmingham B4 6AA
Bankers	Barclays PLC	1 Churchill Place, London, E14 5HP
Registrars	Neville Registrars Limited	Neville House Steelpark Road Halesowen West Midlands B62 8HD
Registered Office	One Heritage Group plc	80 Mosley Street St Peters Square Manchester M2 3FX
Company Secretary	Shaun Zulafqar of SGH Company Secretaries Limited	6th Floor 60 Gracechurch Street London EC3V 0HR

PART I

INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY

Introduction

The Company was incorporated on 21 July 2020 with an issued share capital of £1 divided into 100 Shares of 1p.

The Company has never traded and, save as set out in this Document, has not entered into any significant transactions, contracts, or financial commitments.

The Company on 27 October 2020 acquired the entire share capital of One Heritage Property Development (UK) Limited in a share for share exchange with the existing shareholder, One Heritage Property Development Limited, a company registered in Hong Kong, and part of the global One Heritage group of companies ("**OHHK**").

On 17 December 2020, pursuant to the Subscription, a committee of Directors resolved to issue 9,300,000 Subscription Shares, conditional on Admission occurring on or before 31 December 2020 (or such later date as the Company), at a price of 10p per share to Subscribers.

OHHK is a Hong Kong based wealth management, Licensed Trustee and property business. The property activities of OHHK operates under the P-Investment Brand that was established in 2012. It currently has seven offices; two in Hong Kong and five in mainland China and employs approximately 200 people. It has asset management agreements with financial institutions such as Bank of Singapore and Julius Bank.

Prior to formalising its UK development operations in One Heritage Property Development (UK) Limited, OHHK had already undertaken property developments in the UK including:

- A commercial to residential conversion in Greater Manchester, which was previously a disused Royal Mail building and has been successfully converted into 52 apartments and sold to a Manchester housing fund in excess of £4.4 million in 2019; and
- Multiple high-end houses situated in Cheshire, which included barn conversions that were completed in 2018 and valued at £1.2 million each and a mansion under construction valued at £2.5 million.

Housing Market Overview

The UK housing market has been in a long-term position of structural undersupply as the number of new completions fails to keep pace with the number of new household formations and the replacement of redundant stock. This has resulted in property providing positive growth over a number of different time periods, which is highlighted below in a table of the Nationwide Building Society's House Price Index.

Period	*Average house price (£)*	*Annual compound return to Q2 2020*
Q2 1970	4,452	8.1%
Q2 1990	58,982	4.5%
Q2 2000	81,202	5.1%
Q2 2010	168,719	2.7%
Q2 2015	194,258	2.5%
Q2 2017	209,971	1.6%
Q2 2019	215,910	2.0%
Q2 2020	220,133	Not Applicable

The Office for National Statistics forecasts that the population of the UK will increase to 71.4 million by mid-2038. This population growth, combined with a falling average household size that is expected to decline from 2.37 persons in 2018 to 2.26 persons in 2038, will result in growth in household formations, which are predicted to reach 26.3 million in 2038.

A briefing paper titled "Tackling the under-supply of housing in England" dated 9 March 2020 was submitted to Parliament (with reference number 07671), which estimated that England alone needed to construct 340,000 new homes per annum until 2031 in order to fulfil future housing needs and clear the backlog of existing need. This compared to an increase in housing stock of 241,340 in 2019. It is evident that there remains a demand/supply imbalance.

Political perspective

Since 2013, the Government has supported households buying new build homes through Help to Buy schemes. That changes from April 2021, when Government plans to restrict the scheme, and in March 2023 when the scheme is set to end entirely. Without this source of Government support, demand for rental homes will rise, as fewer households are able to access home ownership. 2018 saw the publication of the Letwin Review, which reported on housing delivery rates on large residential sites in England. One of the key recommendations of that report was to encourage a greater diversity of tenures on large residential developments, including Build to Rent.

In August 2020, the Government released a White Paper titled "Planning for the future". This set out a wide range of changes to planning law, which would make it easier to get approval for new schemes and potentially reduce costs through the replacement of planning obligations under Section 106 of the Town and Country Planning Act 1990 (commonly known as section 106 agreements) ("**Section 106 Agreement**") with an Infrastructure Levy.

Geographic demand

The initial geographical focus of the Group's principal activities will be primarily high demand areas in the North West of England. This demand will be underpinned by strong economic and employment growth in Manchester, which is forecast to be one of the UK's strongest performing cities over the next few years according to Ernst & Young LLP's Regional Economic Forecast. Data from the Office of National Statistics predicts that the growth in the number of households in Greater Manchester between 2020 and 2038 will be 10.4 per cent., compared to 7.4 per cent. over the previous 10 years. This increased demand is twinned with structural undersupply of housing which, over the last 10 years, has shown that the number of net new dwellings is 15 per cent. less than the growth in households in Manchester with the Greater Manchester Economic Forecasting Model showing an increase in employment of 10.7 per cent. over the same period.

In Manchester, employment is estimated to grow by 1.4 per cent. per annum in the period to 2023 while the city's population expands by 1.1 per cent. a year. As a direct result, house prices in Manchester are forecast to increase by 17.1 per cent. cumulatively over the next five years.

The growth that Manchester is experiencing, in both employment and property developments, is the main factor driving investors from around the world to Manchester and the North West of England. The North West of England/Manchester market is experiencing a sharp increase in rental demand, which is expected to stimulate rates of capital appreciation for these properties. Property prices in Manchester, in particular, have risen higher than anywhere else in the UK in five of the six years between 2012 and 2018. With a strong economy and fast expanding population, Manchester city centre has become a desirable and immensely lucrative location in which to invest and market analysts predict that this trend will continue.

Demand for rented accommodation

Manchester's definition of affordable housing truly reflects the experiences and circumstances of people living in the city. Home ownership remains affordable in Manchester, with 50 per cent. of homes selling for less than £125,000. Despite this affordability measure, home ownership in Manchester is comparatively low with just over one-third of the population owning their own home compared to almost two-thirds in England and Wales. This suggests an enduring demand for rental accommodation in the city, which the Group is targeting. The North West has the most affordable properties according to the National Association, as detailed in the graph below.

*Median housing affordability ratio refers to the ratio of median price paid for residential property to the median workplace-based gross annual earnings for full-time workers.

Source: Office for National Statistics, Housing affordability in England and Wales: 2019.

The combination of relatively low capital values for residential accommodation and strong demand for renting supports the Group's view that this area will deliver comparatively high rental yields. Seven Capital Plc report that rent yields in the North West of England are approximately 4.37 per cent., compared to a UK average of 3.53 per cent. and are the highest of any region in England, with Residential Estates, a North West based property services group, stating that rental yields in Manchester range between 4.5 per cent. and 7.6 per cent. Despite these yields pre COVID-19, JLL expected Manchester to see the highest rental growth of any UK city over the next five years, 16.5 per cent.

A consequence of the COVID-19 pandemic has been that lenders have reduced the choice of high loan to value ("**LTV**") mortgages, with an LTV of over 90 per cent. MoneyFacts reported in June 2020 that the number of 95 per cent LTV mortgages reduced from 162 in April 2020 to just 14 at the end of June, with 90 per cent LTV mortgages reducing from 326 to 72 in the same time period. A reduced level of mortgage funding will increase the deposit required, which may delay first time buyers from acquiring a property. The Directors believe that such a delay may benefit demand for the rental market as first time buyers may be required to stay in this form of accommodation longer.

Investment into Manchester's infrastructure

The Greater Manchester area is benefiting from large-scale infrastructure developments such as the ongoing Metro link expansion. These investments are all part of the Government's £13 billion Northern Powerhouse blueprint set out in 2015. Future developments include the £800 million Airport City Manchester, and the £50 billion Atlantic Gateway project, which aims to reinvigorate the Manchester Ship Canal. Other notable projects include the University of Manchester investing £1 billion to develop its campus between 2018 and 2022. A new plan for Greater Manchester has been written, by all 10 councils, which sets out the ambitions for the future of the city and the region.

Higher education

Greater Manchester is the third largest metropolitan area in the UK, after Greater London and the West Midlands, and is populated by more than 2.8 million people. There are more than 20 universities, including University of Manchester, Manchester Metropolitan University, and University of Salford within an hour's drive of Greater Manchester with over 400,000 students. The University of Manchester was ranked 27th by QS World University Ranking. Out of the 90,000 students in Greater Manchester, 19,000 of them are international students.

According to a 2019 Centres for Cities report, 'The Great British Brain Drain', Manchester has one of the highest student retention rates across UK cities with over half of graduates staying to work in the city. This high retention rate is supported by the quality of life in the city with Manchester being ranked 1st in the UK since 2011 by the Economist Livability Report and Best City for Young Professionals by IdealFlatmate.

The 'living' sector

The concept of residential accommodation has developed over the last few years, to embrace the concept of 'living', which covers a number of sub-markets such as private rented sector ("**PRS**"), affordable housing and later living.

More recently, the market has embraced build to rent ("**BTR**"), otherwise known as multifamily accommodation, which is purpose-built rental accommodation. In addition, a new sub-sector of the PRS and BTR market has emerged, which is different to the concept of Self-contained apartments, known as Co-living.

Self-contained apartments and Co-living are the two classes of residential property where the Group sees the greatest opportunity.

Self-contained apartments and Co-living

The concept of Self-contained apartments is reasonably well understood in the market i.e. a property that has its own amenities such as a bathroom and kitchen, with living room and separate bedroom(s) and contained in a building with a multiple number of such apartments. At the lower space standard end of the market, a Self-contained apartment is referred to as a 'studio' where the living room and bedroom are combined.

The Co-living concept takes the studio apartment a stage further, creating a communal kitchen shared between a number of residents with each unit becoming a combined living room/bedroom with en-suite bathroom facilities.

The concept of Co-living is not new as the use of communal living practices have been utilised in various forms for centuries. For example, the Co-living concept is an already established model for purpose-built student accommodation ("**PBSA**"), and with the blurring of the transition from student to young professional is a model that is being established beyond the PBSA market, and can be seen as attractive to an even wider range of people, not just students and younger professionals.

The key is combining private space within a more communal environment reducing social isolation, but also delivering a more cost-effective rental model.

Self-contained apartments and Co-living accommodation can be delivered in a number of ways, such as the conversion of unrequired office space, conversion of existing housing or through new build.

This can embrace smaller buildings of just a few Co-living rooms to large scale, purpose-built residential accommodation in which residents live in either Self-contained apartments or Co-living rooms with a wider range of shared communal facilities. At the higher rent cost end of the market, communal areas can include a gym, shared kitchens, resident lounges and co-working spaces. It can be further extended to include libraries, spas, screening rooms, swimming pools, private dining areas and on-site restaurants. The rent will reflect the level of private and communal space available.

For Self-contained apartments, in addition to the rent, residents will pay their own utility bills, council tax, and technology costs such as broadband. Self-contained apartments are let on assured short-hold tenancies in excess of six months. Tenancies are typically between six months and three years long.

For Co-living rooms, the rent will include utilities, council tax, broadband, washing and drying facilities, as well as access to all communal areas. Co-living can facilitate flexible tenancies, such as with PBSA where tenancies range in length from 41 to 53 weeks and can be matched to different terms times. Co-living providers offer minimum tenancies between one and three months, but offer discounts to secure longer tenancies. However, shorter tenancy periods can be accommodated much like the hotel provisions and short term letting accommodation promoted through operators such as Airbnb.

Whilst Self-contained apartments are an accepted style of residential accommodation, Co-living is becoming more established as it can offer a more efficient use of land in urban areas, and is now accepted by local authority planning departments, and is referenced in the draft New London Plan.

The JLL European Co-living Index 2019 predicts that the European Co-living sector is set to grow from around 6,480 operational beds in 2019 to 20,400 by the end of 2021. The report identifies that London has the largest Co-living market in Europe with around 22 per cent. of the total number of beds, however investors and developers are beginning to target other UK and Irish cities such as Manchester, Glasgow, Edinburgh, Dublin and Liverpool.

In its report, JLL specifically identified Manchester as having a "healthy Co-living pipeline based on a growing pool of young professionals (20 per cent. aged 15-29) and a high graduate retention rate leading to a demand for quality, professionally managed rental products." JLL classify Manchester as a growth area for co-living, ranking it 13th in its European index for cities with the strongest Co-living attributes. In the UK, Manchester is ranked second behind London.

The JLL report concludes that "the cities of the future will be measured by sustainability, flexibility and liveability. Co-living provides a natural progression in housing solutions not just for occupiers today, but for future generations."

Business Strategy and Execution

The core business strategy of the Group is to create high quality residential accommodation, primarily directed at younger socially mobile professionals and those seeking more flexible living arrangements.

The Group will achieve this through the development and re-development of new and existing buildings ("**Development Activities**") to create Self-contained residential apartments, and the refurbishment of existing residential properties ("**Refurbishment Activities**") to create Co-living accommodation. The Group also undertakes L&PFM services for these products.

All Group activities are undertaken solely in the UK.

The developed or refurbished properties will then be sold. Co-living properties will be sold on the open market primarily to retail investors through the Company's marketing network in Hong Kong. Schemes of Self-contained apartments will be sold through the Company's marketing network in Hong Kong or subject to a forward sale agreement to institutional investors. The Group expect that schemes of less than 80 units will be primarily disposed of through the Group's Hong Kong network, with larger schemes being disposed of through a sale to institutional investors under a forward sale or forward funding agreement.

The Group has the following initial targets by 2024:

- Up to 400 Self-contained apartments per annum; and
- Up to 200 Co-living properties per annum providing between 800-1000 en-suite Co-living rooms.

The Group will focus on the five key stages of the property cycle:

- the acquisition of land or existing property;
- obtaining any required revisions to existing planning permission;
- undertaking development or refurbishment to deliver a high-quality living space;

- disposal of developed or refurbished property to investors; and
- provision of L&PFM services to those investors and to other owners of Self-contained apartments or Co-living accommodation.

The Group has identified several income streams that can be derived from the strategy.

Where the Group undertakes development or refurbishment on its own account, income will be derived from:

- profit made on the disposal of completed properties; and
- management fees from the provision of L&PFM services to investors who acquire the properties.

Where development and refurbishment works are carried out on behalf of third-party investors, additional income will be derived from:

- initial fees for sourcing and structuring land and property acquisitions;
- development and refurbishment management fees during the period of building works; and
- a profit share on disposal of the completed properties.

Geographical Strategy

The Group will focus on residential development in the UK, with an initial geographical focus towards the North West of England and, in particular, Manchester. The Group currently owns one site in Bolton, one in Manchester and one in Burnley. Details of these sites are set out on pages 32 to 35.

The Group has established its head office in Manchester where it employs its executive management team with the exception of the Chief Investment Officer, Yiu Tak (Peter) Cheung, who is resident in Hong Kong.

Over the next three years, the Group intends to expand its activities to other locations throughout the UK that demonstrate similar characteristics to those currently identified in the North West of England, such as in Yorkshire and the East and West Midlands.

The Group has exchanged contracts to buy a site in Leicester and completion will occur once planning permission has been received. The details of this site are set out on pages 33 to 34.

The L&PFM services team are located in the Group's branch office in Wakefield, West Yorkshire.

Evaluating Development Opportunities

The Group carefully sources opportunities for Development Activities and Refurbishment Activities and sites are selected based on a multiple of factors such as location, demand, and growth potential.

The key characteristics of suitable sites for Development Activities and Refurbishment Activities will be:

- locations that are considered to be commuter locations servicing large cities, defined as a travel time of no more than 30 minutes. An alternative location criterion would be the proximity to large local employers such as NHS hospitals.
- development of Self-contained apartments will be on sites that generally support less than 100 units. These sites may be cleared land or existing buildings that are capable of re-development into Self-contained apartments of up to three bedrooms per apartment.
- refurbishment of existing residential properties to create Co-living accommodation. These refurbished properties will typically contain between four and six Co-living rooms with a minimum shared amenity of a kitchen. Additional shared amenities such as a communal lounge may be provided if it enhances demand.

Once a site has been identified the Group will undertake a full due diligence process to assess the suitability of the site including, but not limited to, land surveys, environmental reports, independent valuations, planning reports and reports on title.

A comprehensive viability assessment and appraisal is undertaken on each site that will include, but is not limited to:

- site acquisition costs;
- build costs and relevant professional services;
- demand for the completed residential accommodation;
- potential rental values;
- housing need, analysis of local amenities and transport links in the area;
- the individual unit re-sale values and the aggregate re-sale value of the completed development; and
- the cost and availability of debt.

The Group will employ independent viability consultants who specialise in the region in which they operate to assess local market and construction data to validate the assumptions used in the viability assessment.

Only those sites that are approved by the Board will be acquired.

The Group will only progress development opportunities that offer the ability for its shareholders to benefit from an acquisition through increased shareholder value (measured in terms of profitability, dividend income or increased share price) in the medium to long term.

Developments will be residential led, but may include ancillary commercial or retail space where this is a requirement of local planning policy.

The Board will closely monitor key performance indicators for each individual project including, but not limited to, budgeted costs and timescales for both planning and construction stages, and timing and value of sales.

In-house expertise

The Directors consider that the executive management team and key employees of the Group have the range of contacts necessary to identify suitable sites, and that their collective expertise will enable them to determine viable sites, undertake formal due diligence and, following Board approval, to complete the acquisition of such sites.

The Group has appointed a development director with over 10 years of experience in project delivery and property development across several sectors including purpose-built student accommodation.

The lettings director who has 30 years of experience in the real estate industry manages the Group's L&PFM services team.

Details of the Board and executive management team are set out on page 5.

Existing Real Estate Assets and Operations

The Group, through its subsidiaries, will, at the date of listing own or have a contract to buy the following real estate assets:

Subsidiary	*Property*
Lincoln House Property Development Limited	Lincoln House, Nelson Street, Bolton, BL3 2JW
One Heritage Aston Limited	Land at Church Gate, Leicester, LE1 4GH
Nicholas Street Developments Limited	5-9 Nicholas Street, Burnley, BB11 2AQ
Generation 100 Limited	Chester Road, Manchester, M15 4EY

The Group also provides residential letting services and ancillary property services, through One Heritage Complete Limited and its underlying subsidiaries.

Summary of Existing Developments

Subsidiary	*Expected GDV*	*Expected Cost*	*Units*
Lincoln House Property Development Limited	£9.10m	£4.83m	88 apartments
One Heritage Aston Limited	£2.85m*	£2.15m	17 apartments 2 commercial units
Generation 100 Limited	£6.10m	£4.7m	27 apartments
Total	£18.05m	£11.68m	132 apartments 2 commercial

*This is the total of expected GDV of the residential units, £2.25 million, and commercial units, £600,000.

Summary of Existing Refurbishments

Subsidiary	*Expected GDV*	*Expected Cost*	*Units*
Nicholas Street Developments Limited	£0.65m	£0.39m	13 Co-living rooms and amenities

Real Estate Assets owned by the Group

Lincoln House, Nelson Street, Bolton, BL3 2JW

Lincoln House was acquired in March 2020 for a £1.1 million. It is a commercial office building situated on Nelson Street, within close proximity to Bolton Town Centre and all of its amenities, with Bolton Train Station only a 5-minute walk away. It is also approximately one mile from St Peters Way (A666), which is the main arterial route through Bolton and links directly to the motorway network of the M6, M61 and M62, all of which are approximately three miles south.

There has been an increase of around 30 per cent. in house values for apartments across Bolton over the last five years driven by the private rental market – young professionals, couples and young families who see the town as a commutable location. Student accommodation in the town centre is a major potential growth area, with Bolton University expecting to double student numbers over the next 15 years. An increase in town centre residential development is considered key to the long-term sustainability, viability and vitality of the town centre

The Group is intending to convert the property to 88 Self-contained apartments over a net internal area of approximately 49,090 square feet.

Location

Bolton is a town in Greater Manchester, one of the largest towns in Europe, and is 10 miles North West of Manchester's city centre. The town offers good amenities and a vibrant town centre with a £1.5 billion masterplan of regeneration underway.

Close to the West Pennine Moors, Bolton is surrounded by several smaller towns and villages that together form the Metropolitan Borough of Bolton, of which Bolton is the administrative centre. The town of Bolton has a population of 139,403, whilst the wider metropolitan borough has a population of 262,400.

Property description

The property is situated on Nelson Street within close proximity to Bolton town centre.

The property comprises a five-storey property with planning submitted for 88 apartments. It is currently configured into four Self-contained units in a shell condition. Externally there is large rear parking area with space for approximately 56 cars with secure perimeter fencing and an electric gate. The property stands on a site of 0.742 acres (0.301 hectares).

The property is held under two long leasehold titles:

1. GM318: Long Leasehold for a term of 5000 years from 2 February 1793; and
2. GM617660: Long leasehold for a term of 4900 years from 2 January 1839.

Planning

An application for planning permission under the Town and Country Planning Act 1990 was submitted to Bolton Council on 1 May 2019 on behalf of the previous owner of the property to convert the property into 90 Self-contained apartments.

The application was taken over by the Group when it purchased the building in March 2020. The application was previously recommended for approval, however, the Group have made further improvements to the scheme, increasing room sizes and apartment layouts on a new 88-apartment scheme. The application was re-submitted to the committee in October 2020. The Group expect to incur planning costs of £175,000.

Development costs and timescale

It is anticipated that the conversion of the property will take approximately 12 months. Subject to the uncertainty around COVID-19, it is anticipated that work on converting the building will commence in the first six months of 2021. The Group expects that the total construct costs, including professional fees and a contingency, will amount to £4.9 million.

Exit strategy

The individual apartments are currently being sold off plan to retail investors based in Hong Kong. As at 8 August 2020, 20 apartments have been reserved with a combined value of £2.1 million after expected costs. The Directors estimate that the net development value of the completed scheme to be approximately £9.1 million.

Funding

The site has been acquired through a combination of shareholder equity and shareholder loans and a loan from a third-party lender of £770,000, which is secured by way of a first legal charge over the property.

The Group intends to refinance this loan prior to construction in order to secure additional development loan finance to complete the redevelopment of the existing building. As at the date of listing, the Group has not agreed terms for, nor entered into any agreement for a development loan.

Church Gate, Leicester, LE1 4GH

The land at Church Gate is held under freehold title, covers an area of 0.21 acres (0.086 hectares), and is currently undeveloped. It is being acquired for £150,000. The Group expects to secure a development loan of 60 per cent. of the new development value with the remainder requirement to be financed through existing equity and shareholder loans. The Group intends to construct 17 Self-contained apartments and 2 commercial units totalling approximately 11,000 square feet in total. The Group has purchased this conditional on the granting of planning permission. It is expected to complete in the fourth quarter of 2021.

Location

The site is located on the corner of Church Gate and St Peter's Lane, lying inside the A594 central ring road. It is within a five-minute walk of the city centre and approximately 0.7 miles from Leicester railway station.

Planning

A pre application for planning was submitted in October 2020 and it is expected that planning will be achieved by January 2021. The Group expect to incur planning costs of £70,000.

Development costs and timescale

It is anticipated that the construction of the property will take approximately 12 months. Subject to the uncertainty around COVID-19, it is anticipated that work on converting the building will commence in the first six months of 2021. The expected construction costs for the project, including professional fees and contingency, is £2 million.

Exit strategy

The individual apartments will be sold on the open market. The Directors estimated the gross development value of the completed residential scheme to be approximately £2.25 million and the two commercial units have a value of £600,000.

Funding

There is no third party debt secured on the site. The Group intends to secure additional development loan finance to complete the construction of the property. As at the date of listing, the Group has not agreed terms for nor entered into any agreement for a development loan.

5-9 Nicholas Street, Burnley, BB11 2AQ

Nicholas Street was acquired on 30 July 2019 for £150,000. The property received planning permission in July 2019 for the conversion of two former office buildings into residential accommodation. Once occupied, the Directors will have estimated the rent roll to be circa £68,000 per annum.

Location

The property is located in the town centre of Burnley, less than five minutes' walk to the Charter Walk shopping centre and approximately 10.6 miles from Burnley Central railway station. It is approximately 1.5-miles from junction 10 of the M65.

Property Description

Single property with 13 Co-living rooms and shared amenity space.

Planning

Planning was approved in July 2019. A further amendment to the planning is being submitted in August 2020 to adjust the windows in the property.

Refurbishment timescale

At the date of listing, the conversion works are in progress and expected to be fully completed and the building fully occupied by Quarter 4 2020.

Funding

The property has been acquired through a combination of shareholder equity and shareholder loans. There is no third party debt secured on the site.

Marketing strategy

Once the building is occupied, the building will be marketed for sale in Hong Kong at an estimated value of £650,000

Chester Road, Manchester, M15 4EY

Chester Road was acquired in September 2020 for a £1.2 million and it is situated on the corner of Cleworth Street and Chester Road. It was the former location of the Bull's Head Public House. It is within close proximity to both Manchester City Centre and MediaCity, the home of the British Broadcasting Corporation ("**BBC**"), through bus links and is less than 5-minute walk to the tram that links the two.

Location

Manchester is the third largest city in the UK. The city offers a wide range of services for businesses, tourists and the local population. This includes world class sporting attractions and globally recognised further education institutions as well as being the headquarters for the BBC.

Property description

The property is situated on Chester Road within close proximity to Manchester City Centre. The area covers 0.19 acres (0.08 hectares). The Group has planning permission for 27 Self-contained one and two bedroom apartments with a net residential area of approximately 16,164 square feet that will be split over six floors.

Planning

The property has the benefit of planning permission for 27 apartments that was granted on 12 November 2018. The permission is not subject to a Section 106 Agreement.

Development costs and timescale

It is anticipated that the construction of the property will take approximately 11 months. Subject to the uncertainty caused by COVID-19, it is anticipated that work on constructing the building will commence in January of 2021. The Company currently expects that the total construction costs and professional fees will amount to £3.5 million.

Exit strategy

The individual apartments are currently being sold off plan to retail investors based in Hong Kong. As at 30 October 2020, there have been discussions surrounding the reservation of all of the apartments for a combined value of £6.1 million. The Directors estimated the gross development value of the completed scheme to be approximately £6.1 million.

Funding

The site has been acquired with a loan from a related party. The Group will finance the construction by borrowing 60 per cent. of the gross development value from a third party. The remainder will be funded through equity provided by the existing shareholders or by way of shareholder loan. As at the date of listing, the Group has not agreed terms for, nor entered into, any agreement for a development loan.

Property Valuations

Property	*Lincoln House, Bolton*	*Nicholas Street, Burnley*	*Church Gate, Leicester*	*Chester Road, Manchester*
Tenure	Leasehold	Freehold	Freehold	Freehold
Valuation	£545,000	£245,000	£100,000	£1,300,000
Book Value in accounts at 31 March 2020	£1,237,075	£377,114	–	–
Explanation of variance between valuation and book value	The Company has incurred transactions fees in the acquisition	The Company has substantially refurbished the property and awaiting planning confirmation on change	The Company had not acquired the land at that date	The Company had not acquired the land at that date

No material change has occurred to the value of the properties since the date of the valuations up to the date of this Document.

Proposed developments

The Group is exploring other potential development opportunities. On 24 November 2020 it signed an exclusivity agreement containing an option on a site in Sheffield. It is located within the city centre on Bank Street and it is on the edge of the retail and commercial centre. The site is a 15 minute walk from the train station.

The site has planning permission for 21 Self-contained apartments, but management are exploring going back through the planning permission process to increase the number to 22. The Group expects the final development cost to be £2.9 million with a GDV of £3.6 million.

The site will only be acquired assuming the successful completion of a detailed due diligence process.

Development management

The Group operates as the development manager for two sites, which were formerly part of the Group, through bespoke agreements. This service covers the development process from devising development strategies, selecting and auditing external consultants, procuring construction or redevelopment services to formulating and executing an exit strategy.

The fee structure is split between an ongoing management fee, which covers the cost of the services through the development process, and a profit share at completion, which aligns the interests between the developer and the investors and a fee on additional external funding raised.

The Directors expect that development management agreements will have the following range of fees:

- Development management fee: 0.75 per cent. – 1.0 per cent. of costs incurred;
- Profit participation:10.0-20.0 per cent. at completion of the scheme; and
- External funding raise: 1.0 per cent. of external funds raised above initial equity.

One Heritage Tower Limited

The Group signed a development management agreement with One Heritage Tower Limited on 16 October 2020.

Waterloo Place, Greengate, Salford, M3 7NW

Waterloo Place was acquired in January 2020 by One Heritage Tower Limited and is situated on the corner of New Bridge Street and Greengate, Salford. The site is in close proximity to Manchester City Centre and Manchester Victoria Train Station is approximately a seven minute walk away.

Property description

The property is situated on Greengate, Salford within close proximity to Manchester City Centre. One Heritage Tower Limited have conditional planning permission for 545 Self-contained one, two and three bedroom apartments that will be split over 55 floors.

Planning

The property has the benefit of conditional planning permission for 545 residential apartments, associated residents' facilities, basement parking and three commercial units. The permission is subject to a Section 106 Agreement. The development comprises of a single building with two blocks (14 and 55 storeys).

Development timescale

It is anticipated that the conversion of the property will take approximately 54 months. Subject to the uncertainty caused by COVID-19, it is anticipated that work on converting the building will commence in December 2020.

Exit strategy

One Heritage Tower Limited are currently exploring exit options including a forward fund deal with institutional funds. The Directors estimate that the gross development value of the completed scheme will be approximately £163.8 million.

The Group charges an annual management fee of 0.75 per cent. of development cost for the services and has a profit share on the successful exit of 10 per cent.

ACT Property Developments Limited

The Group signed a development management agreement with ACT Property Developments Limited on 16 October 2020, effective from 1 August 2020.

Former Oldham County Court, New Radcliffe Street, Oldham, OL1 1NL.

Former Oldham County Court was acquired in January 2020 by ACT Property Developments Limited ad is situated on the corner of New Radcliffe Street and Rochdale Road, Oldham.

Property description

The building is situated on New Radcliffe Street within close proximity to Oldham Town Centre and Oldham Bus Station, which is only a two minute walk away. ACT Property Developments Limited have submitted a planning application for 44 self-contained one and two bedroom apartments that will be split over 4 floors.

Planning

The building does not currently have the benefit of planning permission and an application has been submitted in June 2020 for 44 apartments and parking. Permission is expected to be achieved in Quarter 4 2020. The development comprises of a refurbishment of a former court house over 4 floors.

Development timescale

It is anticipated that the conversion of the property will take approximately 12 months. Subject to the uncertainty caused by COVID-19, it is anticipated that work on converting the building will commence in January 2021.

Exit strategy

On 11 September 2020, ACT Property Developments received an offer from Acron Housing Association to forward fund the development of the building. Head of terms are being negotiated and are expected to be agreed in December 2020.The Directors estimate that the gross development value of the completed scheme will be £4.3 million.

The Group has agreed a profit share on the successful exit of 20 per cent.

Harley Street Developments Limited

The Group signed a profit participating loan agreement with Harley Street Developments Limited on 16 October 2020, effective from 31 August 2020.

52 Regent Road, Blackpool, FY1 4NB; 33 Raikes Parade, Blackpool, FY1 4EY and 25 Kirkdale Road, Liverpool, L5 5EL

In October 2019, Harley Street Developments Limited acquired two Co-living Investment properties in Blackpool and an investment property in Liverpool comprising of a commercial unit and serviced accommodation. As at August 2020, the properties have approximately 85 per cent. occupancy.

The Directors estimate the value of the properties listed above to be approximately £645,000 and the expected gross annual rent to be approximately £93,120.

The Group has a profit share on the successful exit. of 15 per cent.

Procurement and refurbishment of Co-living spaces

The Group manages the process of acquiring existing housing stock and redeveloping or refurbishing it into Co-living space that is then sold to investors, primarily overseas. The Group targets 4-6 en-suite bedrooms per property with communal facilities that include kitchen, recreational space and garden. These properties are then managed by One Heritage Complete Limited, see below.

There are three elements to this side of the Group's activities, which have been designed to align the interests between the differing parties over time to maximise the total value created from the activities and allow the Group to capture an equitable amount throughout each stage:

1. The Group sources properties and manages the redevelopment and/or refurbishment process for two entities, Robin Hood Property Development Limited* and Mosley Property Limited*. The alignment is through a 15 per cent. profit share which is paid on a successful disposal to an investor of each property.

2. A rental guarantee that is provided to the investor in the property. This guarantee provides a set income for a pre-determined period of the guarantee with any upside above this level retained by the Group. The guarantee level will be between 60-65 per cent. of the projected rental yield on the property and will vary depending on factors such as the length of the guarantee and the Group's own assessment of the return expectations of the property.

This mechanism aligns the interests of the Group and the investor and gives them income certainty over the initial holding period while demonstrating the Group's belief in the quality of the asset and builds the Group's brand as a provider of high quality Co-living space.

3. Residential Lettings and Ancillary Property Management Services which is discussed below.

*These entities are owned by Lee Chung Wah a major shareholder in the Group through his effective 38.33 per cent. stake in One Heritage Holding Group Limited, which owns 100 per cent. of the Company's parent company, One Heritage Property Development Limited and Yiu Tak Cheung, a Director of the Company and a major shareholder in the Group through his effective 38.33 per cent. share in One Heritage Holding Group Limited. The remaining beneficiary of One Heritage Holding Group Limited is Kenny Ngan who holds a 23.33 per cent.

The Group goes through a detailed process when selecting potential Co-living investments.

Stage	*Sample of processes*
Sourcing	● Inspection and Survey ● Architectural Drawings ● 16 point due diligence model
Approval of budget and offer price range	● Detailed costing and fixed price build ● Market Research ● Rental target upon completion
Acquisition process	● 4 week acquisition timeline
Design	● Bespoke design by One Heritage Design
Marketing of opportunity	● Begin Marketing Process
Completion/Disposal	● Target disposal to investor within 4 weeks of acquisition
Refurbishment	● 10 – 12 week refurbishment handled by One Heritage Maintenance
Tenanting	● Letting and Property management handled by One Heritage Letting ● Cleaning contract handled by One Heritage Cleaning

It is intended that in the future, this process will be targeted towards new developments as well in order to enable the Group to capture more value throughout the process and create a stable reoccurring income source.

Residential Lettings and Ancillary Property Management Services

In March 2020, the Group acquired a 47 per cent. shareholding in One Heritage Complete Limited for £200,000, which through its subsidiaries provide a residential letting service and other ancillary property management services as set out in the table below.

Subsidiary	*Services*	*Group Shareholding or Effective Interest*
One Heritage Complete Limited	Intermediate holding company	47%
One Heritage Letting Limited	Residential lettings service	28%*
One Heritage Cleaning Limited	Residential cleaning service	28%*
One Heritage Maintenance Limited	Residential maintenance service	34%*
One Heritage Design Limited	Residential interior design	43%*
One Heritage Letting London Limited	Residential lettings service	24%*

*One Heritage Complete Limited does not own 100 per cent. of this company, which means that the percentage shown is the effective interest that the Group holds in this company.

One Heritage Complete Limited

This is the intermediate holding company for the provision of residential lettings and ancillary services. It employs two members of staff, being the managing director and the financial controller.

One Heritage Letting Limited

One Heritage Letting Limited provides property management service for landlords primarily in Yorkshire (Wakefield, Leeds and Sheffield) and Greater Manchester areas (Oldham, Ashton Under Lyne and Manchester). It employs nine members of staff who are involved in lettings management and lettings administration.

One Heritage Cleaning Limited

One Heritage Cleaning Limited undertakes the contracted cleaning of residential properties under the management of One Heritage Letting Limited. It employs three members of staff, being the cleaning director and two cleaners.

One Heritage Maintenance Limited

One Heritage Maintenance Limited conducts simple maintenance fixes to offering full renovations to investors. . It employs 21 members of staff, including an operations director, painters and decorators, joiners, plumbers, plasterers and a procurement manager.

One Heritage Design Limited

One Heritage Design Limited is an interior design company providing residential design services. It employs two members of staff, being the design director and a design administrator.

One Heritage Letting London Limited

One Heritage Letting London Limited provides property management service for landlords. One Heritage Letting London Limited focuses letting activities across the London area.

Use of proceeds

The Company has conditionally raised gross proceeds of £930,000 through the Subscription. The estimated net proceeds of the Subscription are approximately £623,750.

The net proceeds are to be used to fund the equity requirements of the existing developments. The proceeds will be split as follows:

- Chester Road, Manchester: £206,250;
- Lincoln House, Bolton: £123,750; and
- Church Gate, Leicester: £293,750.

These amounts are the Board's expectation of equity requirements to take Chester Road, Manchester and Church Gate, Leicester to completion. Assuming that construction finance is raised in line with the Board's expectation. Lincoln House will require further funds that will be raised through existing debt facilities.

If the Group is unable to secure construction finance the developments will proceed but with specific delays which will enable them to complete with existing equity and debt resources. In this situation, the Group would delay the start of the Lincoln House development by six months and the Church Gate development by twelve months.

Funding and Completion of a Development

New Development opportunities will be funded by a combination of equity, which will be the balance of the Net Proceeds, plus the issuance of further shares in the Company as deemed appropriate by the Board, and through third party residential development finance and, if required, drawing additional shareholder loans made available through a loan facility from One Heritage Property Development Limited in Hong Kong, where the expeditious acquisition of sites is considered necessary by the Board.

Gearing

The Group will seek to use gearing to enhance equity returns from the acquisition and development of sites.

The level of borrowing will be on a prudent basis for the asset class and will seek to achieve a low cost of funds whilst maintaining flexibility in the underlying security requirements, and the structure of both the portfolio and the Group. The Directors intend that the Group will maintain a conservative level of borrowing when compared to its industry peer group.

It is anticipated that development loans of no more than 65 per cent. loan to cost will be arranged depending on the Board's assessment of the viability and risk associated with each individual development.

Debt will be secured at the asset level and potentially at the Company level, depending on the optimal structure for the Group and having consideration of key metrics including lender diversity, debt type and maturity profiles. Initially all debt will be on a project by project basis, with the asset owning subsidiary entering into the debt facility agreement to ensure there is minimal, if any, cross collateralisation.

Notwithstanding the above, it should be noted that the Articles do not contain a limit to the Company's ability to borrow funds.

Use of derivatives

The Group may utilise derivatives for efficient portfolio management. In particular, the Group may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Group's portfolio management. Any use of hedging will be restricted to a single asset and will not affect any other asset.

Significant Recent Trends

There have been no significant trends in production, sales and inventory, and costs and selling prices or financial performance of the Trading Group from 31 March 2020 to the date of this document.

There have been no significant trends in production, sales and inventory, and costs and selling prices or financial performance of the Enlarged Group from 31 July 2020 to the date of this document.

The Board

David Stewart Izett, 63, Non-Executive Chairman

David is a fellow of The Royal Institution of Chartered Surveyors, with more than 40 years' experience of the real estate industry, both in the UK and internationally, including Russia and Central Asia.

He was Chief Executive Officer ("**CEO**") of Colliers International UK plc from 2001 to 2010, including being EMEA Chairman of Colliers International UK plc from 2005 to 2010. David subsequently became a Business Development Partner for Cushman & Wakefield plc ("**Cushman & Wakefield**"), London in 2011 prior to becoming Chief Operating Officer of Cushman & Wakefield Moscow in 2012. He was Chair of the Cushman & Wakefield affiliate in Georgia and Kazakhstan before returning to the UK in 2016 where he now holds a number of board and consultancy roles with businesses in the real estate industry and the third sector.

Jeffrey Ian Pym ACA, 57, Non-Executive Director

Jeffrey is a qualified Chartered Accountant and highly experienced Chief Financial Officer ("**CFO**") with over 25 years' experience in the real estate sector covering social housing, private rented residential accommodation, build to rent residential accommodation, logistics assets, commercial and retail property. He has experience in the UK and internationally, including Europe and Brazil.

He was Group CFO at Delin Capital Asset Management, a pan-European logistics investor and developer, from 2018 to 2019. Prior to that, he was Group CFO at Tritax Management LLP, an investment management adviser, where he was part of the management team that successfully listed Tritax Big Box REIT, an investment company focused on the UK logistics sector, on the specialist funds market of the London Stock Exchange in December 2013. He was Group CFO of Squarestone from 2008 until 2011, where he was a member of the management team that successfully listed Squarestone Brasil, a developer and manager of shopping malls in Brazil, on AIM in April 2010.

Jeffrey is a member of the Institute of Chartered Accountants in England and Wales and holds a bachelor's degree in Management Science and Physics.

Jason David Upton, 34, Chief Executive Officer

Jason has extensive management experience, specialising in Operations Management and Business Development with experience in the Debt Management, Financial Services, Banking and Property Development Industries. From 2009 to 2016, he was Operations Manager for Totemic Financial Services Limited in the United Kingdom. Subsequent to that role, from 2016 to 2019, he was CEO of J Upton Limited, working as a management consultant for the Financial Services and Banking Industry, notably within Nationwide Building Society, the world's largest building society. In June 2019, Jason became the CEO of One Heritage Property Development (UK) Limited.

Jason graduated from the University of Lincoln in the United Kingdom with an Honours bachelor's degree in Business and Marketing.

Yiu Tak (Peter) Cheung, 33, Chief Investment Officer

Yiu is based in the UK and Hong Kong. He has extensive experience in business development, budget planning and operations management in wealth management industry. From 2009 to 2014, he was an Associate Director of Convoy Financial Services Limited, a listed financial services company on the Hong Kong Stock Exchange. Prior to that, from 2014 to 2016, he was a Senior Vice President of Hong Kong based Get Mdream Wealth Management Limited. The company is a diversified wealth management business focusing on the Asian market. In 2016, Yiu became CEO of One Heritage Property Development Limited.

Yiu graduated from the University of Lincoln in the United Kingdom with an Honours bachelor's degree in Business and Marketing.

Key Management

Markus Luke Piggin ACA CFA MBA, 33, Finance Director

Luke is a Chartered Accountant with eight years post qualification experience, having trained with KPMG initially in audit before moving to transaction services. Prior to joining One Heritage Group plc in August 2020, Luke was senior manager to the Board of MAS Real Estate, a South African listed real estate company specialising in development and investment of assets located in the UK and Continental Europe

Luke is an associate of the Institute of Chartered Accountants in England and Wales and a CFA Charterholder through the CFA Institute. He holds a Bachelor of Arts degree in Business Economics from Liverpool University and a Master of Business Administration from the University of Chicago Booth School of Business.

Martin Crews MRICS, 39, Development Director

Martin is a Chartered Building Surveyor with over 10 years' experience in project delivery and property development across a number of sectors. Having trained at international consultancy practices, Martin spent a number of years working for the Mansion Group, developing an expertise in purpose-built student accommodation. He then set up his own property development business delivering student accommodation to institutional investors before joining CityBlock Group as Development Director in April 2016.

Martin has a Bachelor of Science degree in Geography from Liverpool University, a Master of Science degree in Building Surveying from Liverpool John Moores University and a post graduate diploma in the Conservation of the Historic Environment from the College of Estate Management.

Peter Child, 52, Managing Director of One Heritage Complete Limited

Peter is an experienced businessman who has worked in property or related industries for over 30 years. He began his career in the plant and tool hire industry where he rose to the role of Group Management Director being responsible for over 1,200 members of staff and the business, which had a turnover of £120 million. He has extensive experience in the refurbishment, maintenance, management and letting of Co-living housing.

Corporate Governance

The Board recognises the value of good governance and intends, following Admission, to comply with the provisions of the QCA Corporate Governance Code insofar as it is practicable for a public company of its size and nature.

The QCA Corporate Governance Code requires a UK public company to maintain a well-functioning, balanced board led by a chairman and should include an appropriate combination of executive and non-executive directors. Except in the case of larger companies, at least two members of the board should be independent non-executive directors. The QCA Corporate Governance Code notes that independence is a board judgment. The board should determine whether a director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment.

The Directors support high standards of corporate governance. The Company's Board currently comprises two executive directors and two non-executive directors. The Board has carefully considered and determined that the non-executive directors (i.e. the independent directors) are independent. Accordingly, on Admission, the Company will comply with the provisions of the QCA Corporate Governance Code applicable that states at least two members of the Board should be independent non-executive directors.

The Directors have adopted terms of reference for and have formed an audit and risk committee, a remuneration committee, and a nominations committee. A majority of the members of the audit and risk committee and remuneration committee will be independent non-executive directors. The audit and risk committee and the remuneration committee comprise at least three (or in the case of small companies, two) independent non-executive directors. The Company fully complies with the foregoing requirements.

Audit and Risk Committee

The Company has established an audit and risk committee, which comprises all of the Directors and Jeffrey Ian Pym as the chairman. The audit committee will meet at least three times a year and will assist the Board in observing its responsibility for ensuring that the Company's financial systems provide accurate and up-to-date information on its financial position and that the published financial statements represent a true and fair reflection of this position. It will also assist the Board in ensuring that appropriate accounting policies, internal financial controls and compliance procedures are in place. The audit committee will receive information from the external auditors and will seek to challenge the external auditors where necessary.

At least one of the three proposed meetings will consider the risks posed to the Company. This will include, but is not be limited to, the review of the risk factors set out in pages 11 to 17 of this Document. The Committee will also consider any new or potential risks posed to the Company and will identify the mitigants and controls necessary to ensure that such risks are managed in a manner appropriate to the size and complexity of the Company's operations at that time.

Remuneration Committee

The Company has established a remuneration committee, which will comprise the two independent non-executive directors, those being Jeffrey Ian Pym and David Stewart Izett. The remuneration committee will meet at least once a year and otherwise as required.

The remuneration committee has responsibility for making recommendations to the Board on the Group's policy on the remuneration of the executive directors. The remuneration committee is responsible for reviewing the scale and structure of the executive directors' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The entire board sets the terms and conditions of the remuneration of the Directors.

The terms of reference of the remuneration committee cover issues such as membership and frequency of meetings together with the role of secretary and the requirements of notice and quorum and the right to attend meetings. The duties of the remuneration committee covered in the terms of reference relate to the following: determining and monitoring policy on and setting level of remuneration; authorising claims for expenses, reporting and disclosure; and remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to exercise its duties.

Nominations Committee

The nominations committee will meet at least once a year and otherwise as required. The committee consists of two members. The chairman of the nominations committee must either be an independent director or the chairman of the Board (save when discussing his succession). Accordingly, David Stewart Izett has been appointed as chairman of the nominations committee, the other member being Jeffrey Ian Pym. The nominations committee considers the composition of the Board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board. In addition, the nominations committee will recommend changes to the Board where specific skills and experiences are required to achieve the Company's future development plans.

Details of the share capital

As at 21 July 2020, the Company had an issued share capital of £1, comprising 100 fully paid Ordinary Shares of 1p each, issued at an average of 10p per Ordinary Share. Since that date on 27 October] 2020, 20,699,900 Ordinary Shares have been issued fully paid to One Heritage Property Development Limited in exchange for the entire issued share capital of One Heritage Property Development (UK) Limited. A further 9,300,000 new Ordinary Shares have been conditionally subscribed for by investors at a price of 10p per Ordinary Share conditional on Admission occurring on or before 23 December 2020 (or such later date as the Company and Hybridan agree).

The funds available to the Company on Admission will be used initially to meet the professional costs associated with Admission and the completion of such Developments, and to provide working capital for the Company.

The Subscription for New Ordinary Shares, conditional upon Admission, has raised £930,000 before expenses. Expenses of the Admission and the Subscription, which are payable by the Company, are estimated in total at £306,250 exclusive of VAT. The Net Proceeds of the Subscription are, therefore, estimated at £623,750.

This Document and the other Documents the Company is required to make available for inspection will be displayed on the Company's website www.one-heritageplc.com/.

Admission to trading on the Official List

The Directors have applied for the Ordinary Shares to be admitted to the Official List of the Financial Conduct Authority by way of a Standard Listing and to trading on the Main Market of the London Stock Exchange. Dealings in the Ordinary Shares are expected to commence on 23 December 2020, and copies of this Document will be available to the public, free of charge, from the Company's registered office for a period of 14 days from the commencement of dealings.

CREST

CREST is the system for paperless settlement of trades in listed securities operated by Euroclear. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system.

Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An Investor applying for Ordinary Shares in the Subscription may elect to receive Ordinary Shares in uncertificated form if the Investor is a system member (as defined in the CREST Regulations) in relation to CREST.

Initial dividend policy

The Directors do not expect to declare a dividend in the first Financial Year. In the years following, it will be reviewed with reference to opportunities in the market and managements certainty in generating growing reoccurring distributions in future periods. In the future, it is expected that investor returns will be a combination of both dividends and capital growth.

PART II

THE INVESTMENT

Description of the Investment

Under the Subscription 9,300,000 New Ordinary Shares have been conditionally subscribed for by prospective investors at the Subscription Price of 10p per Ordinary Share. The Subscribers' commitment is irrevocable. The gross proceeds of the Subscription, conditional upon admission are £930,000, subject to commission and other estimated fees and expenses of £306,250. After deduction of such fees and expenses, the Net Proceeds to the Company will amount to approximately £623,750. If Admission does not proceed, all subscription monies will be returned to the prospective investors.

The Subscription Shares have been made available to investors in the UK and, in accordance with the Listing Rules, at Admission at least 25 per cent. of the Ordinary Shares of the total class will be in public hands (as defined in the Listing Rules).

Admission and completion of the Subscription will be announced via a regulatory information service and is expected to take place at 8.00 a.m. on 23 December 2020 (or such later date as the Company).

Admission, Dealings and CREST

The Subscription is conditional solely on Admission pursuant to the Subscription Letters, subject to Admission occurring on or before 23 December 2020 or such later date as may be agreed by the Directors and the Company.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 23 December 2020. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

The expected date of electronic settlement of such dealings will be 23 December 2020. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Subscription does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

Where applicable, definitive share certificates in respect of the Ordinary Shares to be issued pursuant to the Subscription are expected to be dispatched, by post at the risk of the recipients, to the relevant holders, not later than 7 January 2021. The Ordinary Shares are in registered from and can also be held in uncertified form. Prior to the dispatch of definitive share certificates in respect of any Ordinary Shares which are held in certified form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Subscription and Pricing

All Ordinary Shares issued pursuant to the Subscription will be issued at the Subscription Price which has been determined by the Directors. The Company and the Directors have ensured that the Company shall have sufficient shares in public hands, as defined in the Listing Rules. All Subscriptions are conditional only on Admission. The Board have ensured that a minimum of 25 per cent. of the Ordinary Shares have been allocated to investors whose individual and unconnected Shareholdings will each equate to less than 5.0 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Admission occurring and becoming effective by 8 a.m. London time on or prior to 23 December 2020 (or such later date as the Company may agree) each of the Subscribers agree to become a member of the Company and agree to subscribe for those Ordinary Shares set out in his Subscription Letter. To the fullest extent permitted by law, Subscribers will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8 a.m. London time on or prior to 31 December 2020 (or such later date as the Company and Hybridan may agree) Subscribers will receive a full refund of monies subscribed.

The rights attaching to the Subscription shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

Payment

Each Subscriber has paid the Subscription Price for the Subscription Shares in the Company's bank account as set out in the Subscription Letter. Liability (if any) for stamp duty and stamp duty reserve tax is as described on page 203 of this Document. If Admission does not occur, Subscription monies will be returned to each Subscriber without interest by the Company.

Use of proceeds

The Company has conditionally raised gross proceeds of £930,000 through the Subscription. The estimated net proceeds of the Subscription are approximately £623,750.

The net proceeds are to be used to fund the existing developments equity requirements. The proceeds will be split as follows:

- Chester Road, Manchester: £206,250
- Lincoln House, Bolton: £123,750
- Church Gate, Leicester: £293,750

These amounts are the Board's expectation of equity requirements to take Chester Road, Manchester and Church Gate, Leicester to completion. Assuming that construction finance is raised in line with the Board's expectation. Lincoln House will require further funds that will be raised through existing debt facilities.

If the Group is unable to secure construction finance the developments will proceed but with specific delays which will enable them to complete with existing equity and debt resources. In this situation, the Group would delay the start of the Lincoln House development by six months and the Church Gate development by twelve months.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and investors who wish to receive and retain certificates for their securities will be able to do so. Subscribers may elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST.

Selling Restrictions

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within into or in the US.

The Subscription is being made by means of offering new Ordinary Shares to certain institutional investors in the UK and elsewhere outside the US.

Certain restrictions that apply to the distribution of this Document and the Ordinary Shares being issued pursuant to the Subscription in certain jurisdictions are described in the section headed Part IX (Notice to Investors) of this Document.

Transferability

The Company's Ordinary Shares, currently consisting of the Subscription Shares, are freely transferable and tradeable and there are no restrictions on transfer.

PART III

FINANCIAL INFORMATION ON THE COMPANY

(A) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

18 December 2020

The Directors
One Heritage Group Plc
80 Mosley Street,
Manchester
M2 3FX

One Heritage Group Plc

Dear Sirs

We report on the financial information on One Heritage Group Plc for the financial period of 21 July 2020 to 31 July 2020 (together, the "**financial information**") set out in Part III(B). This financial information has been prepared for inclusion in the prospectus dated 18 December 2020 of One Heritage Group Plc (the "**Prospectus**") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by item 18.1 of Annex 1 to the Commission Delegated Regulation (EU) No. 2019/980 supplementing Regulation (EU) No. 2017/1129 (the "**Prospectus Regulation**") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the Commission Delegated Regulation (EU) No. 2019/980, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Opinion

In our opinion, the financial information on One Heritage Group Plc gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 31 July 2020 and of its results, cash flows, changes in equity for each of the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the Commission Delegated Regulation (EU) No. 2019/980.

Yours faithfully

Haysmacintyre LLP
10 Queens Street Place
London
EC4R 1AG

(B) HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Statement of comprehensive income for the period from incorporation to 31 July 2020

The company has not yet commenced business since incorporation but has entered into the following transactions:

- The Company was incorporated in England and Wales on 21 July 2020 as a public limited company with the name One Heritage Group Plc and registration number 12757649. The domicile of the Company is the United Kingdom.
- On incorporation, Yiu Tak (Peter) Cheung, Jeffrey Ian Pym and Jason David Upton were appointed directors and Yiu Tak (Peter) Cheung was also appointed company secretary.
- On incorporation, the Company issued 100 ordinary shares of £0.01 each to One Heritage Property Development Limited, a Hong Kong registered company, and were fully paid up.
- On Admission, the company intends to issue 9,300,000 £0.01 ordinary shares by way of the Placing at £0.10 per share.

Statement of Financial Position as at 31 July 2020

	2020 £
Assets	
Current assets	
Cash and cash equivalents	1
Net assets	1
Equity and liabilities	
Capital and reserves attributable to the shareholders of the company	
Share capital	1
Total equity	1
Current liabilities	
Trade and other payables	–
Total liabilities	–
Total equity and liabilities	1

Statement of changes in equity for the period from incorporation to 31 July 2020

	Share Capital £	*Retained Earnings* £	*Total* £
Balance at 21 July 2020	–	–	–
Issue of share capital	1	–	–
Loss for the year	–	–	–
Balance at 31 July 2020	1	–	1

Statement of cash flows for the period from incorporation to 31 July 2020

	2020 £
Cash flows from operating activities	–
Cash flows from investing activities	–
Cash flows from financing activities	1
Net increase in cash and cash equivalents	1

Notes to the Historical Financial Information

1. Accounting Policies and Basis of Preparation

The company has not yet commenced business since incorporation, no audited financial statements have been prepared and no dividends have been declared as paid since incorporation.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The Historical Financial Information is presented in sterling, which is the company's functional and presentational currency and has been prepared under the historical cost convention.

2. Called Up Share Capital

100 ordinary shares of £0.01 each have been issued and fully paid as at 31 July 2020.

3. Post Balance Sheet Event

On 27 October 2020 the Company acquired 100 per cent. of the share capital of One Heritage Property Development UK Limited via a share for share exchange by issuing 20,699,000 ordinary shares of £0.01 each.

(C) OPERATING RESULTS OF THE COMPANY

(i) Operating results and financial review

The Company was incorporated on 21 July 2020 and has not traded during the period.

(ii) Capital resources and liquidity

As at the balance sheet date that Company had net assets of £1.00 held in cash. Subsequent to the balance sheet date, on 27 October 2020 the Company has entered into a share for share exchange with One Heritage Property Development (UK) Limited under which it has acquired the entire share capital of One Heritage Property Development (UK) Limited in exchange for issuing 20,699,000 ordinary shares of £0.01 each in the Company. Immediately following the share for share exchange the net assets of the Company were £207,000.

PART IV

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON ONE HERITAGE PROPERTY DEVELOPMENT (UK) LIMITED AND ITS SUBSIDIARIES

18 December 2020

The Directors
One Heritage Group Plc
80 Mosley Street
Manchester
M2 3FX

Dear Sirs

One Heritage Property Development (UK) Limited

We report on the financial information on One Heritage Property Development (UK) Limited for the financial period from the date of incorporation of 7 May 2019 to 31 March 2020 (together, the "financial information") set out in Part IV(B). This financial information has been prepared for inclusion in the prospectus dated 18 December 2020 of One Heritage Group Plc (the "Prospectus") on the basis of the accounting policies set out in note 3 to the financial information. This report is required by item 18.1 of Annex 1 to the Commission Delegated Regulation (EU) No. 2019/980 supplementing Regulation (EU) No. 2017/1129 (the "Prospectus Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the One Heritage Group Plc are responsible for preparing the financial information in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the Commission Delegated Regulation (EU) No. 2019/980, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Opinion

In our opinion, the financial information on One Heritage Property Development (UK) Limited gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the One Heritage Development (UK) Limited consolidated Group as at 31 March 2020 and of its results, cash flows, changes in equity for each of the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted by this Group.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the Commission Delegated Regulation (EU) No. 2019/980.

Yours faithfully

Haysmacintyre LLP
10 Queens Street Place
London
EC4R 1AG

(B) HISTORICAL FINANCIAL INFORMATION ON ONE HERITAGE PROPERTY DEVELOPMENT (UK) LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2020

	Note	*Period 31 March 2020* £
Revenue	2	234,323
Cost of sales		(170,905)
		63,418
Administrative expenses		(262,442)
Operating (loss)	3	(199,024)
Interest payable	4	(4,512)
(Loss) before tax		(203,536)
Income tax expense	5	–
(Loss) for the financial year	15	(203,536)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Note	*2020* £
Assets		
Non-current assets		
Property, plant and equipment	6/7	172,869
Investment properties	8	771,979
Investments	9	257,112
		1,201,960
Current assets		
Inventories and work in progress	11	14,192,522
Trade and other receivables	12	1,378,582
Cash and cash equivalents	13	692,306
		16,263,410
Total assets		17,465,370
Equity and liabilities		
Capital and reserves attributable to the shareholders of the company		
Share capital	14	100
Retained earnings	15	(203,536)
Total equity		(203,436)
Current liabilities		
Trade and other payables	16	12,023,425
Non-current liabilities	16	5,645,381
Total liabilities		17,668,806
Total equity and liabilities		17,465,370

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2020

	Share capital £	*Retained earnings* £	*Total* £
Balance at 7 May 2019	–	–	–
Issue of share capital	100	–	100
Loss for the period		(203,536)	(203,536)
Balance at 31 March 2020	100	(203,536)	(203,436)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2020

	Note	*2020* £
Cash flows from operating activities		
Cash generated from operations	17	(15,348,968)
Net cash generated from operating activities		(15,348,968)
Cash flows from investing activities		
Capital expenditure		(45,584)
Right of use lease payment		(9,468)
Investment property acquisition		(771,979)
Investment in associate		(257,112)
Net cash used in investing activities		(1,084,143)
Financing activities		
Proceeds from borrowings		4,770,000
Proceeds from related party borrowings		12,871,659
Repayments of related party borrowings		(824,087)
Repayment of bank loans		–
Interest payable		(4,512)
Related party interest capitalised		312,257
Issue of share capital		100
Net cash used in financing activities		17,125,417
Net increase in cash and cash equivalents		692,306
Cash and cash equivalents at end of period		692,306

NOTES TO THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION
For the period ended 31 March 2020

1. General information and significant accounting policies

General information

One Heritage Property Development (UK) Limited is a private limited company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of its registered office and its principal place of trading is 80 Mosley Street, Manchester, M2 3FX. The principal activity of the company is that of property development.

Significant accounting policies

Statement of compliance

The historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, IFRIC Interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The historical financial information does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

Basis of preparation

The historical financial information is prepared on the historical cost basis and the accounting policies set out below have been applied. The preparation of the historical financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The significant accounting policies of the company are set out below:

Basis of consolidation

The historical financial information consolidates those of the parent company and all of its subsidiaries as of 31 March 2020. All subsidiaries have a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the historical financial information of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20 per cent. and 50 per cent. of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Revenue

The company and its subsidiaries purchase land for property development purposes.

Revenue is recognised on an accruals basis. Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and the costs incurred and the costs to complete the contract can be measured reliably.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial Assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial liabilities

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, borrowings are subsequently stated at amortised costs, any difference between the proceeds (net of transaction costs) and the redemption value as recognised in the income statement.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Foreign currencies

The directors believe pounds sterling ("sterling") best represents the functional currency of the company. Therefore the books and records are maintained in sterling and, for the purpose of the historical financial information, the results and financial position are presented in sterling.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and all other cash amounts with maturities of three months or less.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset as is recognised in the income statement.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	15% on cost
Office equipment	15% on cost
Motor Vehicles	25% on cost

Leases

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Investment properties

Investment properties are initially recognised at cost, being the fair value of consideration given, including transaction costs associated with the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period during which the expenditure is incurred and included within the book cost of the property.

After initial recognition, investment properties are measured at fair value, with the movement in fair value recognised in the Consolidated Statement of Comprehensive Income and transferred to the Capital Reserve. Fair value is based on the external valuation provided by chartered surveyors, at the balance sheet date.

Inventories and work in progress

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Work in progress includes properties that are undergoing development which have not achieved practical completion at the balance sheet date or an unconditional contract to sell the property has not been exchanged at the balance sheet date.

Share capital

Ordinary shares are classified as equity. Any incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The directors do not consider there to be any critical judgements in respect of the period.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Risk management is overseen by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Adoption of new and revised standards

a) ***New and amended standards adopted by the company***

IFRS 16 Leases

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 superseded the previous lease guidance including IAS 17 Leases and the related interpretations when it became effective for accounting periods beginning on or after 1 January 2019. IFRS 16 changed how the company accounts for leases previously classified as operating leases, which were off-balance sheet. On initial application of IFRS 16, for all leases, the company:

- Recognised right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognised depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- Separated the total amount of cash paid into a principal portion and interest in the cash flow statement.

b) ***New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2020 which have not been adopted early by the company.***

- IAS 1 Presentation of Financial Statements (effective for accounting periods beginning 1 January 2020)
- IAS 12 Income Taxes (effective for accounting periods beginning 1 January 2020)

None of the above are expected to have a material impact on the company.

2. Revenue

Revenue arises solely from the company's principal activity, stated net of VAT. All revenue arose within the UK.

3. Operating profit

	2020
	£
This is stated after charging:	
Depreciation	28,806
Auditor's remuneration – Audit services	
– Taxation compliance services	–
– Taxation advisory services	–
– Non-audit services	7,172
Foreign exchange gains	–

4. Finance costs

	2020 £
Interest charges on right of use assets	4,512
Interest paid on borrowings	387,573
	392,085
Amount capitalised	(387,573)
Net finance costs	4,512

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 7.00 per cent.

5. Income tax expense

	2020 £
The tax charge on the profit on ordinary activities for the period was as follows:	
Analysis of charge in year	
Current tax	–
Income tax	–

Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the United Kingdom of 19 per cent. The differences are explained below:

	2020 £
(Loss)/Profit from continuing operations	(203,536)
Tax at the applicable rate of 19%	(38,672)
Tax effect of expenses that are not deductible in determining profit	–
Fixed asset timing differences	79
Deferred tax asset in respect of losses not recognised	(38,751)
Total tax charge	(38,672)

6. Property, plant and equipment

	Right of use Asset £	Office equipment £	Fixture & fittings £	Motor Vehicles £	Total £
Period ended 31 March 2020					
Opening net book amount	–	–	–	–	–
Additions	156,091	3,361	8,233	33,990	201,675
Depreciation charge	(23,414)	(320)	(823)	(4,249)	(28,806)
Closing net book amount	132,677	3,041	7,410	29,741	172,869
Period ended 31 March 2020					
Cost	156,091	3,361	8,233	33,990	201,675
Accumulated depreciation	(23,414)	(320)	(823)	(4,249)	(28,806)
Net book amount	132,677	3,041	7,410	29,741	172,869

7. Leases

	2020
(i) Amount recognised in the balance sheet	*£*
Right of use Asset	
Buildings	132,677
At 31 March 2020	132,677
Lease Liabilities	
Current	18,725
Non-current	127,899
	146,624

	2020
(ii) Amount recognised in the Profit and loss	*£*
Depreciation on right of use Asset	
Buildings	23,414
	23,424
Interest expense (included in finance cost)	4,512

8. Investment properties

	2020
	£
Period ended 31 March 2020	
Additions	771,979
At 31 March	771,979

The directors consider that the carrying amount of investment properties recorded at amortised costs in the historical financial information approximate their fair value.

9. Investments in associates

	2020
	£
Additions	257,112
At 31 March	257,112

Name of associate	*Registered office*	*Nature of business*	*% of ownership interest*
One Heritage Complete Limited	England and Wales	Holding company	47%

On 17 March 2020 One Heritage Property Development (UK) Limited acquired 47 per cent. of the issued share capital of One Heritage Complete Limited group of companies. The Group's share of the associate's profits and losses have not been included within the consolidated financial statements as it is immaterial to the Group.

10. Investments in subsidiaries

Set out below are the details of the subsidiaries held directly by the Group

Name of subsidiary	*Registered office*	*Nature of business*	*Proportioned owned by group*
One Heritage Tower Limited	England and Wales	Property development	100%
One Heritage Aston Limited	England and Wales	Property development	100%
Nicholas Street Developments Limited	England and Wales	Property development	100%
Lincoln House Property Development Limited	England and Wales	Property development	100%
Harley Street Developments Limited	England and Wales	Property development	100%

11. Inventories and work in progress

	2020
	£
Work in progress	14,192,522

12. Trade and other receivables

	2020
	£
Prepaid expenses and accrued income	8,229
VAT	292,587
Other debtors	14,255
Amounts owed to related parties	1,063,511
At 31 March	1,378,582

The directors consider that the carrying amount of financial assets recorded at amortised costs in the historical financial information approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

13. Cash and cash equivalents

	2020
	£
Cash at bank and in hand	692,306

The credit risk on liquid funds is considered to be limited because the counterparties are banks with an investment grade credit rating assigned by international credit rating agencies.

14. Share capital

	Allotted, called up and fully paid 2020 £
100 Ordinary shares of £1 each	100

On incorporation on 7 May 2019, 100 Ordinary £1 shares were issued at par. Each share entitles the holder to one vote.

15. Retained earnings

	2020 £
Loss for the year	(203,536)
Dividends paid	–
At 31 March	(203,536)

Retained earnings represents accumulated comprehensive income of the year and prior periods less any dividends paid.

16. Trade and other payables

	2020 £
Current liabilities	
Trade payables	335,699
Accruals and other payables	55,000
Borrowings	4,770,000
PAYE	1,313
Corporation tax	–
Amounts due to related parties	6,842,348
Other creditors	340
Right of use asset liability	18,725
At 31 March	12,023,425

	2020 £
Non-current Liabilities	
Right of use asset liability	127,899
Amounts due to related parties	5,517,482
	5,645,381

Trade payables and accruals relate to amounts payable at the balance sheet date for services received during the year.

The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of financial liabilities recorded at amortised costs in the historical financial information approximate their fair value.

17. Cash generated from operations

	2020 £
Profit/(Loss) before tax	(203,536)
Adjustments for:	
Depreciation	28,806
Changes in inventories	(14,192,520)
Change in trade and other receivables	(1,378,582)
Change in trade and other payables	392,352
Tax Charge	–
Interest charge	4,512
Interest income	–
Cash generated from operations	(15,348,968)

18. Related party transactions

During the year the group received loans from One Heritage Property Development Limited amounting to £6,341,568. The principle is repayable on 31 December 2024 and carries a rate of interest of 7 per cent. per annum. At the period end £5,829,740 remained outstanding.

During the period the group received further loans of £6,274,644 from One Heritage Property Development Limited. Both companies are under common control. The loans carry a rate of interest of 0 per cent. and are repayable on demand.

At the period end an amount of £255,426 was due to ACT Property Developments Limited, a company under common directorship.

At the period end amounts of £793,078 and £270,409 were due from Robin Hood Property Development Limited and Mosley Property Limited respectively, both company's are under common directorship.

During the year, the company advanced the directors £1,000 the full balance remains outstanding at the year end. A director is also owed £120 at the year end. No interest is charged on these amounts and there are no fixed repayment terms.

19. Staff costs and average number of employees

	2020 £
The aggregate remuneration comprised:	
Wages and salaries	34,772
Pension costs	288
	35,060

The average monthly number of employees (including executive directors) during the year was 3.

Total remuneration for key management personnel for 2019 was £nil.

During the year remuneration payable to directors was as follows:

	2020 £
Directors' remuneration	6,271

20. Post balance sheet events

Transfer of One Heritage Property Maintenance Limited, One Heritage Tower Limited and Harley Street Developments out of the Group

On 31 August 2020 One Heritage Property Maintenance, One Heritage Limited and Harley Street Developments limited were transferred to One Heritage Property Developments Limited via a share purchase arrangement. A net profit of £42,257 was realised on disposal.

Acquisition of Generation 100 Limited

On 2 September 2020 the group acquired 100 per cent. of the share capital of Generation 100 Limited for consideration of £1.2 million plus acquisition costs.

Conversion of shareholder loan to equity

On 31 August 2020 £2,749,900 of shareholder loan was converted into 20,699,900 ordinary shares at £13.3 per share.

Change of ownership via share for share exchange

On 27 October 2020 the group's immediate parent undertaking changed from One Heritage Property Development Limited to One Heritage Group Plc by way of share for share exchange.

(C) OPERATING RESULTS OF ONE HERITAGE PROPERTY DEVELOPMENT (UK) LIMITED AND ITS SUBSIDIARIES

(i) Operating results and financial review

One Heritage Property Development (UK) Limited and its subsidiaries (the "**Trading Group**") has generated a loss in the period from incorporation. This loss of £203,536 has been generated as a consequence of the operating costs incurred by the business not being covered by revenues. This primarily relates to operating costs of £199,024 incurred during the period. These costs include those incurred in the set-up of the business, such as professional service fees for group structuring, recruitment costs and office related costs. Following these initial costs, the Trading Group has incurred salaries and general operating costs as the business has commenced acquiring assets that will generate positive cash flows in the future. The income received during the period relates to the disposal of a Co-living Property in Harley Street Developments Limited, which was not required for the proposed development.

The nature of the property industry means that there is a lag between establishing the business and revenues being generated, as the process involved in of acquiring an asset and transforming it into a more valuable asset is measured in months and years rather than days and weeks. With the exception of the disposal of a Co-living property in Harley Street Developments Limited there were no other revenues generated during the period.

(ii) Capital resources and liquidity

The balance sheet of the business at 31 March 2020 includes the acquisition of property assets, through special purpose vehicles ("**SPVs**"), which are in the process of either being developed or refurbished before being sold. These are recognised as inventory which is shown as a current asset in the balance sheet. An additional investment property has also been acquired, which is shown as a non-current asset.

The acquisitions made during the period total £12.6 million in aggregate, including purchase costs, and £1.4 million, excluding the properties purchased by One Heritage Tower Limited and Harley Street Developments Limited, which have been transferred out of the Trading Group prior to the acquisition of the Trading Group by One Heritage Group plc.

All acquisitions were funded by loans from the shareholders, with additional funds for the acquisition of Lincoln House and One Heritage Tower being raised through debt finance facilities of £770,000 and £4.0 million respectively. Both facilities remain in place and are due to be repaid in March 2021 and August 2021 respectively. Repayment will be funded either through sale proceeds, if the properties are sold prior to the repayment date of the loans, or through refinancing with construction finance in order to complete the development of these assets. Both loans are secured by a first legal charge over the assets held by each of these subsidiaries. There is no cross collateralisation provided against the assets of either One Heritage Property Development (UK) Limited or any other subsidiary.

In addition to the acquisition of the properties, the business has used shareholder funding to provide working capital during the period with any excess cash and cash equivalents that are held in the business are held in corporate accounts that are non-interest bearing but have instant availability.

Since the balance sheet date of 31 March 2020, the Trading Group has transferred the ownership of One Heritage Tower Limited and Harley Street Developments Limited to One Heritage Property Development Limited in Hong Kong. The reason for these transfers was that the assets did not fit in with the core strategy.

On acquisition of the Trading Group by One Heritage Group plc on 27 October 2020, £2.75 million of shareholder loans were converted to equity in a share for share exchange.

On 22 July 2020 and 11 August 2020 the Trading Group issued bonds worth £1,135,000 and £1,007,000 respectively to One Heritage SPC. Each has a term of 18 months with an annual coupon of 12 per cent.

Given that the short financial information relates to the period since incorporation there is no comparative information for prior periods. With limited operational activity during the period, there are no material key performance indicators that require further comment.

PART V

UNAUDITED PRO FORMA CONSOLIDATED NET ASSET AND PROFIT AND LOSS STATEMENT FOR ENLARGED GROUP

The following unaudited pro forma statement of net assets and profit and loss of the Enlarged Group is prepared for illustrative purposes only. Because of its nature, the pro forma statement of net assets and profit and loss addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position.

The statement is prepared to illustrate the effect on the assets and liabilities and profit and loss of the transactions 2-5 as if they had taken place on 31 March 2020. It also reflects the fundraising completed by the Company of £623,750.

The unaudited pro forma statement of net assets and profit and loss is compiled on the basis set out below from the unaudited financial information of One Heritage Property Development (UK) Limited as at 31 March 2020 as set out in the accountants' reports in this Document.

	One Heritage Property Development (UK) Limited net assets at 31 March 2020	*1**	*2***	*3****	*4*****	*Pro forma net assets of the Group at 31 March 2020*
Net asset statement						
Assets						
Non-current assets						
Property, plant and equipment	172,869	–	–	–	–	172,869
Investment properties	771,979	(771,979)	–	–	–	–
Investments	257,112	–	–	–	–	257,112
Total non-current assets	1,201,960	(771,979)	–	–	–	429,981
Current assets						
Inventory	14,192,522	(12,172,482)	1,246,250			3,266,290
Trade and other receivables	1,378,582	–	–			1,378,582
Cash and cash equivalents	692,306	(82,837)	–		623,750	1,233,219
Total current assets	16,263,410	(12,255,319)	1,246,250		623,750	5,878,091
Total assets	17,465,370	(13,027,298)	1,246,250		623,750	6,308,072
Liabilities						
Current liabilities						
Trade and other payables	(12,023,425)	9,027,298	(1,246,250)	2,749,900	–	(1,492,477)
Non-current liabilities	(5,645,381)	4,000,000	–	–	–	(1,645,381)
Total liabilities	(17,688,806)	13,027,298	(1,246,250)	2,749,900	–	(3,137,858)
Net assets/(liabilities)	(203,436)	–	–	2,749,900	623,750	3,170,214
Equity	(203,436)	–	–	2,749,900	623,750	3,170,214
Net asset per share						10.57p
Profit and loss statement						
Revenue	234,323	–	–	–	–	234,323
Cost of sales	(170,905)	–	–	–	–	(170,905)
Gross profit	63,418	–	–	–	–	63,418
Administrative expenses	(262,442)	42,258	–	–	–	(220,184)
Operating profit/(loss)	(199,024)	42,258	–	–	–	(156,766)
Interest payable	(4,512)	–	–	–	–	(4,512)
Profit/(loss) before tax	(203,536)	42,258	–	–	–	(161,278)
Income tax expense	–	–	–	–	–	–
Profit/(loss) for period	(203,536)	42,258	–	–	–	(161,278)

* Transfer out of One Heritage Tower Limited and Harley Street Development Limited

** Acquisitions

*** Conversion of Shareholder Loan to equity

**** Capital raise

The proforma statement of net assets and profits and losses of the Enlarged Group has been prepared as an aggregation of the following items:

- the net assets of One Heritage Property Development (UK) Limited as at 31 March 2020 as extracted from the underlying accounting records;
- the profit and losses of One Heritage Property Development (UK) Limited as at 31 March 2020 as extracted from the underlying accounting records;
- Transaction 2-7 as set out below;
- the net proceeds of the fundraising is expected to be completed by the Company on 23 December 2020; and
- no adjustment has been made to reflect trading results since these dates.

Notes to the unaudited pro forma consolidated net asset statement and profit and loss statement for the Enlarged Group

1. Transfer of One Heritage Tower Limited and Harley Street Developments Limited out of the group into One Heritage Property Management Limited, a subsidiary of One Heritage Property Limited. Consideration was the net asset value of the entities as at 31 August 2020.

2. Acquisitions: Acquisition of Generation 100 Limited for £1.2 million plus acquisition costs. The sole asset in this entity Chester Road, Manchester development, and a £30,000 deposit paid on the land at Church Gate, Leicester.

3. Conversion of Shareholder Loan between One Heritage Property Development (UK) Limited and One Heritage Property Development Limited into equity in One Heritage Property Development (UK) Limited.

4. The expected net proceeds of the capital raise, which is the amount after capital raise costs.

5. Reverse acquisition of One Heritage Property Developments (UK) Limited by One Heritage Group Plc.

By way of the share exchange agreement, the Company is expected to acquire the entire issued share capital of One Heritage Property Development (UK) Limited from its shareholders in return for the issue and allotment of 20,700,000 Ordinary Shares in the Company to those shareholders being the current shareholders of One Heritage Property Development (UK) Limited prior to Admission. As a result of the acquisition One Heritage Property Development (UK) Limited became a wholly owned legal subsidiary of the Company.

(B) REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS AND PROFIT AND LOSS

The Directors
One Heritage Group Plc
80 Mosley Street,
Manchester
M2 3FX

Dear Sirs

We report on the unaudited pro forma financial information (the "**Pro Forma Financial Information**") set out in Part V of the Company's prospectus dated 18 December 2020 (the "**Prospectus**") which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about the proposed admission of the ordinary shares of the Company to the standard segment of the Official List maintained by the Financial Conduct Authority (the "**FCA**") and the proposed admission of those shares to trading on the London Stock Exchange's standard listing market for listed securities (the "**Transaction**"). This report is required by section 3 of Annex 20 to the PR Regulation and is given for the purpose of complying with that PR Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex 20 of the PR Regulation.

It is our responsibility to form an opinion, as required by section 3 of Annex 20 to the PR Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of One Heritage Group Plc.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of One Heritage Group Plc.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 and item 1.2 of Annex 11 to the PR Regulation.

Yours faithfully

Haysmacintyre LLP
Chartered Accountants
10 Queens Street Place
London
EC4R 1AG

PART VI

PROPERTY VALUATIONS

Valuation Report.

5-9, Nicholas Street, Burnley, Lancashire BB11 2AQ
64, Church Gate, Leicester, Leicestershire LE1 4AL
Former Bulls Head, Chester Road, Manchester M15 4EY
Lincoln House, Nelson Street, Bolton BL3 2JW

Prepared for One Heritage Group PLC
Valuation date: 11 November 2020

Important Notice to all readers of this report
Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

**Locally expert,
globally connected.**

One Heritage Group PLC
80
Mosley Street
Manchester
Greater Manchester
M2 3FX

For the attention of Mr Martin Crews
Email: martin.crews@one-heritage.com
Tel: +44 161 806 1498

Date of issue: 11 November 2020
Our Ref: I:1092190

Dear Sirs

Valuation Report - 5-9, Nicholas Street, Burnley, Lancashire BB11 2AQ
64, Church Gate, Leicester, Leicestershire LE1 4AL
Former Bulls Head, Chester Road, Manchester M15 4EY
Lincoln House, Nelson Street, Bolton BL3 2JW

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above properties. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank LLP

D Searle

Dan Searle MRICS
RICS Registered Valuer
Partner, Residential Development & Investment,
Valuation & Advisory
dan.searle@knightfrank.com
T +44 161 696 8576
M +44 7973 622 986

This report has been reviewed, but not undertaken, by:

AJDavis

Andrew Davis MRICS
RICS Registered Valuer

Partner, Head of Regional Residential Investment &
Development Valuations

Contents

Appendices

Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.

Address	5-9, Nicholas Street, Burnley, Lancashire BB11 2AQ 64, Church Gate, Leicester, Leicestershire LE1 4AL Former Bulls Head, Chester Road, Manchester M15 4EY Lincoln House, Nelson Street, Bolton BL3 2JW
Location	There are four properties included within the subject portfolio, with all but one being located in the North-West of the United Kingdom. The other property is in the East Midlands. The towns/cities that they are located are Burnley, Bolton, Manchester and Leicester. Further details of the location of the individual properties are discussed within the folio sheets provided later within this report.
Description	The properties and sites are a mixture of property type to include development land and conversions for residential use.
Valuation considerations	• Assumption that the schedules of accommodation are correct; • Assumption that costs provided are correct; • A diverse portfolio; • The properties are at various stages of development.
Valuation date	11 November 2020
Market value	5-9, Nicholas Street, Burnley - £245,000 64, Church Gate, Leicester - £100,000 Former Bulls Head, Chester Road, Manchester - £1,300,000 Lincoln House, Nelson Street, Bolton - £545,000

1. Terms of engagement

Engagement of Knight Frank LLP

1.1 This valuation report (the "Valuation") has been prepared in accordance with our Terms of Engagement letter dated 6 November 2020 and our General Terms of Business for Valuation Services (together the "Agreement"). A copy of the Agreement is attached at Appendix 1 (along with your original instruction for reference purposes).

Client

1.2 We have been instructed to prepare the Valuation by One Heritage Group PLC (the "Client").

Valuation standards

1.3 This valuation has been undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below.

1.4 The Valuation Report will be prepared in accordance with the Red Book and will comply with Rule 5.4.5G of the Prospectus Regulation Rules published by the Financial Conduct Authority (the "FCA") and with paragraphs 128 to 130 of European Securities and Markets Authority's ("ESMA") update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses (EC) No 809/2004 ("CESR") implementing the Prospectus Directive (ESMA/2013/319) (the "ESMA Recommendations").

Independence and expertise

Disclosure of any conflicts of interest

1.5 We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation.

1.6 This has been disclosed to you and you have given your consent to us proceeding with this instruction. We confirm that we are not aware of any undisclosed matter giving rise to a potential conflict of interest and that we are providing an objective and unbiased valuation.

Valuer and expertise

1.7 The valuer, on behalf of Knight Frank LLP, with the responsibility for this report is Dan Searle MRICS, RICS Registered Valuer. We confirm that the valuer meets the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.8 For the purposes of the Red Book, we are acting as External Valuers, as defined therein.

1.9 This report has been vetted as part of Knight Frank LLP's quality assurance procedures.

Use of this Valuation

Purpose of valuation

1.10 This Valuation is provided solely for the purpose of inclusion and/or reference in he "Preliminary Prospectus" and, together with the Final Prospectus, the "Prospectus") in connection with the offer of ordinary shares pursuant to a firm subscription and placing (the "Offer") and any supplementary prospectus issued by the Company in connection with the Offer (the "Purpose") only and may not be used for any other purpose without our express written consent.

1.11 The Valuation Report to be included in the Prospectus:

Prospectus

1.12 "For the purpose of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and this Valuation Report makes no omission likely to affect its import. This Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules, paragraphs 128 to 130 of ESMA's update of the CESR recommendations for the consistent implementation of the European Commission's Regulations (EC) No 809/2004 implementing the Prospectus Directive (ESMA/2013/319)."

Reliance

1.13 Clause 4.2 of the General Terms states that no liability is accepted to any third party for the whole or any part of the Valuation. Notwithstanding this, we confirm that we accept responsibility for the purpose of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules for the Valuation and the information contained in the Valuation Report. To the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person other than as set out above.

1.14 No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure & publication

1.15 Except in connection with the Purpose of this Valuation, clauses 4.3 to 4.6 of the General Terms limits disclosure and generally prohibits publication of the Valuation. Notwithstanding this, we confirm that the Valuation and Valuation Report may be included in the Prospectus and any supplementary prospectus that are to be reviewed and approved by the FCA and published by the Company in connection with the Purpose and our Valuation may be included and our Valuation Report referenced in any announcement or presentation which relates to the Offer or the Prospectus.

1.16 Our approval of the form and context in which our Valuation Report appears in the latest available drafts of the Prospectus shall constitute our approval for the purpose of clause 4 of our General Terms.

1.17 Except as agreed in connection with the Purpose and set out herein, the Valuation is confidential to the Addressees and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and written approval of the form or context in which it may appear.

Limitations on liability

1.18 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.

1.19 We confirm that we hold adequate and appropriate PII cover for this instruction.

1.20 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.

1.21 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

Information provided to us which we have relied upon

1.22 In this report we have been provided with the following information relating to the subject properties which we have relied upon as being materially correct in all aspects

- Planning permissions.
- Schedules of accommodation.
- Cost schedules.
- Information relating to the extent of the properties;
- Information relating to the condition of those properties not internally inspected;

Investigations carried out by us

1.23 In carrying out this Valuation we have undertaken verbal / web based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete.

2. The Properties

2.1 The Properties we have valued, including the inspection details, are as follows:

Property address	Inspected by	Inspection date
5-9, Nicholas Street, Burnley, Lancashire BB11 2AQ	Dan Searle	28 October 2020
64, Church Gate, Leicester, Leicestershire LE1 4AL	Dan Winter	21 October 2020
Former Bulls Head, Chester Road, Manchester M15 4EY	Dan Searle	15 October 2020
Lincoln House, Nelson Street, Bolton BL3 2JW	Dan Searle	23 October 2020

2.2 We were instructed to inspect the Properties externally only.

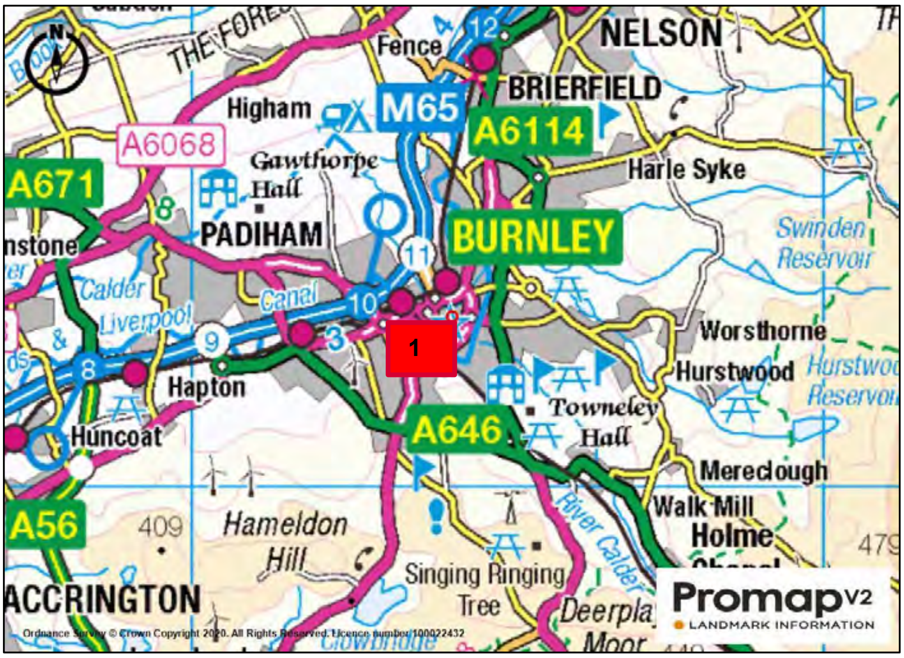
Location

2.3 There are 4 properties included within the subject portfolio, three located in the north west of England and the other located in the East Midlands. The towns/cities that they are located are Burnley, Bolton, Manchester and Leicester.

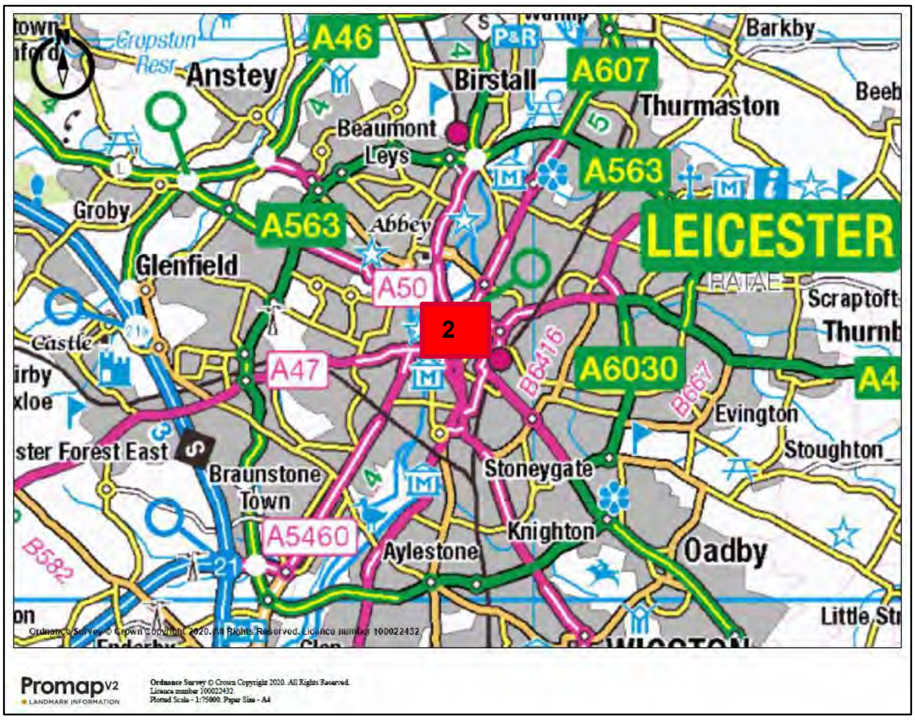
As can be seen from the plan below, the four properties within the portfolio are located in the following towns/cities:

2.4 The key for the above location maps are as follows:

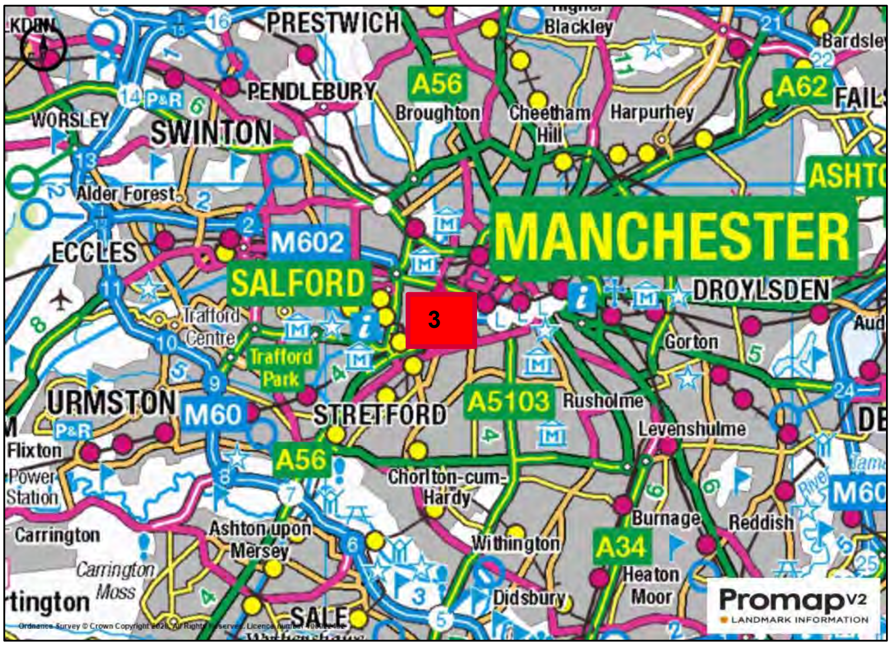
No	Address	Location
1	5-9 Nicholas Street	Burnley
2	64 Church Gate	Leicester
3	Former Bulls Head	Manchester
4	Lincoln House	Bolton

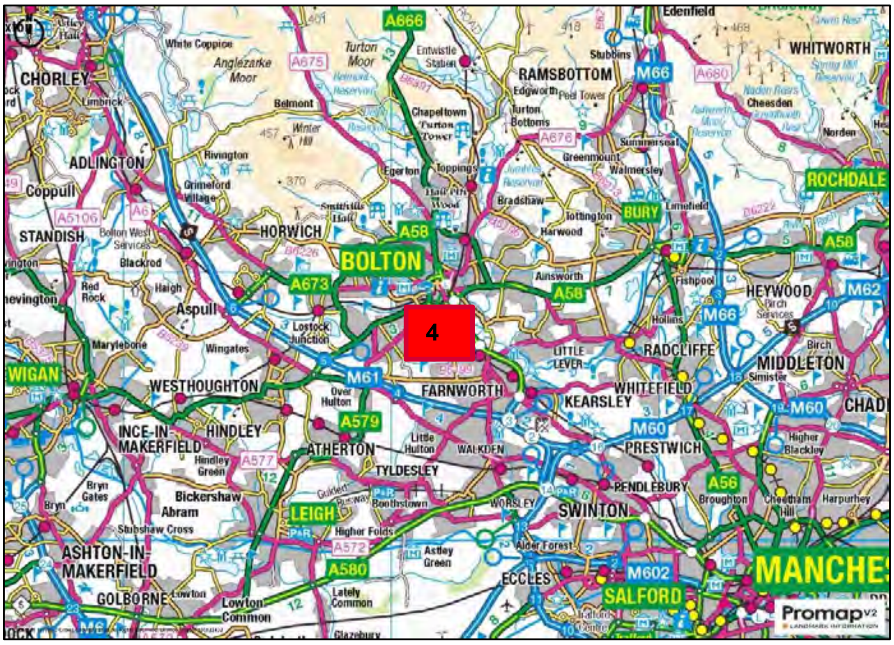


NELSON
Fence
BRIERFIELD
Higham
M65
A6114
A6068
Gawthorpe Hall
Harle Syke
A671
PADIHAM
BURNLEY
Swinden Reservoir
Calder
Canal
Liverpool
1
Worsthorne
Hapton
Hurstwood
Hurstwood Reservoir
Towneley Hall
Huncoat
A646
Mereclough
Walk Mill
A56
409
Hameldon Hill
Holme
Singing Ringing Tree
River Calder
ACCRINGTON
Deerplay Moor
Promap v2
LANDMARK INFORMATION
Ordnance Survey © Crown Copyright 2020. All Rights Reserved. Licence number 100022432



Cropston Resr
A46
Anstey
Birstall
A607
Barkby
Thurmaston
Beaumont Leys
A563
Groby
LEICESTER
Abbey
Glenfield
A50
RATAE
Scraptoft
2
Castle
A47
A6030
B6416
B667
Evington
Stoughton
Braunstone Town
Stoneygate
A5460
Knighton
Aylestone
Oadby
B582
Little Str
Promap v2
LANDMARK INFORMATION
Ordnance Survey © Crown Copyright 2020. All Rights Reserved.
Licence number 100022432
Plotted Scale - 1:75000. Paper Size - A4


PRESTWICH
Blackley
PENDLEBURY
A56
Broughton
Cheetham Hill
Harpurhey
A62
WORSLEY
SWINTON
Alder Forest
ASHTO
ECCLES
M602
MANCHESTER
SALFORD
DROYLSDEN
3
Trafford Centre
Trafford Park
Gorton
URMSTON
M60
STRETFORD
A5103
Rusholme
Levenshulme
Flixton
Power Station
A56
Chorlton-cum-Hardy
M60
Carrington
Ashton upon Mersey
Withington
A34
Burnage
Reddish
Carrington Moss
Heaton Moor
SALE
Didsbury
Promap v2
LANDMARK INFORMATION


A666
Edenfield
WHITWORTH
CHORLEY
Anglezarke Moor
Turton Moor
RAMSBOTTOM
M66
ADLINGTON
ROCHDALE
Coppull
STANDISH
HORWICH
A58
BURY
BOLTON
A673
HEYWOOD
M62
A58
4
WIGAN
M61
RADCLIFFE
MIDDLETON
WESTHOUGHTON
FARNWORTH
KEARSLEY
WHITEFIELD
M60
INCE-IN-MAKERFIELD
HINDLEY
A579
ATHERTON
PRESTWICH
TYLDESLEY
PENDLEBURY
A56
LEIGH
SWINTON
ASHTON-IN-MAKERFIELD
A580
ECCLES
M602
MANCHES
GOLBORNE
SALFORD
Promap v2

Description

2.5 A brief description of each of the individual properties is contained within the individual folio sheets later within this report. As agreed, we have relied upon floor areas provided to us for the properties. No further verification has been undertaken

2.6 A photographic study is outlined within each folio sheet.

Services

2.7 No tests have been undertaken on any of the services.

2.8 We have assumed for the purposes of this valuation that mains gas, water, electricity, drainage and telecommunications are all available to the subject properties or for the development sites that connections can be made.

Legal title

Land register searches

2.9 We do not undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England & Wales, Registers of Scotland and Land & Property Services in Northern Ireland.

Sources of Information

2.10 We have not been provided with any Land Registry entries, Title documents or Report on Title.

2.11 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

2.12 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

2.13 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

Potential changes in legislation affecting ground rents

2.14 In December 2017 the Communities Secretary announced new measures to cut out unfair and abusive practices within the leasehold system, including a ban on leaseholds for almost all new build houses in England. The Government plans to introduce legislation that will require ground rents on new long leases – for both houses and flats – to be set to zero.

2.15 As a result of these plans, we have assumed zero ground rents for all new residential long leases within our valuation. For existing residential long leases, where the ground rent is considered to be "onerous", the Government wishes to see support extended to leaseholders. The Government has not explicitly stated what level of ground rent it considers to be onerous, nor where the support for affected leaseholders should come from. In addition, the Government intends to consider ways in which to make it easier for leaseholders to buy their freehold or to extend their leases. Where likely to be applicable, we have set out any specific assumptions within our valuation in this regard.

Tenure

2.16 We understand that the properties are either held on a freehold or long leasehold basis. Further details are discussed within the folio sheets provided later within this report.

2.17 These assumptions should be verified by your legal advisors. If they prove incorrect, any variation may have a material impact on value and should be referred back to us for further comment.

2.18 In the absence of a copy lease, we have assumed that normal covenants and liabilities devolve upon the lessee. It is further assumed that there are no onerous restrictions or outgoings contained within the lease that would impact on the valuation provided within this report.

2.19 These assumptions should be verified by your legal advisors. If they prove incorrect, any variation may have a material impact on value and should be referred back to us for further comment.

Covenants

2.20 We have assumed that the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Tenancies

Title assumed for proposed units

2.21 We have assumed that the proposed apartments in the proposed schemes will be sold on 125 year leases at peppercorn ground rents and will be subject to a reasonable service charge to cover the repair and maintenance of the buildings, services and common areas.

Vacant possession

2.22 We have valued the properties on the assumption of vacant possession.

Condition

Scope of inspection

2.23 We have not undertaken a building or site survey of the property.

2.24 During our limited inspection we did not inspect any inaccessible areas. We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair.

Comments

2.25 Comments regarding the condition of the areas of the subject properties internally inspected are discussed within the individual folio sheets.

2.26 Within our valuation we have assumed the condition of those flats/buildings not internally inspected. Should this be subject to change then our opinion of value may be subject to change.

Ground conditions

2.27 We have not been provided with a copy of a ground condition report for the site. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the buildings constructed or to be constructed thereon.

Mining

2.28 We have not investigated ground conditions. The property is not situated in a known mining area. Unless advised to the contrary, our valuation is on the basis that there is no unidentified adverse ground, or soil conditions and that the load bearing qualities of the property are sufficient to support the buildings constructed or to be constructed thereon.

Environmental considerations

Flooding

2.29 We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible.

2.30 During our inspections we did not note any specific flooding issues. Therefore our valuation is undertaken on the basis that there are no flooding issues relating to the subject properties. We further assume that high street mortgages and insurance would be available.

Contamination

2.31 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings 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 potential for contamination.

2.32 Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the subject property that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the property is unaffected.

Radon

2.33 The Public Health England has identified the area in which the property is situated as one in which, in more than one per cent of the dwellings, the level of radon gas entering the property is such that remedial action is recommended.

2.34 It is not possible in the course of our inspection/survey to determine whether radon gas is present in any building, as the gas is colourless and odourless. Tests can be carried out to assess the level of radon in a building and the minimum testing period is three months. Where radon gas is discovered, it has been the experience of the Public Health England that it is not expensive, in proportion to the value of the property, to effect the recommended remedial measures. We have therefore disregarded this issue in terms of our valuation.

Asbestos

2.35 Since 1999, the use within a building of asbestos containing materials (ACMs) has been banned. These are commonly found although are often in areas not visible from an inspection of the surface elements. While these can be sealed in place, public alarm is such that their removal and safe disposal is the more likely course of action and this can be particularly expensive. Removal and disposal will require specialist advice. Knight Frank LLP does not specifically inspect for ACMs. We have assumed that no ACMs are contained within the properties.

Sustainability

Sustainability

2.36 The issue of sustainability is becoming increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health for their occupiers may retain value over a longer term than those that do not.

2.37 The Government has set itself a target to reduce CO_2 emissions by 80% by 2050. With property representing around 50% of total emissions, the sector has become an obvious target for legislation. It is likely that, as we move towards 2050, energy efficiency legislation for property will become increasingly stringent.

EPCs

1. All properties within the UK require an Energy Performance Certificate (EPC) when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.

2. The Energy Act 2011 introduced legislation that has made it unlawful to rent a property which has an “F or G” energy efficiency rating. This minimum energy efficiency rating could be made more stringent in the future.

2.38 Additionally, residential landlords are not be able to unreasonably refuse consent for certain types of energy efficiency improvements.

Sustainability Characteristics

2.39 From a value perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

Planning

Sources of planning information

2.40 We have made informal enquiries of the relevant local authorities for each of the properties/sites.

2.41 These enquiries should not be taken as personal searches and information on the relevant website is assumed to be both accurate and up to date. For a formal planning enquiry to be made, the planning authority will require written representation which has not been possible as part of our report.

2.42 Further details on the planning information for each property is contained in the relevant folio sheet.

Highways and access

Highways

2.43 We have assumed that there are no current highway proposals in the immediate vicinity likely to have a detrimental effect upon the property within the foreseeable future.

2.44 We have assumed that all highways bounding the properties are adopted.

Access

2.45 In reporting our opinion of value, we have assumed that there are no third party interests between the boundary of the subject property and the adopted highways and that accordingly the property has unfettered vehicular and pedestrian access.

Council tax

2.46 Upon completion of the development the residential units will be banded accordingly.

Statutory licences & certificates

Health & safety

2.47 The letting of residential property, requires compliance with strict health and safety standards by both owners and managers. The failure to comply can lead to civil and even criminal prosecutions. The requirements placed on the owners of let residential property include, but are not limited to: -

- Furniture & Furnishings (Fire) (Safety) Regulations 1988
- Gas Safety (Installation and Use) Regulations 1998
- Electrical Equipment (Safety) Regulations 1994
- Housing Fitness Standards
- Housing Health & Safety Rating System under the Housing Act 2004
- The Smoke and Carbon Monoxide (England) Regulations 2015 and equivalent regulations in Scotland and Wales.

2.48 We have assumed in our valuation that all regulations have been complied with.

2.49 We would recommend that you seek an assurance that all relevant regulations are complied with and that an appropriate system is in place to ensure timely renewal of gas safety and other certificates.

Houses in multiple occupation

2.50 Houses in multiple occupation (HMO's) are subject to specific requirements in relation to health and safety issues and, where certain criteria are met, an HMO licensing regime.

2.51 We also highlight that changes to the planning regime and licensing requirements for HMOs were announced by the Department for Communities and Local Government in early 2010. These changes, although not yet in force, may have a significant impact upon the future use of some properties as HMOs and as a result this may have a negative impact upon their market value.

2.52 We have assumed for the purposes of this report, that all relevant HMO requirements will be complied with for the property in Burnley.

Fire safety

2.53 It is a requirement for a fire safety risk assessment to be carried out and for a fire management plan to be maintained. These requirements, which were introduced in 2006 replace the previous requirement for a Fire Certificate. We have not viewed any such documents relating to the property and have assumed for the purposes of our valuation that the relevant requirements have been fully complied with.

Access for disabled persons

2.54 Disability discrimination legislation provides that the majority of organisations must make provision for disabled persons to have access to the goods and services they provide. This may require an access audit of the property to be undertaken and for specific arrangements relating to physical aspects of the building. We have not been provided with any information in this respect and our valuation has been undertaken on the assumption that the property is either fully compliant or capable of being made fully compliant at no significant additional cost with all relevant disability access requirements.

3. Proposed development

Proposed schemes

3.1 Each of the properties and sites has development potential and our report and valuation has been based on the proposals where indicated. Therefore, the folio sheets provide greater detail on the development and the inputs that we have relied upon.

Building Regulations

3.2 In reporting our opinions of value we have assumed that the schemes are compliant with all Building Regulations and can be implemented in accordance with the plans provided. In the event that amendments need to be made to the proposed scheme as a consequence of it failing to meet statutory requirements, our opinions of value may be affected.

Rights of lights

3.3 We have assumed that the proposed schemes do not raise any issues with regard to rights of light and that no third parties are entitled to compensation and that no injunctions could be made in this respect.

Party walls

3.4 All of the following works are covered by the Party Wall etc Act 1996:

- Structural work affecting a party wall, or affecting a ceiling or floor attached to a party wall. Structural work includes cutting into a wall to take the bearing of a beam, inserting a damp proof course (even if only to the Developer's side of a party wall), raising a party wall, demolishing and rebuilding a party wall, and weathering the junction of adjoining walls by cutting a flashing into an adjoining building.
- Excavating foundations within three metres of a neighbour's structure and lower than its foundations.
- Excavating foundations within six metres of a neighbour's structure and below a line drawn down at 45° from the bottom of its foundations.
- Construction of a new wall on the line of junction (boundary) between two properties.

3.5 Party Walls are a specialist area and we would advise that the you seek your own professional advice in this matter.

Development costs

General comment

3.6 As stated in our Terms of Engagement, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you.

3.7 In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

3.8 We refer to specific build cost information and sources in each of the folio sheets.

4. Market analysis

UK market commentary

4.1 A copy of the Monthly Residential Market Update dated October 2020, prepared by Knight Frank LLP is attached at Appendix 2.

4.2 It should be appreciated that this Market Overview is published for general information only and while rigorous research has been used in preparing this analysis, the views and projections provided in the report should not form the basis of any formal decision. Being a general report, the material does not necessarily represent the view of Knight Frank LLP in relation to specific properties or projects and no responsibility can be accepted by Knight Frank LLP resulting from the contents of the document.

Source of information

4.3 Our market analysis has been undertaken using market knowledge within Knight Frank LLP, enquiries of other agents, searches of property databases, as appropriate and any information provided to us.

Local market commentary

4.4 Local market commentary relating to each property within the portfolio is located within the individual folio sheets.

4.5 With regard to the wider market commentary the subject properties are located in various locations across the West Midlands, north-west and north-east.

4.6 We would make the following specific comments regarding the various locations:

- **Bolton** is a town in Greater Manchester in north-west England. It offers a range of employment locally including a University, healthcare, retail and leisure. It also offers good access links to major employment centres such as Manchester and Liverpool. There is a limit on values achievable on both a rental and sales level and therefore overall within northern England we consider Bolton a good tertiary location.

- **Burnley** is a town in Greater Manchester. It offers a range of employment locally including healthcare, retail and leisure. It also offers good access links to major employment centres such as Manchester and Preston. There is a limit on values achievable on both a rental and sales level and therefore overall within northern England we consider Burnley a tertiary location.

- **Leicester** is a city in East Midlands. It is the second largest economy in the area. It offers a range of employment locally including textiles, engineering, retail and leisure. It also offers good access links to major employment centres such as Birmingham, Nottingham and Coventry. We consider Leicester to be a good regional city.

- **Manchester** is a city in the North West. It is considered to be the Powerhouse of the North and has the largest economy in the area. It offers a range of employment including professional services, retail and leisure. It also offers good access links to major employment centres such as Liverpool and Leeds. We consider Manchester to be a strong city.

Comparable evidence

Sales comparable evidence

4.7 Comparable market sales evidence for each property is highlighted within the individual folio sheets.

5. Valuation

Methodology

5.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative method

5.2 Our valuation has been carried out using the comparative method. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable sales to owner occupiers, investment and rental transactions, together with evidence of demand within the vicinity of the subject properties. With the benefit of such transactions we have then applied these to the properties, taking into account size, location, terms, covenant and other material factors.

Residual method

5.3 Our valuation has been carried out using the comparative and residual methods.

5.4 We arrive at our opinion of the Market Value of the completed units (often referred to as the "Gross Development Value") using the comparative method, which involves comparison of the subject scheme with sales evidence from other comparable schemes and other sales within the local market and making adjustments using our professional judgement.

5.5 Our opinion of the Market Value of the site in its existing condition is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed units, using the method described above, we deduct from it the total costs of development and an allowance for the developer's profit.

5.6 In addition to the residual method, we have also considered any relevant available comparable land transactions (as set out in our folio sheets) and applied the comparative method where we consider it to be appropriate.

Valuation considerations

- Assumption that the schedules of accommodation are correct;
- Assumption that costs provided are correct;
- A diverse portfolio;
- The properties are at various stages of development

Valuation bases

Market Value

5.7 Market Value is defined within RICS Valuation - Professional Standards 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."

Valuation date

Valuation date

5.8 The Valuation date is 11 November 2020.

Market Value

Assumptions

5.9 Our valuation is necessarily based on a number of assumptions which have been drawn to your attention in our, Terms of Engagement letter and within this report.

Key assumptions

5.10 Whilst we have not provided a summary of all these assumptions here, we would in particular draw your attention to the following keys assumptions:

- Assumption that the schedule of accommodations are correct;
- Assumption that build costs provided are accurate.

Market Value

5.11 The values for all of the subject properties within the portfolio are:

5-9, Nicholas Street, Burnley -	£245,000 (Two Hundred and Forty Five Thousand Pounds)
64, Church Gate, Leicester -	£100,000 (One Hundred Thousand Pounds)
Former Bulls Head, Chester Road, Manchester -	£1,300,000 (One Million Three Hundred Thousand Pounds)
Lincoln House, Nelson Street, Bolton -	£545,000 (Five Hundred and Forty Five Thousand Pounds)

6. Property risk analysis

General comments

General comments

6.1 You have asked us to comment on the suitability of the property for loan security purposes.

6.2 In this section of our report we summarise the property related risks which we have identified as part of our valuation report and which we consider should be drawn to your attention. This summary should not be taken to be exhaustive and must be considered in conjunction with the remainder of the report. Nothing in this section should be construed as being a recommendation of taking any particular course of action.

Risks relating to the property

Location

6.3 The properties included within the subject portfolio are located in various locations across the UK.

Accommodation

6.4 In the absence of full internal inspections of all of the units included within the portfolio we have had to make a number of assumptions regarding the accommodation provided. Should any of our assumptions be subject to change then our opinion of value may differ.

Condition

6.5 In the absence of full internal inspections of all of the properties included within the portfolio we have had to make a number of assumptions regarding the condition. Should any of our assumptions be subject to change then our opinion of value may differ.

Build Costs

6.6 Our valuation is undertaken on the special assumption that the build costs provided are adequate to complete each property to the specification, design and accommodation as outlined within each folio sheet. This should be confirmed by a suitably qualified quantity surveyor and should the costs differ in any way then our opinion of value may be subject to change.

Construction costs

6.7 We have been provided with schedules of costs for some of the schemes and relied upon BCIS for others. Should any of these sources of information not be accurate then this could impact upon any values reported herein.

Planning / Statutory licences

6.8 Any change in relevant planning / statutory regulation could impact upon value.

Sensitivity analysis

6.9 Sensitivity analyses for all the development properties are attached within the individual folio sheets.

Economic & property market risks

Macro economic / political risks

6.10 There remains an ongoing caution within the marketplace due to the current political and economic uncertainty surrounding the ongoing Covid-19 pandemic and Brexit.

Appendix 1 Instruction documentation

For the attention of Mr Martin Crews
One Heritage Group PLC
80 Mosley Street
Manchester
Greater Manchester
M2 3FX

Date: 6 November 2020
Our Ref: I:1092190

Dear Sirs

Terms of Engagement for Valuation Services for the properties listed in section 2 for inclusion within the Prospectus

Thank you for your instruction of 14 October 2020 requesting a valuation report in respect of the properties detailed below (the "Properties"). We are writing to set out our agreed terms of engagement for carrying out this instruction which comprise this Terms of Engagement letter (this "Letter") together with our General Terms of Business for Valuation Services which are attached to this Letter (the "General Terms"). This Letter and the General Terms (together, the "Agreement") exclude any other terms which are not specifically agreed by us in writing. To the extent that there is any inconsistency between this Letter and the General Terms, this Letter shall take precedence.

1. Client

Our client for this instruction is One Heritage Group PLC (the "Client", "you", "your").

2. Properties to be valued

The properties to be valued, are as follows:

Property Address	Tenure	Occupancy
5-9, Nicholas Street, Burnley, Lancashire, BB11 2AQ	Freehold	Vacant
64 Church Gate, Leicester, Leicestershire, LE1 4AL	Freehold ~~Leasehold~~	Vacant
Lincoln House, Nelson Street, Bolton, BL3 2JW	Leasehold ~~Freehold~~	Vacant
Former Bulls Head, Chester Road, Manchester, M15 4EY	Freehold	Vacant

3. Valuation standards

The Valuation will be undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable.

The Valuation Report will be prepared in accordance with the Red Book and will comply with Rule 5.4.5G of the Prospectus Regulation Rules published by the Financial Conduct Authority (the "FCA") and with paragraphs 128 to 130 of European Securities and Markets Authority's ("ESMA") update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses (EC) No 809/2004 ("CESR") implementing the Prospectus Directive (ESMA/2013/319) (the "ESMA Recommendations").

4. Status of valuer and disclosure of any conflicts of interest

For the purposes of the Red Book, we are acting as External Valuers, as defined therein. We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are in a position to provide an objective and unbiased valuation.

We draw to your attention that if you subsequently request, and we agree to, the Valuation being re-addressed to another party (for which we shall make an additional charge), the Valuation may not meet their requirements, having originally been requested by you. We will only readdress the Valuation once we have received a signed reliance letter in our standard format from the new addressee. Please note also that no update or alterations will be made to the Valuation prior to its release to any new addressee.

5. Valuer and competence disclosure

The valuer, on our behalf, with responsibility for the Valuation will be Dan Searle MRICS, RICS Registered Valuer (the "Lead Valuer"). Parts of the Valuation may be undertaken by additional valuers within the firm.

We confirm that the Lead Valuer and any additional valuers meet the requirements of the Red Book in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation competently.

6. Instructions

You have requested that we undertake a valuation of the Properties as at 30 October 2020 (the "Valuation Date") and a review on or around 10 November 2020 to assess if there has been any material change in value since the Valuation Date.

The outcome of this review will determine if Knight Frank can produce a valuation report dated on or around [DATE] (the "Valuation Report").

7. Purpose of valuation

The Valuation is provided solely for the purpose of inclusion and/or reference in a final prospectus to be dated on or around 17 November 2020 (the "Prospectus") and the preliminary combined prospectus to be dated on or around 10 November 2020 (the "Preliminary Prospectus" and, together with the Final Prospectus, the "Prospectus") in connection with the offer of ordinary shares pursuant to a firm subscription and placing (the "Offer") and any supplementary prospectus issued by the Company in connection with the Offer (the "Purpose") and in accordance with clause 4.1 of our General Terms may not be used for any other purpose without our express written consent.

8. Documents to be provided by us

We will provide:

- a draft Valuation Report by 10 November 2020; and
- a final Valuation Report on or around 17 November 2020.

We agree that:

(a) on or immediately prior to the publication of (i) the Final Prospectus; and (ii) any supplementary prospectus (as the case may be) (each being a "Publication Date"); and

(b) on or immediately prior to the date of admission of the new ordinary shares in the Company to be issued pursuant to the Offer to the standard listing segment of the Official List of the FCA and to trading on London Stock Exchange plc's main market for listed securities (the "Admission Date"),

We will provide the Addressees with a letter in the form set out in Appendix 1 (the "Consent Letter"), on which each of the Addressees will be entitled to rely, confirming that:

(i) we consent to the inclusion of the Valuation and the Valuation Report and any extracts or references thereto in the Prospectus or any supplementary prospectus and the reference to our name in the form and context in which they are included in the Prospectus or any supplementary prospectus (subject to us first approving the form and context in which our Valuation Report will appear);

(ii) information contained in the Prospectus or any supplementary prospectus (as the case may be) which is extracted from the Valuation Report is accurate, balanced and complete and is not misleading or inconsistent with the Valuation Report as prepared by us and has been properly extracted, derived or computed from the Valuation Report;

(iii) we accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules) for the information contained in the Valuation Report and to the best of our knowledge, the information contained in the Valuation Report is in accordance with the facts and contains no omission likely to affect its import;

(iv) we have no material interest in the Client and we have acted as an External Valuer for the purpose of valuing the Properties pursuant to the terms of our letter of engagement dated [*date*] 2020 (the "Engagement Letter");

(v) the Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules and paragraphs 128 to 130 of ESMA's update of the CESR recommendations on the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004;

(vi) we are not aware, as a result of our role as an External Valuer of the properties listed in Section 2 of the Engagement Letter (the "Properties") of any matter which would affect the Market Value of the Properties which is not disclosed in the Valuation Report (subject to any assumptions set out in the Valuation Report) in order to make the Valuation Report materially accurate and not misleading and we are not aware of an matter in relation to the Valuation Report that we believe should be and has not yet been brought to the attention of the Addressee of the Valuation Report; and

(vii) for the purposes of paragraphs 128 to 130 of the ESMA Guidance there has been no material change in the Valuation since the date of the Valuation Report (or what the material change is if that is not the case).

In the event that we are not able to give any of the foregoing confirmations on any Publication Date or the Admission Date (as the case may be) we agree that we will promptly notify the Addressees and take such action as may be reasonably necessary (including, but not limited to, updating and re-issuing the Valuation Report) following discussions and agreement of any required uplift in our fees with the Addressees.

9. Limitation of liability and restrictions on use

Clause 3.1 of the General Terms, shall be deleted and replaced with:

"3.1 Subject to clause 3.8, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to an amount equal to 30% of the reported Market Value of the property.

Nothing in this Agreement excludes or limits our liability to the extent that such liability may not be excluded or limited as a matter of applicable law.

In addition, we will include the following confirmations in the Valuation Report to be included in the Prospectus:

Prospectus

"For the purpose of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and this Valuation Report makes no omission likely to affect its import. This Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules, paragraphs 128 to 130 of ESMA's update of the CESR recommendations for the consistent implementation of the European Commission's Regulations (EC) No 809/2004 implementing the Prospectus Directive (ESMA/2013/319)."

We will take all reasonable care to ensure that the information contained in the Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Third party reliance

Clause 4.2 of the General Terms states that no liability is accepted to any third party for the whole or any part of the Valuation. Notwithstanding this, we confirm that we accept responsibility for the purpose of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules for the Valuation and the information contained in the Valuation Report. To the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person other than as set out above.

Disclosure

Except in connection with the Purpose of this Valuation, clauses 4.3 to 4.6 of the General Terms limits disclosure and generally prohibits publication of the Valuation. Notwithstanding this, we confirm that the Valuation and Valuation Report may be included in the Prospectus and any supplementary prospectus that are to be reviewed and approved by the FCA and published by the Company in connection with the Purpose and our Valuation may be included and our Valuation Report referenced in any announcement or presentation which relates to the Offer or the Prospectus.

Our approval of the form and context in which our Valuation Report appears in the latest available drafts of the Prospectus shall constitute our approval for the purpose of clause 4 of our General Terms.

Except as agreed in connection with the Purpose and set out herein, the Valuation is confidential to the Addressees and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and written approval of the form or context in which it may appear.

10. Basis of valuation

The Valuation will be undertaken on the following bases, as defined in the Red Book:

- Market Value.

11. Special assumptions and assumptions

Special assumptions

In addition to section **Error! Reference source not found.** above, the Valuation will be undertaken on the following special assumptions:

- You have requested that we include the potential ground rent value for the Lincoln House property on the Special Assumption.

Assumptions

The Valuation will necessarily be based upon a number of assumptions, as set out in the General Terms, this Letter and within the Valuation.

While we have not provided a summary of these assumptions, we would in particular draw your attention to the following assumptions which are particularly important/relevant:

- We will value each Property separately, not as if they were all sold together as a single lot or portfolio.

12. Valuation date

The valuation date is to be the date of our inspection.

13. Currency to be adopted

The valuation figures will be reported in Pounds Sterling (GBP).

14. Extent of inspection and investigations

We have agreed the following specific requirements in relation to the Valuation Report:

Inspection

You have instructed us to inspect the Properties by going onto the site, as well as externally.

Please note that due to the current Coronavirus (Covid-19) situation, we are needing to operate extended health and safety procedures, which includes the need for property occupiers to confirm their agreement to us inspecting and providing answers to related health questions. We will be unable to proceed with the inspection until we have received the required confirmations.

Areas / Measurement

You have informed us that you will provide us with floor areas upon which we are instructed to rely.

15. Information to be relied upon

Our Required Information List is set out at Annex **Error! Reference source not found.**and details what we need in order to undertake the Valuation. We will rely on information provided to us by you or a third party and will assume it to be correct. This information will be relied upon by us in the Valuation Report, subject only to any verification that we have agreed to undertake.

Where we express an opinion in respect of (or which depends upon) legal issues, any such opinion must be verified by your legal advisers before any Valuation can be relied upon.

Please inform us as to whether there has been a purchase price recently agreed or transacted in respect of the Properties. Please note that the Valuation will comment as to whether any such information has been revealed and if not, will contain a further request that this information must be provided to us before the Valuation is relied upon.

16. Report format

The Valuation Report will be prepared in our standard format which will be compliant with the Red Book, the Prospectus Regulation Rules and paragraphs 128 to 130 of the ESMA Recommendations.

17. Timing

We agree that (i) on or immediately prior to the date of publication of Prospectus, and (ii) if applicable, on or immediately prior to the date of any supplementary prospectus, we will provide a consent letter (in the form set out in Appendix 1) addressed to the Addressees and dated the date of the Prospectus and the date of any supplementary prospectus (as the case may be). If there has been a material change in the Valuation between the date of the Valuation Report and the date on which we are required to deliver a letter under this section 17, the consent letter will give the details of the relevant material change.

18. Fees and additional work

Our fee for undertaking this instruction will be £12,500 excluding VAT (the "Fees").

In accordance with clause 10.4 of the General Terms, if the instruction becomes abortive at any stage, we will charge abortive fees on the basis of reasonable time and expenses incurred, with a minimum charge of 50% of the Fees if the Properties have been inspected.

The scope of our work is set out in the Agreement. In accordance with clause 10.5 of the General Terms, if we are instructed to carry out additional work that we consider either to be: (i) beyond the scope of providing the Valuation in accordance with the Purpose or (ii) to have been requested after we have finalised the Valuation in accordance with the Purpose, (including, but not limited to, commenting on reports on title or conducting further valuations) we reserve the right to charge additional fees for such work. We will endeavour to agree any additional fees with you prior to commencing the work, however, where this is not possible our hourly rates will apply.

Where additional work is requested after we have issued the Valuation, please note that we cannot guarantee the availability of the Lead Valuer or any additional valuers that may have been involved in the preparation of the Valuation (especially where such requests are received on short notice). Please note also that we will require sufficient time for completion of such additional work.

19. Other variations to the General Terms

Clause 4.3 of the General Terms shall be deleted and replaced with the following:

"4.3 Subject to clause 4.4 below and except in connection with the Purpose, the Valuation is confidential to our Client and must not, for a period of 2 years beginning on the Valuation Date, be disclosed, in whole or in part to any third party (such term, for the purposes of this clause 4.3, does not include the Addressees) without our express written consent (to be granted or withheld in our absolute discretion). Subject to Clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.

Clause 4.4 of the General Terms shall be deleted and replaced with the following:

"4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose the Valuation Report and any other documents to the extent required: (a) by law, any supervisory or regulatory requirements or any court of competent jurisdiction or other competent judicial or governmental body or the laws of England; (b) as part of a defence you may wish to advance in connection with an actual or pending court, arbitral or regulatory proceedings or investigations in any jurisdiction in connection with the Offer and/ or the Prospectus (b) pursuant to the rules of any stock exchange or listing authority or similar body; (c) to your professional advisers, insurers, auditors and bankers provided this is on a non-reliance basis; or (d) to a subsidiary undertaking as defined in section 1162 of the Companies Act 2006 provided this is on a non-reliance basis.

Clause 4.7 of the General Terms shall be deleted and replaced with the following:

"4.7 The Addressees agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly the Company agrees that we and/or any Knight Frank Person may be entitled to seek the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause."

20. Acceptance

Please sign and return a copy of this Letter signifying your acceptance of the terms of the Agreement. We reserve the right to withhold any Valuation and/or refrain from discussing it with you until this Letter has been countersigned and returned. Your attention is drawn to the "Important Notice" in the General Terms. If you have any questions regarding this Letter and/or the terms of the Agreement between us please let us know before signing this Letter or otherwise giving us instructions to proceed.

Thank you for instructing Knight Frank LLP.

Yours faithfully

Dan Searle MRICS

Partner, Residential Development & Investment,
Valuation & Advisory
For and on behalf of Knight Frank LLP
dan.searle@knightfrank.com
T +44 161 696 8576
M +44 7973 622 986

Appendix 1 – Form of Consent Letter

Annex **Error! Reference source not found.**- Required Information List

Knight Frank

Attached - General Terms of Business for Valuation Services

....

Signed for and on behalf of One Heritage Group PLC

06/11/2020

Date

KF Ref: I:1092190

Knight Frank

APPENDIX 1 – CONSENT LETTER

The Directors

One Heritage Group PLC
80 Mosley Street
Manchester
Greater Manchester
M2 3FX

XXX

[•] 2020

Dear Sirs,

PROSPECTUS TO BE PUBLISHED BY ONE HERITAGE GROUP PLC ("COMPANY") IN CONNECTION WITH THE PROPOSED FIRM PLACING AND PLACING AND OPEN OFFER

We refer to the final prospectus to be dated on or around 16 November 2020 (the "Final Prospectus") and the preliminary prospectus to be dated on or around 30 October 2020 (the "Prospectus" and, together with the Final Prospectus and any supplementary prospectus to be published by the Company, the "Prospectus")

We confirm that:

i. Knight Frank LLP has given and not withdrawn its consent to (a) the publication in the Prospectus of its valuation report dated on or around [DATE] 2020 in respect of certain properties owned by the Company (the "Valuation Report") and any extracts or references thereto in the Prospectus and (b) the references to our name in the form and context in which they are included in the attached proof of the Prospectus, which we have signed for identification;

ii. the information contained in the Prospectus or any supplementary prospectus (as the case may be) which is extracted from the Valuation Report is accurate, balanced, complete and is not misleading or inconsistent with the Valuation Report and has been properly extracted, derived or computed from the Valuation Report;

iii. we accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules) for the information contained in the Valuation Report and, to the best of our knowledge, the information contained in the Valuation Report is in accordance with the facts and contains no omissions likely to affect its import;

iv. we have no material interest in the Company and we have acted as an External Valuer (as such term is defined in the RICS Valuation – Global Standards 2017, which incorporate the International Valuation

T +44 20 7629 8171 F +44 20 7493 4114
55 Baker Street London W1U 8AN

knightfrank.co.uk

Standards and the RICS UK National Supplement effective from January 2019) for the purpose of valuing the Properties pursuant to the terms of our letter of engagement dated [•] 2020 (the "Engagement Letter");

v. the Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules, paragraphs 128-130 of ESMA's update of the CESR recommendations on the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004 of the Financial Conduct Authority;

vi. we are not aware, as a result of our role as an External Valuer of the properties listed in Section 2 of the Engagement Letter (the "Properties") of any matter which would affect the Market Value of the Properties which is not disclosed in the Valuation Report (subject to any assumptions set out in the Valuation Report) in order to make the Valuation Report materially accurate and not misleading and we are not aware of an matter in relation to the Valuation Report that we believe should be and has not yet been brought to the attention of the Addressee of the Valuation Report; and

Yours faithfully

For and on behalf of

Knight Frank LLP

Annex 1 - Required Information List

Please supply us with the following information which will be required by us in order to commence work on the instruction

- Purchase price and details of selling agent
- Report on Title
- If no Report on Title
- Freehold – copy of Land Registry Certificate of Title
- Leasehold – copy of lease?
- Energy Performance Certificate (EPC)
- Site plan with boundaries
- Schedule of floor areas – existing and/or proposed
- Build cost information
- Development appraisal
- Scale Floor plans, as approved/submitted with planning
- Planning permission(s) or application(s)
- Listed Building/Conservation area consents (as applicable)
- Section 106 agreement
- Proposed Specification of development
- Building Surveys (for conversions)
- Affordable Housing agreement
- Community Infrastructure Levy (CIL) agreement
- Legals – Overage agreements, agreements to lease, etc

General Terms of Business for Valuation Services

Important Notice

If you have any queries relating to this Agreement please let us know as soon as possible and in any event before signing the Letter and/or giving us instructions to proceed.

Your instructions to proceed (howsoever received, whether orally or in writing) will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business (the "**General Terms**") and our engagement letter (the "**Letter**") together form the agreement between you and us (the "**Agreement**"). References to "**you**", "**your**" etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Letter.

When used herein or in the Letter, the term "**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms "**including**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

1. Knight Frank

1.1 Knight Frank LLP ("**Knight Frank**", "**our**", "**us**", "**we**") is a limited liability partnership with registered number OC305934; this is a corporate body which has *members* and not *partners*.

1.2 Our registered office is at 55 Baker Street, London W1U 8AN where a list of members may be inspected.

1.3 Any representative of Knight Frank described as *partner* is either a member or an employee of Knight Frank and is not a partner in a partnership. The term *partner* has been retained because it is an accepted way of referring to senior professionals. The term "**Knight Frank Person**" shall, when used herein, mean any member, employee, "partner" or consultant of Knight Frank.

1.4 Our VAT registration number is 238 5156 53.

1.5 The details of our professional indemnity insurance specified in the Provision of Services Regulations 2009 will be provided to you on request.

1.6 Knight Frank is registered for regulation in the United Kingdom by the Royal Institution of Chartered Surveyors ("**RICS**"). Any Valuation provided by us may be subject to monitoring under RICS Valuer Registration. In accordance with our obligations it may be necessary to disclose valuation files to RICS. By instructing us you give us your permission to do so. Where possible we will give you prior notice before making any such disclosure, although, this may not always be possible. We will use reasonable endeavours to limit the scope of any such disclosure and to ensure any disclosed documents are kept confidential.

1.7 Valuations will be carried out in accordance with the relevant edition of the RICS valuation standards, the RICS Red Book (the "**Red Book**"), by valuers who conform to its requirements and with regard to relevant statutes or regulations.

1.8 As required by RICS, a copy of our complaints procedure is available on request.

2. Governing law and jurisdiction

2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with English law.

2.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the relevant property or the client, or any relevant third party, is located or the service is provided.

3. Limitations on liability

3.1 Subject to clause 3.8, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to the higher of £250,000 or fifty times our fee as set out in the Letter.

3.2 Subject to clause 3.8, we will not be liable for any loss of profits or for indirect or consequential loss.

3.3 Our liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution pursuant to the Civil Liability (Contribution) Act 1978 from one or more of the other professionals instructed by you in relation to any relevant property and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).

3.4 Subject to clause 3.8, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise.

3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below no third party shall have any right to enforce any of the terms of this Agreement, whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999 but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.

3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.

3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.

4. Purpose, reliance and disclosure

4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.

4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.

4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.

4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of England.

4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.

4.6 Where permission is given for the publication of a Valuation neither the whole nor any part thereof, nor any reference thereto, may be used in any publication or transaction that may have the effect of exposing us to liability for actual or alleged violations of the Securities Act 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or securities law or similar federal, state provincial, municipal or local law, regulation or order in either the United States of America or Canada or any of their respective territories or protectorates (the "**Relevant Securities Laws**"), unless in each case we give specific written consent, expressly referring to the Relevant Securities Laws.

4.7 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.

4.8 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.

5. Knight Frank network

5.1 Knight Frank LLP is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside the United Kingdom (each such firm, an "**Associated Knight Frank Entity**").

5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.

5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.

5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.

6. Severance

If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

7. Entire agreement

7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.

7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.

7.3 The Letter and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.

7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.

8. Assignment

You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).

9. Force majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

10. Our fees

10.1 Without prejudice to clause 10.3 below, you become liable to pay our fees upon issuance of the Valuation. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2 If any invoice remains unpaid after 30 days of the date on which it is presented, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 4% above the then prevailing bank base rate of National Westminster Bank PLC or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if applicable).

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

10.4 If before the Valuation is concluded you end this instruction, we will charge abortive fees (calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred), with a minimum charge of 50% of the full fee if we have already inspected the property (or any property, if the instruction relates to more than one).

10.5 If you delay the instruction by more than 30 days or materially alter the instruction so that additional work is required at any stage or if we are instructed to carry out additional work that we consider (in our reasonable opinion) to be either beyond the scope of providing the Valuation or to have been requested after we have finalised our Valuation (including, but not limited to, commenting on reports on title), we will charge additional fees for this work. Such additional fees will be calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred.

10.6 Where we agree to accept payment of our fees from a third party, such fees remain due from you until payment is received by us.

11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

(a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010, (the "Relevant Requirements");

(b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

(c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and

(d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Anti-slavery Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015

12. Portfolios

Properties comprising a portfolio, unless specifically agreed with you otherwise, will be valued separately and upon the assumption that the properties have been marketed individually and in an orderly manner.

13. Land Register inspection and searches

We are not required to undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England & Wales, Registers of Scotland and Land & Property Services in Northern Ireland.

14. Title and burdens

We will assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoings, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.

15. Disposal costs and liabilities

No allowance is made in our Valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our Valuation is expressed as exclusive of any VAT that may become chargeable. Properties are valued disregarding any mortgages or other charges.

16. Sources of information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies, planning consents and other relevant matters, as summarised in our Valuations. We assume that this information is complete and correct.

17. Identity of property to be valued

We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

18. Boundaries

Plans accompanying Valuations are for identification purposes only and must not be relied upon to define boundaries, title or easements. The site is identified or outlined by reference to information given to us and/or our understanding of the extent of the site.

19. Planning, highway and other statutory regulations

19.1 Enquiries of the relevant Planning and Highways Authorities in respect of matters affecting properties, where considered appropriate, are normally only obtained verbally or from a Local Authority web site, and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Written enquiries can take several weeks for a response and incur charges. We recommend that formal written enquiries should be undertaken by your solicitors who should also confirm the position with regard to any legal matters referred to in our Valuations.

19.2 We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

19.3 We assume that the premises comply with all relevant statutory requirements including fire and building regulations.

20. Property insurance

Our Valuation assumes that each property would, in all respects, be insurable against all usual risks including terrorism, ground instability, flooding and rising water table at normal, commercially acceptable premiums.

21. Building areas and age

Where so instructed, areas provided from a quoted source will be relied upon. Any dimensions and areas measured on location or from plan are calculated in accordance with or by reference to the current RICS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source. Where the age of the building is estimated, this is for guidance only.

22. Structural condition

Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations (except where we separately agree in writing and are instructed to do so), we are unable to report that any property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report provided to us in advance, or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

23. Ground conditions
Unless informed otherwise in writing, we assume there to be no adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

24. Environmental issues

24.1 Investigations into environmental matters by suitably qualified environmental specialists would usually be commissioned by most responsible purchasers or chargees of higher value properties or where there was any reason to suspect contamination or a potential future liability (whether following review of the environmental searches which should always be carried out by any purchaser/chargee or their legal advisors, or for other reasons). Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our Valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

24.2 However, we are not environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings 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 potential for contamination or any other environmental searches. If we are not provided with the results of appropriate investigations as outlined above and where there is no obvious indication of harmful contamination, our Valuation will be provided on the assumption that the relevant property is unaffected. Where we are informed that contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the Valuation will be qualified by reference to appropriate sections of the Red Book.

25. Minerals, timber, airspace etc.
Unless specifically agreed otherwise in writing and so stated within the main body of the relevant Valuation, we do not value or attempt to value or take into account any potential income stream or other beneficial or detrimental effect or other factor relating to undiscovered or unquantified mineral deposits, timber, airspace, sub-ground space or any other matter which would not be openly known in the market and considered to have value.

26. Legal advice

26.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice and any statements made by us, or advice given, in a legal context should be construed accordingly.

26.2 Where appropriate we will liaise with your legal advisors. However, we accept no responsibility for any work carried out by them and we will not be liable for anything contained in legal documentation prepared by them.

26.3 Where we consider it is necessary for the provision of the Valuation and/or specifically agree to do so, and any additional fees we require for this work are agreed, we will read legal documents (including leases, licences etc.), however, (save for any comment concerning the impact of our interpretation of such documents on value) our interpretation of such documents cannot be relied upon to be legally correct. Where we do interpret legal documents, we will, for the purposes of providing our Valuation, assume our interpretation to be correct.

27. Covenant
We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. However, we do not carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

28. Loan security
Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

29. Build cost information
In the provision of valuation services we do not hold ourselves out to have expertise in assessing build costs. Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. The Valuation will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. Build costs produced using this approach must be assumed to be unreliable or inaccurate; any reliance which can be placed upon our Valuation in these circumstances is severely restricted. Specialist professional advice on the build costs should be sought by you. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our Valuation.

30. Reinstatement assessments
A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If an indication is required as a check against the adequacy of existing cover this should be requested and will be so stated in the body of the relevant Valuation. Any indication given is provided for guidance only and must not be relied upon as the basis for insurance cover. In any event, our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be reconsidered.

31. Comparable evidence
Where comparable evidence information is included in our Valuation, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe it or where it was in accordance with our expectation. In addition, we have not inspected comparable properties.

32. Valuation bases
Valuations are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in the Red Book. The basis of valuation will be agreed with you and specified in the Letter and in the relevant Valuation.

33. Data Protection

33.1 For the purposes of this clause "Data Protection Legislation" means: (i) unless and until the General Data Protection Regulation ((EU) 2016/679) ("GDPR") is no longer directly applicable in the UK, the GDPR and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998. The terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

33.2 You and we shall comply with applicable requirements of the Data Protection Legislation.

33.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

33.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. Some of these recipients may be located outside of the European Economic Area. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.

33.5 Full details of how we use Personal Data can be found in our Privacy Statement at http://www.knightfrank.com/legals/privacy-statement.

Appendix 2 Residential Market update

Monthly UK Residential Property Market Update: October 2020

Activity levels remain robust, but they may be nearing their post-lockdown peak

Written By:

Chris Druce, Knight Frank

09 Oct 2020

5 minutes to read

House price growth continued to beat expectations in September, but there are signs that the residential property market will not be able to defy economic gravity indefinitely.

Halifax said house prices were 7.3% higher than a year ago in September. This was the strongest rate of growth since June 2016. On a monthly basis house prices were 1.6% higher than in August.

The lender said that while the performance of the housing market had been extremely strong since lockdown, it was unlikely to remain immune to the economic impact of the pandemic. Nationwide reported annual house price growth of 5.8% in October, the highest rate since January 2015. Ahead of news of a new national lockdown from 5 November, it cautioned that the outlook remained highly uncertain.

It came as provisional data from HMRC revealed that the volume of residential property transactions on a seasonally adjusted basis had returned to normal levels, although the total amount of completions year to date in 2020 clearly show the impact of lockdown early this year and the loss of activity while the market was closed.

There were 98,010 transactions in September, very similar to September 2019 at just 0.7% lower, and 21.3% higher than August 2020, completing the recovery that began and has continued each month since April's low point of just more than 42,000 transactions.

Mortgage approvals increased from 85,500 in August to 91,500 in September. The Bank of England said this was the highest number of approvals since September 2017.

RICS reported a fourth month of rising housing market activity in September. A positive net balance of +52% of respondents to its UK Residential Market Survey reported an increase in new buyer enquires, albeit this was a moderation on the +75% and +63% posted in July and August respectively.

New instructions coming onto the market also rose for the fourth month in a row. While survey respondents expect the upturn in sales to continue in the next three months, sales expectations for the twelve-month period moved deeper into negative territory, with a net balance of minus 34 in September compared with minus 17 in August

However, current momentum is likely to support the market over the next few months. Analysis of Knight Frank transactions in August and September found that almost two-thirds were instructed for sale before the market reopened on 13 May, and 83% of exchanges originated from market valuations that were carried out before mid-May.

It means that the majority of exchanges over the last two months were unconnected to the post-lockdown burst of activity, so unless deals start to fall through at an unusually high rate there should be strong levels of transactional activity for the rest of 2020.

While further Covid-19 restrictions will weigh on sentiment, the threat continues to act as a spur for many people to act. Future expectations for house prices over the next twelve months strengthened according to October's IHS Markit UK House Price Sentiment Index, with a reading of 55.4 compared with 54.4 in September.

Taking this and other factors into account, Knight Frank’s updated forecast predicts prices in Prime Regional markets will finish 1% up this year. Prime central London prices are expected to be down 3% in 2020 but outperform the rest of the UK next year.

According to newly published data covering August 2020 from the ONS, the annual price change of a property in the UK was 2.5% taking the average price to £239,196. This compared with growth of 2.1% in July 2020. The East Midlands registered the highest regional growth at 3.6% on an annual basis in the month. At 0.2% in the year to August the North East had the lowest growth. The period takes in sales largely agreed before July's stamp duty holiday.

Prime London sales

Quarterly price growth returned to the prime central London property market in September for the first time since February this year. An average increase of 0.2% was the same figure recorded during the so-called ‘Boris bounce’ that followed the general election in December 2019.

This recovery followed six consecutive months of quarterly price falls in PCL, which is shorter than the 13-month run of declines during the global financial crisis. In prime outer London, September marked the second consecutive month of rising prices over a three-month period. It meant the annual price decline narrowed to 3.9%.

See our latest Prime London Sales Report for more.

Prime London Lettings

Rental values continued to fall in September, talking the annual decline to -8.1% in prime central London. The combination of relatively high levels of supply and weaker demand has led to the largest annual falls in more than a decade. In prime outer London, the annual decline was 6.9% in September.

Supply has been driven higher by the addition of short-term rental properties onto the market, as well as owners opting to let rather than sell. Meanwhile, demand has been affected by weaker demand from international students and corporate tenants.

However, there are signs the imbalance is starting to reduce. This forms the basis for our revised rental value forecasts for the next five years, as the below table shows.

	2020	2021	2022	2023	2024	Cumulative 2020-2024
PCL	-9%	3%	3%	4%	4%	4%
POL	-8%	3%	2%	3%	4%	4%
UK	2%	3%	2%	2%	2%	11%

See our latest Prime London Lettings Report for more.

Country Market

Scotland's property market reopened on the 29 June, and in an echo of the country market in England since lockdown, pent-up demand and the pursuit of more space and greenery has boosted activity.

Viewings in Scotland between 29 June and 22 September hit a twenty-year high, while the number of market appraisals for sale were at their second highest level in 15 years, and instructions the highest in 13 years. Offers made were at a nineteen-year high.

It comes after offers accepted in the Country market since lockdown began converting into transactions. The number of exchanges in the week ending 26 September in the Country market was second only to the number of exchanges in the week ending the 29 August 2020, and both represent the largest weekly totals since the final week in December 2018.

Knight Frank's Monthly UK Residential Market Update, which is updated regularly, provides a snapshot of the health of the UK housing market, assessing its performance, and proving analysis of the latest economic developments and Knight Frank's view on events. PDF available on request.

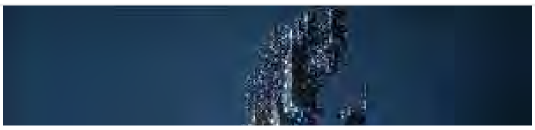
Previous article

Around the world in five charts

Next article

Friday property news update

FURTHER INSIGHTS



The Wealth Report - 2020

Explore al the insights behind wealth generation and movement; how UHNWIs are investing both in resi

Active Capital The Report - 2020

Active Capital gives a unique insight into the dynamics of the real estate capital markets around the world.

Appendix 3 Individual Property Folio Sheets

5-9 Nicholas Street, Burnley, BB11 2AQ

Location

1.1 As can be seen from the plan below, the property is located as shown by the red arrow.

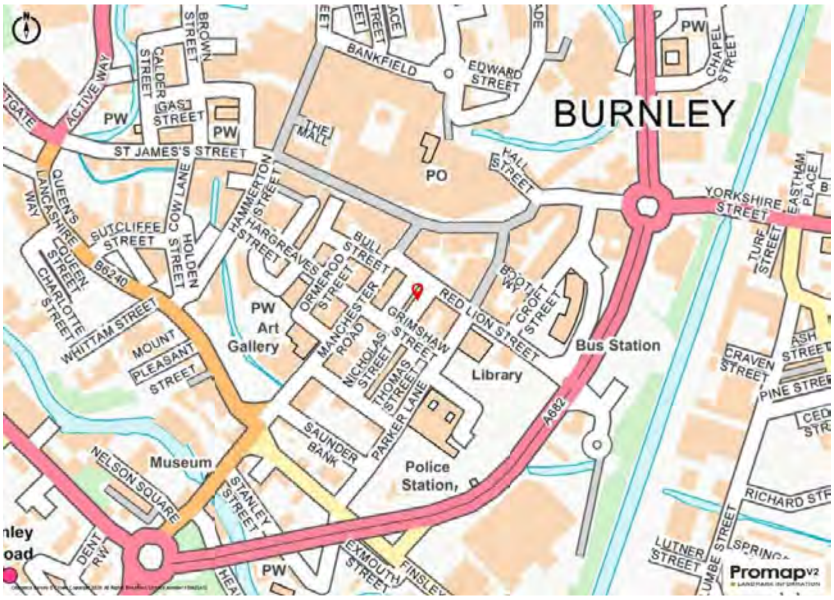
64 Church Gate

1.2 The property is located on Nicholas Street in Burnley town centre. The property is situated in a mixed use area with neighbouring properties comprising professional services such as estate agents, banks and solicitors together with bars/restaurants and converted residential accommodation.

1.3 Burnley is located in the county of Lancashire and lies approximately 21 miles (33.9 km) north of Manchester city centre, 18.6 miles (30 km) east of Preston and 10 miles (16 km) east of Blackburn.

1.4 The subject property is approximately 500 metres to the north east of Burnley Manchester Road train station which provides direct services to Manchester Victoria, with average journey times of approximately 45 minutes. Regular services are also available to Preston and Blackpool to the west and Leeds and York to the east. The property is also located approximately 200 metres to the west of the Bus Station.

1.5 The street plan below shows the location of the property.



1.6 The property is identified on the Ordnance Survey plan below, showing our understanding of the boundary outlined in red.

Description

1.7 The subject property occupies a roughly rectangular parcel of land of approximately 0.011 hectares (0.028 acres).

1.8 The property comprises a mid-terraced, sandstone built, three storey former office building under a pitched tiled roof with timber framed windows. The property is currently in the process of being converted in to a 13 bedroom House of Multiple Occupancy (HMO).

1.9 We understand that the accommodation is over four floors to include basement, ground, first and second floors. Access to the property is directly from Nicholas Street. We understand that although the property is known as 5-7 Nicholas Street there is only one entrance and it is number 5 Nicholas Street.

1.10 Photographs of the property and the surrounding area are below:

Front Elevation

Rear Elevation – Douglas Sreet

Street Scene (Nicholas Street)

Street Scene (Nicholas Street)

Condition

1.11 We have not undertaken a building or site survey of the property.

1.12 We have only inspected the property from the roadside due to the nature of on-going works. We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair.

1.13 However, we understand from the owner that works on the conversion have commenced and are progressing. We have been informed that the majority of the works have been completed to include roof and ceiling repairs, electrical re-wiring, layout modifications, installation of fire doors and walls, tanking of the basement, first fix plumbing and joinery and some internal decorating. We have been informed that the total costs to date are circa £210,000 (including the purchase of the building at £150,000) and that the costs to complete are circa £65,000. This will include final fix to the plumbing and joinery, plastering and decoration, installation of new windows, heating system, floor coverings and furnishings.

1.14 We would recommend that the costs to complete are verified by an independent Quantity Surveyor to ensure these are adequate. Our report and valuation has been based on the assumption these costs are correct. Should this not be the case then this will impact upon the Market Value. For the purposes of our valuation we assume that the land is in satisfactory condition.

Legal title / Tenure

1.15 We understand that the freehold interest in the property is registered Nicholas Street Developments Limited. The Title register states that the price paid on 30 July 2019 was £150,000. We have not been provided with a copy of the Report on Title.

1.16 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

1.17 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

1.18 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

Environmental considerations

1.19 We have not been provided with a copy of a ground condition report for the property. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building constructed thereon.

Contamination

1.20 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings 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 potential for contamination.

1.21 Subject to the above, having regard to the historic use of the subject site, we consider that contamination is unlikely and have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the buildings to be constructed thereon. Should significant remediation costs be required then our opinion of value may be subject to change.

Services

1.22 No tests have been undertaken on any of the services.

1.23 We have assumed for the purposes of this valuation that mains gas, water, electricity, drainage and telecommunications are all available to the subject property.

Flooding

1.24 We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible.

1.25 From our enquiries of the Environment Agency's website we have ascertained that the property is not within an indicative floodplain and that there is therefore a negligible risk of flooding.

1.26 The risk from flooding is considered to be very low from rivers or the sea. This is defined by the Environment Agency as a risk of flooding in the location from rivers or the sea which is 1 in 1,000 (0.1%) or less, in any year and where it is unlikely to flood except in extreme conditions.

Source: Environment Agency – Risk of flooding from rivers or the sea

1.27 The risk from flooding is considered to be low from surface water. This is defined by the Environment Agency as a risk of flooding in the location from surface water is between 0.1% and 1%, in any year.

Source: Environment Agency – Risk of flooding from rivers or the sea

Sustainability

1.28 The issue of sustainability is becoming increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health for their occupiers may retain value over a longer term than those that do not.

1.29 The Government has set itself a target to reduce CO2 emissions by 80% by 2050. With property representing around 50% of total emissions, the sector has become an obvious target for legislation. It is likely that, as we move towards 2050, energy efficiency legislation for property will become increasingly stringent.

Sustainability Characteristics

1.30 From a value perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

EPCs

1. All properties within the UK require an Energy Performance Certificate (EPC) when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.

2. The Energy Act 2011 introduced legislation that has made it unlawful to rent a property which has an “F or G” energy efficiency rating. This minimum energy efficiency rating could be made more stringent in the future.

1.31 We assume that the EPC’s will be sought for the residential units upon completion.

Planning

1.32 We have made informal enquiries of Burnley Council, the planning authority for the subject property, by their website.

1.33 Planning policy is contained by the Local Plan which was adopted in 31 July 2018.

1.34 The property is not situated within Green Belt but is within a Conservation Area, which a large portion of the south of the town centre.

1.35 Our enquiries have revealed the following relevant planning history:

Date	Reference	Description
9 July 2019	COU/2019/0168	Proposed change of use from offices to HMO (sui generis) and replacement windows. Granted.
9 July 2019	LBC/2019/0162	Proposed change of use from offices to HMO (sui generis) and replacement windows. Granted.
Awaiting decision	VAR/2020/0377	Variation of Condition 2 (approved drawings) and Condition 8 (window details) of planning permission COU/2019/0168.
Awaiting decision	LBC/2020/0378	Variation of Condition 2 (approved drawings) and Condition 8 (window details) of planning permission COU/2019/0168.

1.36 The above are the relevant planning applications for the subject property. We understand that works have commenced for the planning permission from 2019 and that the planning application for the variation from 2020 relates mainly to the replacement windows.

1.37 Your legal advisors should confirm that the drawings that we have been supplied with, are those that correspond with the planning permission / application.

Health & safety

1.38 The letting of residential property, requires compliance with strict health and safety standards by both owners and managers. The failure to comply can lead to civil and even criminal prosecutions. The requirements placed on the owners of let residential property include, but are not limited to: -

- Furniture & Furnishings (Fire) (Safety) Regulations 1988
- Gas Safety (Installation and Use) Regulations 1998
- Electrical Equipment (Safety) Regulations 1994
- Housing Fitness Standards
- Housing Health & Safety Rating System under the Housing Act 2004
- The Smoke and Carbon Monoxide (England) Regulations 2015 and equivalent regulations in Scotland and Wales.

1.39 We have assumed in our valuation that all regulations have been and will be complied with upon practical completion of the build.

1.40 We would recommend that you seek an assurance that all relevant regulations are complied with and that an appropriate system is in place to ensure timely renewal of gas safety and other certificates.

Fire safety

1.41 It is a requirement for a fire safety risk assessment to be carried out and for a fire management plan to be maintained. These requirements, which were introduced in 2006 replace the previous requirement for a Fire Certificate. We have not viewed any such documents relating to the property and have assumed for the purposes of our valuation that the relevant requirements have been fully complied with.

Development Proposal

1.42 We have been provided with copy floor plans prepared by Hussain Architectural Design Limited dated 23 November 2018.

1.43 In summary, the proposed conversion to a House of Multiple Occupation (HMO) will provide communal accommodation in the basement with bedrooms and showrooms on the ground, first and second floors.

1.44 In total there will be 13 letting rooms, kitchen, lounge, dining room, three showers and three toilets.

1.45 As previously stated, the Given the planning refusal detailed above for three / four storey building comprising two retail units and nine residential apartments, and taking into account the impact of Covid-19, we have assumed the following scheme for the purpose of our valuation:

1.46 We understand that the current planning application intends to amend some of the internal configuration of the property but this application has not been determined.

1.47 We consider that the proposed development is suitable for the location and the property. It will provide an investment and income producing asset that is likely to perform better than the previous office use.

1.48 We have not been provided with a breakdown of the specification for the proposed development and for the purpose of our report and valuation assume that it will be at the lower end of the spectrum but this takes in to consideration the target market of occupier and reflects the nature of the HMO and location.

1.49 In reporting our opinions of value we have assumed that the scheme is compliant with all Building Regulations and can be implemented in accordance with the plans provided. In the event that amendments need to be made to the proposed scheme as a consequence of it failing to meet statutory requirements, our opinions of value may be affected.

Development Inputs

1.50 As stated in our Terms of Engagement, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you.

1.51 We have not been provided with a detailed cost plan and therefore we relied upon the high level information provided on the costs spent to date and the costs to complete the property. We understand from the developer that circa £60,000 has been spent to date with circa £65,000 to complete the project. We have assumed that the costs to complete the conversion include all necessary professional and contingency fees together with licensing fees. We would recommend that an independent Quantity Surveyor assess the costs to date and to spend to ensure that they are appropriate. Should this not be the case then this will impact upon the values reported herein.

Market Commentary

1.52 The subject property is situated within the Burnley town centre and is well placed for access to both the local amenities and services together with the transport hubs for both bus and rail.

1.53 The subject property is located in the Daneshouse with Stoneyholme Ward (2011) in Burnley and according to Nomis data. We understand from Nomis that a large proportion of the resident population are classified as single and living on their own, approximately 48% of the local population. The data also supported that circa 43% of the residential population were in rented accommodation (private/social) which indicates that the area is established for rental product, similar to that which will be provided.

1.54 The average weekly wage for residents in Burnley area is £500 compared with the UK average of £587. In terms of unemployment as at September 2020, the average claimant count unemployment rate currently stands at 9.1%, which is higher than the regional average of 7.1% and the UK average of 6.5% (Source: Nomis).

1.55 Given the type of property and that it will be an income producing asset we have considered the property on an investment basis taking in to consideration the likely rental level to be achieved and the investment yield that is likely to be paid.

Market Evidence

1.56 Following our due diligence, we summarise below a range of residential rentals within close proximity of Burnley town centre:

HMO - The Paddock, Highfield Avenue - £95 pw (inclusive) – a detached more modern HMO with 19 rooms with some en-suites and off road car parking close to Burnley hospital. Let in July to August 2020.

HMO – Colne Road, Burnley - £83-£100 pw (inclusive) – a refurbished property that has been converted to provide 12 bedrooms within approximately 0.5 miles of the town centre. Summer 2020.

HMO – Berry Street, Burnley - £85 pw (exclusive) – a refurbished 4 bedroom house to the south of the town centre. Three en-suites and one communal bathroom. Summer 2020 all room let.

HMO – Richmond Street, Burnley - £80-£130 pw (inclusive) – a refurbished house approximately 0.6 miles to the west of the subject. Three bedrooms with two out of three rooms occupied.

HMO – Ivan Street, Burnley - £80-£140 pw (incusive) – a 5 bedroom HMO close to Burnley hospital. We understand that 4 out of 5 room are occupied with a single room at £80 pw available.

1.57 We understand from local agents that demand for HMO accommodation is good at present and that there was limited impact from Covid-19. They stated that there is a flight to quality so those properties that have been refurbished and well maintained attract better interest and lower void periods. The agents consider that as the University of Central Lancashire (UCLAN)'s plan to expand and increase the number of students ten-fold by 2025 then there is great opportunity in the town going forward. Interest in HMO's is from a varied occupier basis from single people through to employees who are working in the area during the week before returning home at weekends.

1.58 Having had regard to the above information and assuming that the property is finished to a good standard we consider that the subject units would achieve in the region of £80 pw (inclusive of utilities) on a blended basis. Some of the larger rooms might achieve slightly higher than this level and some of the small rooms slightly below this level. We also note that the rooms are not en-suite which could limit the market for some renters who will require their own private wash facilities.

Investment sales:

1.59 In order to consider the property as an investment we have had regard to the following sales evidence of properties that are in the wider north west area given that these properties are assessed on the rental income and strategic basis.

69 Landwon Hill, Preston

A 4 bedroom HMO in an established residential area. The property was producing a gross income of £21,600 per annum (inclusive). The property sold in March 2020 for £167,500 which equates to an approximate yield of 12.89%.

1 Colne Road, Burnley

A part vacant 12 bedroom HMO that had been refurbished to a good level. 5 rooms were vacant but it had the potential to produce and annual gross income of £56,100 (inclusive of utilities) when fully occupied. The property sold in December 2019 for £279,500, which equates to a gross yield of circa 20%.

43 Rainhill Road, Barnoldswick

A part vacant 6 bedroom HMO that has been refurbished

56 Ashworth Road, Bury

An end terraced 7 bedroom HMO in an established residential area. The property was producing a gross income of £21,840 per annum (inclusive). The property sold in December 2018 for £175,000 equating to a gross yield of circa 12.48%

Kenyon Court, Widnes

A HMO investment that comprises of six former terraced houses that have been converted in to 13 bedroom HMO accommodation. The property sold in July 2018 when fully occupied producing a gross annual income of £48,600 per annum (inclusive) and sold for £350,000, equating to a gross yield of approximately 13.89%.

34-36 Thornton Road, Morecambe

A detached HMO comprising 15 letting rooms and x2 3 bedroom flats. the property currently produces an annual rental income of £84,396. The property is currently on the market with an asking price of £595,000. This equates to a gross yield of approximately 14.18%. According to the agent there has been some interest in the property but no offers to date.

1.60 The above comparable evidence provides an indication of the level of demand and pricing for residential HMO investments in the area. However, pricing and ultimately yields are impacted by the potential management and operating costs for properties in order to calculate the net income that is received by an owner. Unlike single dwellings where operational costs and yields are lower as they are not as management intensive, the time required to manage a successful HMO is reflected in the pricing for such investments.

1.61 The comparable evidence highlights gross yields ranging from circa 12.48% up to 21%. The lower level yields are for properties in established residential locations in what are considered to be stronger markets. The higher yielding properties are in weaker locations that might require some work/investment and therefore this is reflected in the yield

1.62 We are of the opinion that the subject property would achieve a gross yield of 16%. This reflects that although it is situated close to Burnley town centre the rooms do not benefit from en-suite facilities which could impact on any rental growth in the future. The property is also Grade II listed and therefore might require higher maintenance costs going forward which would be deducted from the rental income.

Methodology

1.63 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative and Investment methods

1.64 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable sales to owner occupiers, investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

1.65 In order to determine the Market Value of the property we have assumed that the rental income would equate to £90 per room per week which equates to a gross income of £54,080 per annum (inclusive of utilities and broadband).

1.66 Having regard to the yield evidence, we consider that an appropriate gross yield for the property would be 16%. This would equate to an investment value on the assumption that the works to complete the property are complete and that it is fully occupied would be in the region of £338,000.

1.67 Given that there are still works to be done to complete the conversion at circa £65,000, we have deducted these costs from the above and also deducted six months rental income to reflect the potential time it will take to attract suitable tenants and achieve full occupancy and income. This results in a reduction in the price of the property by £92,040.

1.68 Taking the above into account, we would consider a Market Value of £245,000 reasonable for the property in its existing condition, which reflects the potential risks involved, the HMO market and prevailing market conditions.

Market Value

Market Value

1.69 We are of the opinion that the Market Value of the freehold interest in the above property, with the benefit of full vacant possession, in its current condition, as at the valuation date is:

£245,000 (Two Hundred and Forty Five Thousand Pounds)

Market conditions due to Coronavirus (COVID – 19)

Market conditions explanatory note

1.70 The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a “second wave” is possible.

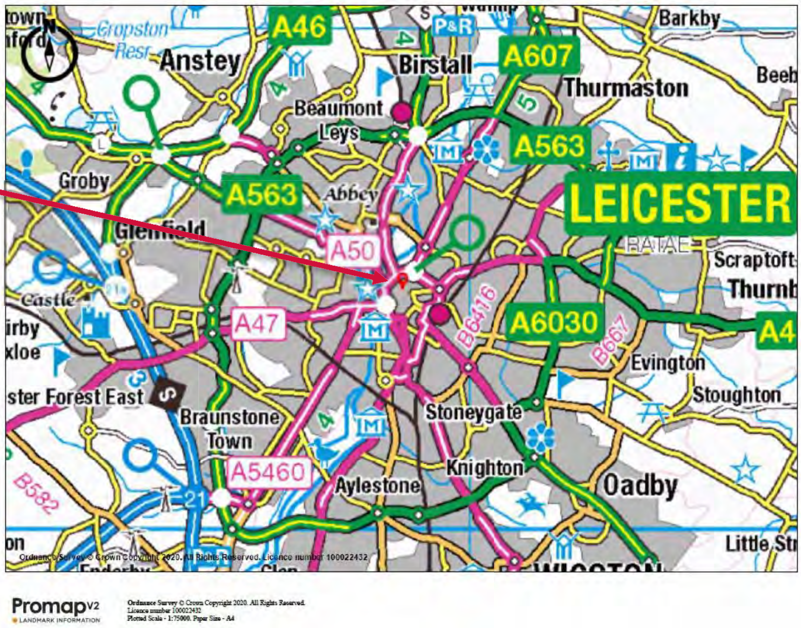
1.71 The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the Valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our Valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards,

1.72 For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the Valuation date.

64 Church Gate, Leicester LE1 4AL

Location

1.1 As can be seen from the plan below, the property is located as shown by the red arrow.



1.2 The site is located on Church Gate in Leicester city centre. The property occupies a corner plot approximately half way down Church Gate, on the junction with St Peters Lane.

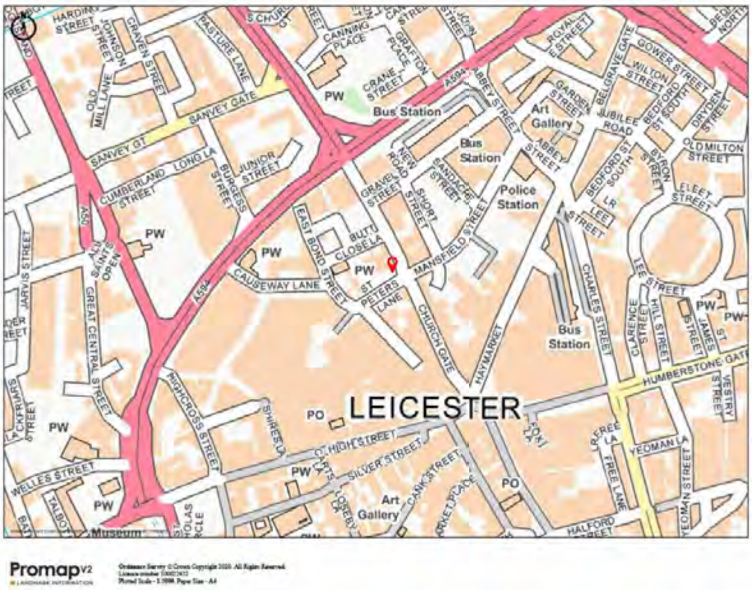
1.3 Leicester is the second largest city in the East Midlands and lies approximately 28 miles (45 km) south of Nottingham, 43 miles (69.2 km) east of Birmingham, 26 miles (41.8 km) north east of Coventry and 41 miles (66 km) west of Peterborough.

1.4 The subject property is less than 1 mile north of Leicester train station which provides direct services to London St Pancras, with average journey times of 1 hour 15 minutes and services approximately every 20 minutes. Regular services are also available to Birmingham (approx. journey time of 55 minutes) and Nottingham (approx. journey time of 30 minutes).

1.5 The site occupies a central location within Leicester city centre, predominantly surrounded by retail premises, hairdressers, takeaways, bars and restaurants. Immediately adjacent to the property is a block of residential apartments and a mix of small retail premises. De Montfort University campus is approximately 0.6 miles south west of the property.

1.6 To the rear of the subject property on St Peters Lane lies the Grade II listed Meeting House school (now Charles Berry House) (HER ref. DLC73), which was built in 1859 and it is associated with the nearby Unitarian Chapel on East Bond Street. To the north of the site, set within land at the rear of the Church Gate frontage, is the Grade II listed five storey, weather boarded warehouse that was constructed in 1830 (HER ref. DLC358).

1.7 The street plan below shows the location of the property.



1.8 The property is identified on the Ordnance Survey plan below, showing our understanding of the boundary outlined in red.

Description

1.9 The subject property comprises an irregular shaped site of approximately 0.035 hectares (0.086 acres).

1.10 It is currently a vacant, undeveloped site bound by timber fencing. The site is located on the corner of Church Gate and St Peter's Lane, with a road frontage to each, and adjacent to no. 62 Church Gate, with the substantial gable wall of this building forming the side boundary of the site.

1.11 The buildings within vicinity of the site comprise a mix of commercial, retail and restaurant units generally up to 3 and 4 storeys in height situated along the length of Church Gate and extending into the city centre.

1.12 Photographs of the site and the surrounding area are below:

Front Elevation

Site Exterior - St Peter's Lane

Street Scene (Church Gate)

St Peter's Lane – Grade II listed meeting house school

Condition

1.13 We have only inspected the property from the roadside. Due to the timber fencing it was difficult to assess the current condition of the land. For the purposes of our valuation we assume that the land is in satisfactory condition.

Legal title / Tenure

1.14 We understand that the freehold interest in the land falls to Andrew Martin and Ena Martin of 8 Guildhall Lane, Leicester LE1 5FQ. The Title register states that the price paid on 21 October 2011 was £90,000. We have not been provided with a copy of the Report on Title.

1.15 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

1.16 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

1.17 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

Environmental considerations

1.18 We have not been provided with a copy of a ground condition report for the site.

Contamination

1.19 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings 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 potential for contamination.

1.20 Subject to the above, having regard to the historic use of the subject site, we consider that contamination is unlikely and have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the buildings to be constructed thereon. Should significant remediation costs be required then our opinion of value may be subject to change.

Japanese knotweed

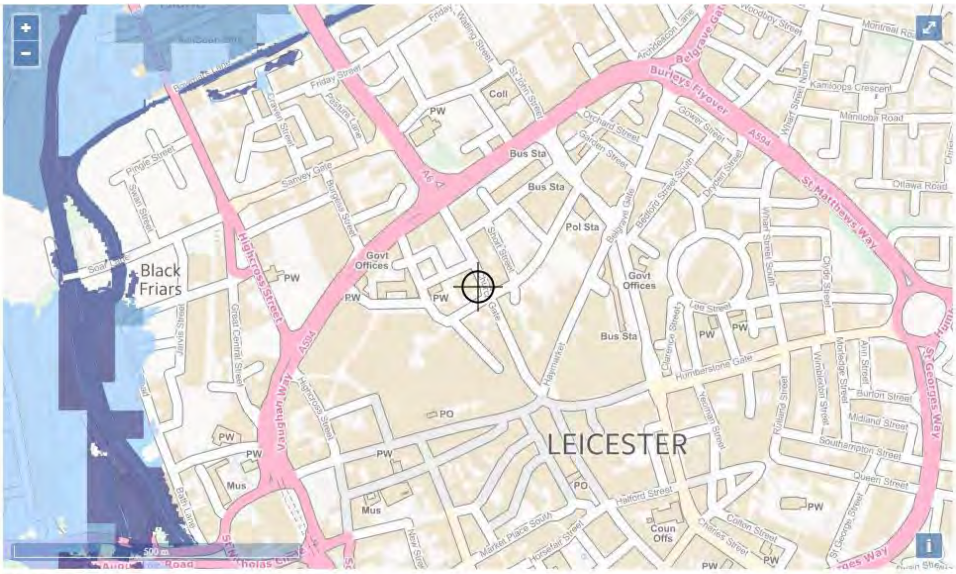
1.21 We are not aware of any Japanese Knotweed being present on the site and our valuation is therefore prepared on this basis. Should it subsequently differ then our opinion of value may be subject to change.

Flooding

1.22 We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible.

1.23 From our enquiries of the Environment Agency's website we have ascertained that the property is not within an indicative floodplain and that there is therefore a negligible risk of flooding.

1.24 The risk from flooding is considered to be very low from rivers or the sea. This is defined by the Environment Agency as a risk of flooding in the location from rivers or the sea which is 1 in 1,000 (0.1%) or less, in any year and where it is unlikely to flood except in extreme conditions.



Extent of flooding from rivers or the sea

High Medium Low Very low Location you selected

Source: Environment Agency – Risk of flooding from rivers or the sea

1.25 The risk from flooding is considered to be medium from surface water. This is defined by the Environment Agency as a risk of flooding in the location from rivers or the sea which is between 1% and 3.3%, in any year.

Extent of flooding from surface water

High Medium Low Very low Location you selected

Source: Environment Agency – Risk of flooding from rivers or the sea

Sustainability

1.26 The issue of sustainability is becoming increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health for their occupiers may retain value over a longer term than those that do not.

1.27 The Government has set itself a target to reduce CO_2 emissions by 80% by 2050. With property representing around 50% of total emissions, the sector has become an obvious target for legislation. It is likely that, as we move towards 2050, energy efficiency legislation for property will become increasingly stringent.

Sustainability Characteristics

1.28 From a value perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

EPCs

1. All properties within the UK require an Energy Performance Certificate (EPC) when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.

2. The Energy Act 2011 introduced legislation that has made it unlawful to rent a property which has an “F or G” energy efficiency rating. This minimum energy efficiency rating could be made more stringent in the future.

1.29 We assume that the EPC’s will be sought for the residential units upon completion.

Planning

1.30 We have made informal enquiries of Leicester City Council, the planning authority for the subject property, by their website.

1.31 Planning policy is contained by the Core Strategy which was adopted in July 2014.

1.32 The property is not situated within Green Belt but is within the Church Gate Conservation Area, which covers the area from the Clock Tower in the south to Gravel Street in the north.

1.33 Our enquiries have revealed the following relevant planning history:

Date	Reference	Description
6 Sep 2019	20190163	Construction of three/four storey building; 2 x retail/café shops on the ground floor (class A1/A3); 9 flats (6 x 1 bedroom) and (3 x 2 bedroom) (class C3) (amended plans).

1.34 The application referenced above was refused on 6 September 2019. The reasons for refusal stated are:

1) *"In the opinion of the Local Planning Authority, the proposed development, by virtue of the design, siting, articulation and massing, would be detrimental to the character and appearance of Church Gate Conservation Area and the setting of the adjacent Grade II Listed buildings (Great Meeting School House and the Timber Warehouse). It is considered that the proposed development would be contrary to Policies CS03 and CS18 of the Core Strategy (2014) and Paragraphs 124, 127, 130, 192 and 193 of the National Planning Policy Framework.*

2) *In the opinion of the Planning Authority the application is premature in that the archaeological assessment should be completed prior to the design of the development being finalised to minimise the potential harm to and loss of heritage assets. The assessment should include the excavation of a trench to determine the depth, survival and character of in situ and ex situ archaeological deposits. It is considered that the proposal is contrary to Policies CS18 of the Core Strategy and paragraphs 189, 192 and 193 of the National Planning Policy Framework (2109).*

3) *In the opinion of the Local Planning Authority the application is premature in that insufficient information has been submitted with regards to sustainable energy and biodiversity. It is considered that the proposal is contrary to Policies CS02 and CS17 of the Core Strategy (2014) and Paragraphs 150, 170 and 175 of the National Planning Policy Framework."*

1.35 Key planning policies in regards to the subject development include:

The Planning (Listed Buildings and Conservation Areas) Act, 1990 requires the Council to pay special regard to the desirability of preserving the setting of a listed building and of preserving or enhancing the character or appearance of a conservation area (sections 66 and 72 respectively).

The City of Leicester Local Plan Policy H0&: *Flat Conversions and New Build Flats* is of particular importance as it supports new flats and the conversion of existing buildings to self-contained flats provided the proposal is satisfactory in respect of:

1) The location of the site or property and the nature of nearby uses;
2) The unacceptable loss of an alternative use;
3) The loss of family accommodation;
4) The creation of a satisfactory living environment;
5) The arrangements for waste bin storage and car or cycle parking;
6) The provision, where practicable, of a garden or communal open space;
7) The effect of the development on the general character of the surrounding area; and
8) The proposed or potential changes to the appearance of the buildings, and their settings.

1.36 The Local Plan also seeks to promote the efficient use of land and Policy H03: Density expects minimum net densities to be at least 50 dwellings per hectare on sites of 0.3 hectares or more within the defined Central Commercial Zone.

Development Proposal

1.37 Given the planning refusal detailed above for three / four storey building comprising two retail units and nine residential apartments, and taking into account the impact of Covid-19, we have assumed the following scheme for the purpose of our valuation:

Floor	Type	Sq M	Sq Ft
Ground	1 bedroom	44.40	478
Ground	1 bedroom	44.40	478
Ground	2 bedroom	87.62	943
First	1 bedroom	48.38	521
First	1 bedroom	44.87	483
First	1 bedroom	40.00	431
First	2 bedroom	87.62	943
Second	1 bedroom	50.85	547
Second	1 bedroom	42.31	455
Second	1 bedroom	40.00	431
Second	2 bedroom	87.62	943
Total		**618.07**	**6,653**

1.38 We are not aware of any revised planning application being submitted since the refusal for the previously proposed scheme. Therefore, we have assumed an 11 unit scheme arranged over ground and two upper floors, taking into account the original scheme submitted in the planning application and making reasonable adjustments based on the reasons for refusal stated by the Council, surrounding uses (for example, the listed buildings and density of development), and local market conditions.

1.39 The location of the site would be considered secondary for retail use despite being close to the city centre. The site is to the north of the main retail pitch in the city centre, whereby most mainstream shops are situated within the Highcross Shopping Centre, or on the High Street, Humberstone Gate and Haymarket. Having regard to this, it would be prudent to assume that any potential purchaser of the site in its existing condition would be unlikely to seek planning permission for any retail space at the site, taking into account the market risks, secondary retail location and the condition of the local retail market.

1.40 Given the secondary retail location of the property, and impact of Covid-19 on the retail market, we have assumed a purely residential scheme, applying average unit sizes to the ground floor and incorporating 3 apartments (2 x 1 bed and 1 x 2 bed), allowing the remaining space for a reception / lobby. We have not accounted for any car parking given the location of the site and previous proposed plans.

1.41 As one of the reasons for refusal related to massing, and taking into account the surrounding buildings which are typically of 3 to 4 storeys, we have assumed a 3 storey scheme, given the greater likelihood of a development of this scale to be permitted by the local authority.

Development Inputs

1.42 We have not been provided with a proposed cost plan and therefore we have had regard to the Building Cost Information Service (BCIS) average costs for the local area. BCIS produces median build costs per gross internal area of a building and excludes external works and contingencies. The BCIS average costs are as follows (per sq ft):

Flats (apartments)	Mean	Median	Sample
Generally	142	134	903
1-2 storey	134	128	215
3-5 storey	139	134	587
6 storey and or above	171	160	98

Having regard to the above and scale of the assumed scheme, we have applied a core build cost of £128 per sq ft and adopted this into our calculations. We have not been provided with a cost plan or any proposed costing in association with the potential development at the property. A residual site valuation is particularly sensitive to the development costs and any significant increases in costs will have detrimental impact on site value.

1.43 We have undertaken our development appraisal on the special assumption of planning consent being achieved and we list below the key development inputs adopted in our valuation:

Development variable	Input
Revenue:	
Flats	£1,572,500
Construction Costs:	
Core Build Cost (incl. prelims)	£1,001,864 (£128 per sq ft)
Contingency	5.0%
Professional Fees	5.0%
Sales Costs:	
Sales Agent Fee	1.00%
Legal Fees	£500 per unit
Marketing Costs	£10,000
Interest:	6.0%
Profit:	20.0% On Cost
Timing:	

Development variable	Input
Pre-Construction Period	3 Months
Construction Period	9 Months
Sales Period	6 Months (2 units pcm, commencing 2 months prior to completion)

1.44 Sales, other than pre-sales, are assumed to be on a “straight line” basis, across the sales period.

1.45 We consider our appraisal inputs reasonable and in line with our expectations and experience of valuing similar schemes.

Market Commentary

1.46 The subject site is situated within the Leicester local authority area, which has a total resident population of 354,200.

1.47 Within Leicester, 77.9% of the adult population aged between 16 to 64 are currently economically active, which sits lower than both the regional (80.3%) and the UK national (79.4%) averages.

1.48 Leicester’s proportion of employees in the top employment sectors which includes managers, directors, senior officials, professional occupations, associate professionals and technical sits at 38.4%, which is lower than both the regional average (43.8%) and the UK average (49.0%).

1.49 The average weekly wage for residents in Leicester is £457.50 compared with the UK average of £587. In terms of unemployment as at September 2020, the average claimant count unemployment rate currently stands at 7.5%, which is higher than the regional average of 5.7% and the UK average of 6.5% (Source: Nomis).

1.50 According to Zoopla, the average price paid for apartments in Leicester within the last 12 months is £122,119 based on 233 sales, with an average current value of £140,511.

Market Evidence

1.51 Following our due diligence, we summarise below a range of residential apartment sales within close proximity of the subject property in Leicester city centre:

1.52 **1 bedroom apartments:**

Apartment 4, The Circus, 12 Highcross Lane, Leicester

This apartment comprises 624 sq ft (EPC) with 1 bedroom in a modern development with no car parking. Within walking distance to the subject, this property sold in January 2020 for £124,000, reflecting £198 per sq ft. We would consider the subject to be of a similar quality of location, although we assume the completed 1 bedroom units will be of a higher specification and overall quality.

Apartment 11, 17 Newarke Street, Leicester

This apartment comprises 764 sq ft (EPC) with 1 bedroom in a converted period building with no car parking. This property sold in December 2019 for £135,000, reflecting £176 per sq ft. We consider the subject to benefit from a superior quality of location on a generally less busy road in the city centre in comparison to Newarke Street.

Apartment 57 Alexandra House, 47 Rutland Street, Leicester

This apartment comprises 678 sq ft (EPC) with 1 bedroom with no allocated car parking. The apartments in Alexandra House are typically of a basic specification. This property sold in December 2019 for £119,000, reflecting £176 per sq ft. We would expect the subject 1 bed units to achieve significantly higher sales values in comparison, taking into the anticipated superior quality of the new build units.

Apartment 13 The Bar, 8 Shires Lane, Leicester

This apartment comprises 495 sq ft (EPC) with 1 bedroom. This recently refurbished scheme is modern and of a high specification throughout, with many units benefitting from balconies and car parking available to rent. This property sold for £150,000 in September 2018, reflecting £303 per sq ft. This scheme is of a very high specification and benefits from a superior location within the city centre.

1.53 **2 bedroom apartments:**

Flat 2 Stibbe Lofts, Newarke Street, Leicester

This apartment comprises 732 sq ft (EPC) with 2 bedrooms situated in Leicester city centre. The apartment includes an open plan living / kitchen area, 2 double bedrooms and secure allocated parking. The property sold in June 2020 for £140,000, reflecting £191 per sq ft.

Apartment 7 Rutland House, Rutland Street, Leicester

This apartment comprises 947 sq ft (EPC) with 2 / 3 bedrooms situated opposite The Curve theatre in Leicester city centre. Apartments in Rutland House are typically of a good condition and specification with allocated car parking available. This property sold in May 2020 for £161,000, reflecting £170 per sq ft. We would expect the subject 2 bed units to achieve slightly higher sales prices, taking into account the similar unit sizes but anticipated superior specification.

Apartment 27 The Bar, 8 Shires Lane, Leicester

This apartment comprises 657 sq ft (EPC) with 2 bedrooms. This recently refurbished scheme is modern and of a high specification throughout, with many units benefitting from balconies and car parking available to rent. This property sold in March 2020 for £220,000, reflecting £335 per sq ft. This scheme is of a very high specification and benefits from a superior location within the city centre.

Flat 76 Burgess House, 42 Sanvey Gate, Leicester

This apartment comprises 731 sq ft (EPC) with 2 bedrooms with one allocated car parking space. This property sold in November 2019 for £130,000, reflecting £178 per sq ft. We would anticipate the subject 2 bed units to achieve higher sales prices in comparison, considering the larger unit sizes, anticipated superior specification and location.

Apartment 61 Phoenix Square, 9 Burton Street, Leicester

This apartment comprises 808 sq ft (EPC) with 2 bedrooms with a balcony and one allocated car parking space. This apartment sold in October 2019 for £168,000, reflecting £208 per sq ft. The subject 2 bed units are larger in size but won't benefit from any allocated car parking, therefore we would expect the 2 bedroom units to achieve slightly higher sales values in comparison to this sale at Phoenix Square, taking into account the lack of parking but larger unit sizes and anticipated higher quality.

1.54 Based upon the above, we have applied the following values to the subject scheme:

Floor	Type	Sq Ft	MV	£ per sq ft
Ground	1 bedroom	478	£120,000	£251
Ground	1 bedroom	478	£120,000	£251
Ground	2 bedroom	943	£195,000	£207
First	1 bedroom	521	£130,000	£250
First	1 bedroom	483	£122,500	£254
First	1 bedroom	431	£115,000	£267
First	2 bedroom	943	£197,500	£209
Second	1 bedroom	547	£135,000	£247
Second	1 bedroom	455	£120,000	£263
Second	1 bedroom	431	£117,500	£273
Second	2 bedroom	943	£200,000	£212
Total		**6,653**	**£1,572,500**	**£236**

1.55 The above values assume a good specification throughout, including high quality fixtures and fittings, bathrooms and kitchens. Our GDV assumes that each apartment is sold separately on minimum 150 year ground leases, with minimal to nil ground rent and reasonable service charge contribution for the common parts.

1.56 There is a lack of new build apartment stock in the city centre and therefore our comparable evidence is typically comprised of second hand stock. However, sales at The Bar, Shires Lane are at the top end of the local market, with this development generally of a higher specification than much of the competing stock.

1.57 A bulk sale of all units to an investor would likely result in a discount to our opinion of GDV of say 10%, depending on potential rental return of the asset.

Land comparable evidence

1.58 Further to the above, we have had regard to a range of comparable land transactions within Leicester city centre:

Land at 337 Saffron Lane, Leicester LE2 6UE

Freehold site of circa 0.15 acres situated on Saffron Lane, approximately 2 miles south of Leicester city centre. This cleared site benefits from planning permission for six apartments arranged over ground and two upper floors. This property sold at auction in December 2019 for £220,000, reflecting £36,666 per plot.

Land at Vaughan Way and St Margaret's Way, Leicester LE1 4SB

Freehold site of 0.378 acres situated in Leicester city centre within close proximity of the subject. The site was sold in December 2015 for £700,000 and noted for its potential for residential development, albeit no planning permission had been achieved. This sale reflects £1,851,852 per acre.

Land at The Laurels, Fosse Lane, Leicester LE3 9AA

Freehold site benefitting from planning permission for two semi-detached four bedroom houses, situated on Fosse Lane, approximately 1 mile north west of Leicester city centre. This site was sold at auction for £90,000 in July 2019.

Land at Gas Street, Leicester LE1 3UD

Freehold site of 0.523 acres situated on Gas Street in Leicester city centre, approximately 0.7 miles north west of the subject site. This site did not benefit from planning permission at the time of sale but was listed as having potential for residential development. This site sold at auction in May 2018 for £330,000, reflecting £630,975 per acre.

Land at Yeoman Lane / Yeoman Street, Leicester LE1 4AD

Freehold corner site with planning permission for a six storey scheme comprises 15 self-contained one bedroom apartments. This site is situated in Leicester city centre but in a peripheral location, similar to the subject (circa 0.1 mile west). This property is currently available for £425,000 having been unsold at auction (20/11/2019). The asking price reflects £28,333 per plot.

1.59 There are limited comparable land sales within close proximity of the subject site that are similar in nature. We would stress that values achieved at development sites are generally reliant on the planning consent or the likelihood of a potential scheme being granted permission. Land values are also highly sensitive to the development inputs, for instance the development costs and timescales, which can have a significant impact on the land value. Therefore, the comparable evidence above, whilst giving an indication of general land values achieved on a per plot / per acre basis, are of limited relevance to the subject site.

1.60 We are of the view that the subject property in its current condition, without the benefit of any planning permission, would attract limited demand if made available for sale and would most likely be sold at auction. Interest would most likely come from cash investors who would take into account the additional costs and risks associated with a site without any planning consent. The site has added complications and risks given its sensitive city centre location in the Church Gate conservation area, and bounding the Grade II listed Meeting House school (now Charles Berry House) (HER ref. DLC73) on St Peters Lane.

Valuation basis / notes on valuation

1.61 Please note the following:-

- Assumption that the adopted scheme is considered viable by the local council;
- Assumption that no contamination exists at the existing site;
- The site occupies a secondary retail location and it is unlikely that a potential purchaser would include a retail element, taking into account the location and current market conditions;
- The location of the site for residential use is good, being situated in the city centre and within close proximity to local amenities, bus station, train station and the De Montfort University campus;
- In its existing condition, it would not be possible to finance a development proposal prior to any planning permission being achieved, therefore the site as is, with no planning permission, would likely sell to a cash investor at auction;
- Any potential purchaser of the site would have significant regard to the planning risks involved (for example, costs, timescales) and the scale and nature of a potential viable development at the site.

Potential changes in legislation affecting ground rents

1.62 In December 2017 the Communities Secretary announced new measures to cut out unfair and abusive practices within the leasehold system, including a ban on leaseholds for almost all new build houses in England. The Government plans to introduce legislation that will require ground rents on new long leases – for both houses and flats – to be set to zero.

1.63 As a result of these plans, we have assumed zero ground rents for all new residential long leases within our valuation. For existing residential long leases, where the ground rent is considered to be "onerous", the Government wishes to see support extended to leaseholders. The Government has not explicitly stated what level of ground rent it considers to be onerous, nor where the support for affected leaseholders should come from. In addition, the Government intends to consider ways in which to make it easier for leaseholders to buy their freehold or to extend their leases. Where likely to be applicable, we have set out any specific assumptions within our valuation in this regard.

Methodology

1.64 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Residual method

1.65 Our valuation has been carried out using the comparative and residual methods.

1.66 We arrive at our opinion of the Market Value of the completed units (often referred to as the "Gross Development Value") using the comparative method, which involves comparison of the subject scheme with sales evidence from other comparable schemes and other sales within the local market and making adjustments using our professional judgement.

1.67 Our opinion of the Market Value of the site, on the special assumption of planning permission, is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed units, using the method described above, we deduct from it the total costs of development and an allowance for the developer's profit.

1.68 In addition to the residual method, we have also considered any relevant available comparable land transactions (as set out in our report) and applied the comparative method where we consider it to be appropriate.

1.69 Having undertaken a residual appraisal assuming a consented scheme, as detailed within this report, we have then had regard to the additional risks in involved in arriving at our opinion of Market Value in its existing use, without the benefit of any planning permission.

1.70 Our residual appraisal reflects a site value of £150,000 based on the special assumption of planning permission for the assumed scheme. As discussed, any potential purchaser of the property in its existing condition is likely to be a cash investor and will take into account the additional costs and risks associated with a site without any planning consent. The site has added complications and risks given its sensitive city centre location in the Church Gate conservation area and bounding the Grade II listed meeting house school (now Charles Berry House) (HER ref. DLC73) on St Peters Lane.

1.71 The fact that the initial planning permission was refused increases the potential planning risk involved, and any further massing concerns from the local authority are likely to result in a smaller development being considered viable, as assumed within our valuation approach.

1.72 We would comment that we have had to place a greater reliance on our professional judgement in adopting values due to the unique nature of the site and the lack of direct comparable evidence.

1.73 Taking the above into account, we would consider a Market Value of £100,000 reasonable for the property in its existing condition, which reflects the potential risks involved, overall quality of the site and prevailing market conditions.

Market Value

Market Value

1.74 We are of the opinion that the Market Value of the freehold interest in the above property, with the benefit of full vacant possession, as at the valuation date is:

£100,000 (One Hundred Thousand Pounds)

Market conditions due to Coronavirus (COVID – 19)

Market conditions explanatory note

1.75 The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a "second wave" is possible.

1.76 The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the Valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our Valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards,

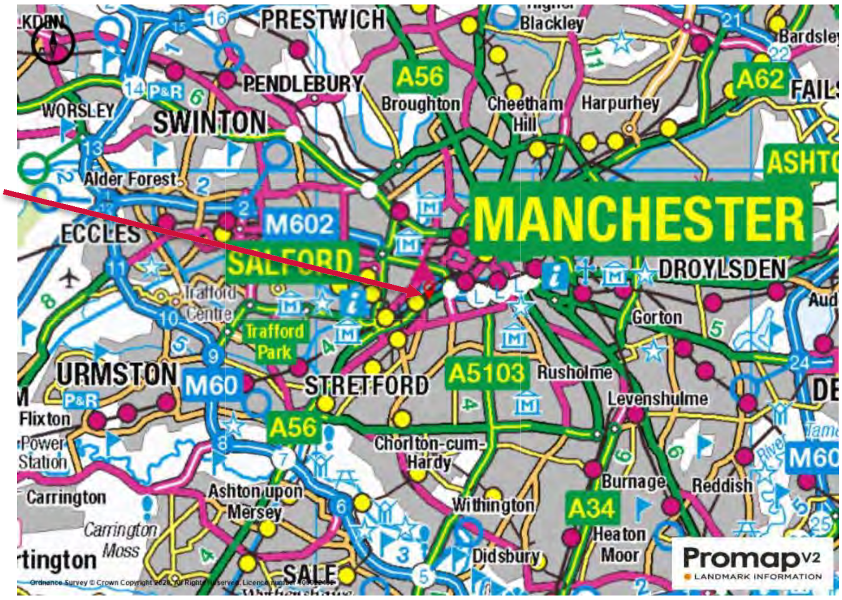
1.77 For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the Valuation date.

Former Bulls Head, Chester Road, Manchester, M15 4EY

Location

1.1 As can be seen from the plan below, the property is located as shown by the red arrow.

Subject site



1.2 The site is located on Chester Road in the city of Manchester. The property occupies an irregular shaped corner plot with Chester Road (A56) and Cleworth Street.

1.3 Manchester is a major city in the northwest of England, colloquially referred to as the Northern Powerhouse, with approximately 530,300 residents (2015 estimate). Manchester's economy is dominated by financial and professional services and the manufacturing and engineering sector. Manchester is acknowledged to be one of Europe's premier leisure and entertainment destinations boasting world famous football teams, 13 theatres and many quality venues, museums, galleries, restaurants and bars.

1.4 Manchester is located approximately 190 miles north of central London, 40 miles south-west of Leeds, 38 miles west of Sheffield and 36 miles east of Liverpool.

1.5 The subject property is located on the outskirts of the city centre approximately 0.8 miles to the south west of the main business district at Spinningfields.

1.6 The subject site is located approximately 250m to the east of Cornbrook tram station that provides regular services to Manchester city centre and the other suburbs to the east and to Salford Quays and MediaCityUK to the west.

1.7 Manchester Piccadilly station, which provides a high-speed rail service from Manchester Piccadilly to London Euston in just over 2 hours and Glasgow in just over 3 hours, is situated approximately 1.5 miles to the east.

1.8 Manchester International Airport is the third busiest airport in the UK with more than 90 airlines regularly serving 200 destinations. The airport is situated approximately 9.8 miles to the south of the subject property. There are up to 1,500 departing flights a week from Manchester including Paris, Dubai, New York, Singapore and many more.

1.9 The site is situated in an area that has seen significant development over the past few years with its proximity to the city centre and good road links with A56 being one of the arterial roads linking the city centre to the north east and Sale, Altrincham and other suburbs to the south west.

1.10 As previously stated, the area has seen significant development over the past few years although the majority of new build schemes are located on the north side of Chester Road (opposite to the subject). The immediate surrounding area is a mix of low rise local authority housing to the south and east, retail and residential accommodation to the west and new build 11 storey apartment block to the north on the opposite side of A56.

1.11 The street plan below shows the location of the property.

1.12 The property is identified on the Ordnance Survey plan below, showing our understanding of the boundary outlined in red.

Description

1.13 The subject property comprises an irregular shaped site of approximately 0.064 hectares (0.158 acres).

1.14 It is currently a vacant, undeveloped site bound by timber fencing. The site is located on the corner of Church Gate and St Peter's Lane, with a road frontage to each, and adjacent to no. 62 Church Gate, with the substantial gable wall of this building forming the side boundary of the site.

1.15 The buildings within vicinity of the site comprise a mix of commercial, retail and restaurant units generally up to 3 and 4 storeys in height situated along the length of Church Gate and extending into the city centre.

1.16 Photographs of the site and the surrounding area are below:

Subject site

Corner of Cleworth Street and Chester Road

Chester Road towards Manchester city centre

Cleworth Street towards Chester Road

Condition

1.17 We have only inspected the property from the roadside. Due to the timber fencing it was difficult to assess the current condition of the land. For the purposes of our valuation we assume that the land is in satisfactory condition.

Legal title / Tenure

1.18 We understand that the freehold interest in the land is held over two titles, GM162049 and GM588612. We have not been provided with a copy of the Report on Title.

1.19 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

1.20 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

1.21 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

Environmental considerations

1.22 We have not been provided with a copy of a ground condition report for the site.

Contamination

1.23 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings 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 potential for contamination.

1.24 Subject to the above, having regard to the historic use of the subject site as a public house, we consider that contamination is unlikely and have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the buildings to be constructed thereon. Should significant remediation costs be required then our opinion of value may be subject to change.

Japanese knotweed

1.25 We are not aware of any Japanese Knotweed being present on the site and our valuation is therefore prepared on this basis. Should it subsequently differ then our opinion of value may be subject to change.

Flooding

1.26 We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible.

1.27 From our enquiries of the Environment Agency's website we have ascertained that the property is not within an indicative floodplain and that there is therefore a negligible risk of flooding.

1.28 The risk from flooding is considered to be very low from rivers or the sea. This is defined by the Environment Agency as a risk of flooding in the location from rivers or the sea which is 1 in 1,000 (0.1%) or less, in any year and where it is unlikely to flood except in extreme conditions.

Source: Environment Agency – Risk of flooding from rivers or the sea

1.29 The risk from flooding is considered to be low to very low risk from surface water. This is defined by the Environment Agency as a risk of flooding in the location from rivers or the sea which is between 0.1% and 1%, in any year.

Source: Environment Agency – Risk of flooding from rivers or the sea

Sustainability

1.30 The issue of sustainability is becoming increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health for their occupiers may retain value over a longer term than those that do not.

1.31 The Government has set itself a target to reduce CO2 emissions by 80% by 2050. With property representing around 50% of total emissions, the sector has become an obvious target for legislation. It is likely that, as we move towards 2050, energy efficiency legislation for property will become increasingly stringent.

Sustainability Characteristics

1.32 From a value perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

EPCs

1. All properties within the UK require an Energy Performance Certificate (EPC) when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.

2. The Energy Act 2011 introduced legislation that has made it unlawful to rent a property which has an "F or G" energy efficiency rating. This minimum energy efficiency rating could be made more stringent in the future.

1.33 We assume that the EPC's will be sought for the residential units upon completion.

Planning

1.34 We have made informal enquiries of Manchester City Council, the planning authority for the subject property, by their website.

1.35 Planning policy is subject to Manchester City Council Local Development Framework (LDF), which sets out guidelines for spatial development in Manchester. The LDF is made up of Local Development Documents, comprising Development Plan Documents, such as the Core Strategy adopted in July 2012, and Supplementary Planning Documents.

1.36 The property is not situated within Green Belt or within a Conservation Area.

1.37 There are not any trees within the boundaries of the property which are the subject of Tree Preservation Orders (TPOs).

1.38 Our enquiries have revealed the following relevant planning history:

Date	Reference	Description
25 June 2019	123297/JO/2019	Variation of condition nos. 2 (approved drawings) and 8 (waste management) attached to planning permission 118303/FO/2017 to allow for amendments to the design of the proposal and the waste management arrangements. Granted.
25 June 2019	CDN/19/0117	Application to discharge condition nos. 4 (contamination), 6 (surface water) and 9 (Secured by Design) attached to planning permission 118303/FO/2017. Part discharged.
12 November 2018	118303/FO/2017	Erection of a three, four and six storey building to form 27 self contained flats with associated car parking and hard and soft landscaping. Granted.

1.39 We note that the site is not subject to a Section 106 agreement and any commuted sums. The site is also not subject to any affordable housing which is likely to enhance its interest to potential developers.

1.40 It is assumed that the buildings to be constructed will be in compliance with all necessary Planning, Listed Building and Building Regulation approvals as appropriate.

Development Proposal

1.41 As highlighted above, the site has planning permission for 27 apartments in a scheme up to six storeys in height. The table below illustrates the total residential accommodation schedule:

Apartment	Beds	Floor	Sq Ft (GIA)	Type
1	1	G	364	Apartment
2	2	G	651	Apartment
3	1	G	425	Apartment
4	2	G	648	Apartment
5	2	G	654	Apartment
6	1	G	404	Apartment
7	1	1	389	Apartment
8	2	1	661	Apartment
9	2	1	656	Apartment
10	2	1	648	Apartment
11	2	1	660	Apartment
12	1	1	404	Apartment
13	1	2	389	Apartment
14	2	2	661	Apartment
15	2	2	656	Apartment
16	2	2	648	Apartment
17	2	2	660	Apartment
18	1	2	404	Apartment
19	1	3	389	Apartment
20	2	3	661	Apartment
21	2	3	673	Apartment
22	2	3	648	Apartment
23	2	4-5	800	Duplex
24	2	4-5	808	Duplex
25	1	4-5	627	Duplex
26	2	4-5	778	Duplex
27	2	4-5	798	Duplex
Total			**16,164**	

1.42 We have relied upon floor areas provided to us by the developer.

1.43 We recommend that the sizes of the units are confirmed by the Developer's architect, Ollier Smurthwaite Architects.

Specification

1.44 We have assumed that the proposed scheme would benefit from a high specification, which would be appropriate for a development of this nature in this location. We have not been provided with a breakdown of the proposed specification by the developer but assume that it will be in keeping with other new build schemes in the area to ensure it is appropriate for the target market. This assumed level of specification has been reflected in our valuation.

1.45 In reporting our opinions of value, we have appraised the individual units on the assumption that they will be completed (both internally and externally) to a standard of workmanship and finish commensurate with that of an appropriate quality development in this location. Any departure from the assumed specification may impact upon our opinions of value.

Building Regulations

1.46 In reporting our opinions of value, we have assumed that the scheme is compliant with all Building Regulations and can be implemented in accordance with the plans provided. In the event that amendments need to be made to the proposed scheme as a consequence of it failing to meet statutory requirements, our opinions of value may be affected.

Party walls

1.47 All of the following works are covered by the Party Wall etc Act 1996:

- Structural work affecting a party wall, or affecting a ceiling or floor attached to a party wall. Structural work includes cutting into a wall to take the bearing of a beam, inserting a damp proof course (even if only to the Developer's side of a party wall), raising a party wall, demolishing and rebuilding a party wall, and weathering the junction of adjoining walls by cutting a flashing into an adjoining building.
- Excavating foundations within three metres of a neighbour's structure and lower than its foundations.
- Excavating foundations within six metres of a neighbour's structure and below a line drawn down at 45° from the bottom of its foundations.
- Construction of a new wall on the line of junction (boundary) between two properties.

1.48 We did not note any Party Wall issues during our site inspection but Party Walls are a specialist area and we would advise that you seek professional advice in this matter.

Development Inputs

1.49 We have not been provided with a proposed cost plan and therefore we have had regard to the Building Cost Information Service (BCIS) average costs for the local area. BCIS produces median build costs per gross internal area of a building and excludes external works and contingencies. The BCIS average costs are as follows (per sq ft):

Flats (apartments)	Mean	Median	Sample
Generally	£136	£129	903
3-5 storey	£134	£129	587
6 storey and or above	£164	£154	98

1.50 Having regard to the above and scale of the scheme, we have applied a core build cost of £136 per sq ft and adopted this into our calculations. In addition to this, with have added 10% to reflect external works and landscaping which equates to a base build of circa £150 psf. The build costs are exclusive of professional fees, acquisition costs, sales costs, marketing costs and legal and finance costs required to complete the scheme.

Professional fees & contingency

1.51 We have made an allowance of 5% of total build costs within our valuation for professional fees and an allowance of 5% of total build costs as a contingency. These allowances are in accordance with our experience of similar developments.

Purchaser's warranties

1.52 We have assumed that the units will be sold with the benefit of NHBC New Build warranties, or equivalent. Financial institutions can be reluctant to lend to prospective purchasers without this. The Developer will need to register the works with the appropriate authority and appoint registered contractors. In our valuation we have assumed a cost for warranties of £750 per unit, in addition to the above build costs.

Construction period and phasing

1.53 We have assumed that construction of the development will require a build period of 12 months, following a lead-in period of 3 months.

1.54 Our assumed build costs have not been inflated to account for predicted build cost inflation through the life of the development. This is because we have assumed that the Developer will negotiate a fixed price contract at the outset of the development at the level of our assumed costs.

Constraints on construction

1.55 We have assumed that the necessary over sailing rights and cranage rights, have been granted over adjoining land for the duration of the development.

1.56 Our valuation has been undertaken upon the assumption that the build costs adopted by us above are adequate to complete the development to the specification adopted by us. Any variation in the build costs may have a significant impact upon the reported Market Value of the site. In this respect we additionally draw your attention to the importance of our recommendation in relation to the appointment of an independent quantity surveyor to review the costs and ensure they are appropriate.

1.57 We have not been provided with a cost plan or any proposed costing in association with the potential development at the property. A residual site valuation is particularly sensitive to the development costs and any significant increases in costs will have detrimental impact on site value.

1.58 We have undertaken our development appraisal on the proposed scheme and we list below the key development inputs adopted in our valuation:

Development variable	Input
Revenue:	
Flats	£6,110,000
Car parking	£80,000
Construction Costs:	
Core Build Cost (incl. prelims, external and landscaping)	£2,988,900 (£136 per sq ft)
Contingency	5.0%
Professional Fees	5.0%
New build warranty	£750 per unit
Sales Costs:	
Sales Agent Fee	1.50%
Legal Fees	£500 per unit
Marketing Costs	1.50%
Interest:	6.0%
Profit:	18.0% on GDV
Timing:	18 months

1.59 Sales, other than pre-sales, are assumed to be on a “straight line” basis, across the sales period.

1.60 We consider our appraisal inputs reasonable and in line with our expectations and experience of valuing similar schemes.

Market Commentary

1.1 The Manchester residential property market has experienced significant change over the past decade from the last property cycle. The city centre has become a desirable location to both work and live and this has been reflected in the number of residential schemes that have completed. From information obtained from Urbinfo in September 2020 there have been approximately 12,500 completions of both PRS and market sale apartments between 2016 and September 2020. This covers not only Manchester city centre but also Salford and fringe locations.

1.2 The completed schemes range in size from circa 10 units in a converted building near Piccadilly to 614 units at Clippers Quay in Salford for the PRS market.

1.3 With regard to the current pipeline, according to Urbinfo, Manchester, Salford and the immediate surrounding areas have potential for circa 47,000 units. This includes sites/buildings with either pre-planning, planning permission, on hold, ground works or under construction. This is potentially a significant number of units. However, we do not consider that all of these opportunities will come forward given the various stages with each potential site. Therefore, taking in to consideration activity and progress on sites, we understand that there are the following potential to come forward as at September 2020:

- Pre planning - 6,028 units
- Planning application - 3,022 units
- Planning permission - 15,650 units
- On-hold - 413 units
- Groundworks - 3,428 units
- Under construction - 17,559 units

1.4 Having regard to the above, there are 20,987 units currently in the construction phase and this supports that although there is potentially over 46,000 units in the pipeline, only about half of these are currently progressing to practical completion.

1.5 We are aware that demand for residential property in the city centre and immediate surrounding area is strong. There are a number of schemes being marketed in various parts of the city centre and our understanding is that although sales prices have plateaued in comparison to the past few years, the levels of reservation and exchanges is still good.

1.6 An area that could impact on the delivery of residential development in the city centre going forward is the local authority being more aggressive on the issue of affordable housing in schemes. The council are wary that there has been a significant increase in the number of residential developments in the past five years and that for the vast majority of schemes there have been no affordable homes included in the schemes and that contributions lined to any Section 106 Agreement have been limited due to issues around the viability of schemes. We understand that the local authority is keen to increase either the level of affordable homes in the developments or the level of commuted sums. This is therefore having an impact on potential land prices and one of the reasons why land owners are considering other asset classes for potential developments to maximise any land sale receipt.

1.7 We consider that demand for residential development opportunities will continue in prime areas that are within the city centre boundary or within close proximity to transport services or other facilities. We note that sites that are situated within the ring road generate more interest, especially as there are limited sites/land to bring forward and thus this equates to higher prices for both land values and completed apartment values. Although the subject site is located outside the ring road, it is well placed for access to Chester Road and the tram line.

Market Evidence

1.8 In order to assist with our comparable property search we have undertaken a review of sales in the past 9 months within a quarter mile radius of the subject site using property portal website nethouseprices.com. This supports that even with the issues surrounding the impact of Covid-19 there have been 63 completions with an average price of circa £207,000 with prices ranging from £110,000 to £505,000. If the same search is expanded to cover the time period from the start of 2019, this data confirms there have been 310 sales with quarter mile radius with average sales prices of circa £185,000 with prices ranging from £91,000 to £505,000.

1.9 The above supports that demand for property in the local area is strong with a large number of transactions with a range of prices. There has been some purpose built PRS development in the area and one such scheme, The Trilogy that provides 232 apartments with associated communal space. This scheme completed in 2019 and is solely for rent and the units cannot be purchased by individual owners. This has, however, assisted in bringing the area forward as a known residential location.

1.10 Following our due diligence, we summarise below a range of residential apartment sales within close proximity of the subject property:

Excelsior Mill, Castlefield

A former Mill that has been converted to provide 108, 1, 2 and 3 bedroom apartments in a scheme that over looks Bridgewater canal. The property includes basement car parking, roof top communal space and balconies to some of the units. We understand the scheme has sold out and completion was in summer 2020. We understand that the scheme had a gross development value of in the region of £31m which equates to an average unit price of circa £287,000. We consider that it is a good comparable as it is a new build scheme but although larger and in a more desirable location. However, this is reflected in the price of the units. We have been unable to confirm the individual unit prices.

Century Buildings, 14 St Marys Parsonage, Manchester

This development comprises a part new build and part converted scheme with a 10 storey new build tower development alongside a period building which has been converted into apartments, both buildings are connected by suspended walkways.

We are aware of the following sales:

Address / Scheme	Date Sold	Sold Price (£)	Floor area (sq. ft.)	Price per sq ft (£)
Flat 74, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DE	19/06/2019	£280,000	764	£366
Flat 44, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DE	22/03/2019	£275,000	861	£319
Flat 1, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DE	01/02/2019	£252,500	926	£273
Flat 64, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DE	24/08/2018	£241,000	638	£378
Flat 25, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DD	20/08/2018	£188,000	438	£429
Flat 8, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DD	27/07/2018	£310,000	681	£455
Flat 77, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DE	14/05/2018	£209,500	437	£479
Flat 13, Century Buildings, 14, St Marys Parsonage, Manchester, Greater Manchester M3 2DD	30/04/2018	£210,000	613	£343
Century Building Average		£245,750	670	£380

From the evidence gathered within this scheme, we understand that the units range in size from 506 sq ft to 958 sq ft, with an average unit size of 696 sq ft. We have gathered sales transactional evidence from this development whereby sales prices range from £188,000 to £310,000. Sales prices on a £ per sq ft basis were transacted between £273 and £479 per sq ft, equating to an overall average of £380 per sq ft.

We believe that this scheme provides good evidence of apartment transactions within a city centre location. This is a well located scheme in a city centre location, however was completed approximately 14 years ago and does not offer the same level of efficiency or specification for the subject units. We consider that the location is stronger than the subject site

Timber Wharf, Ellesmere Street, Manchester

Timber Wharf is an Urban Splash development, based in the Britannia Basin, Castlefield. Located approximately 300 metres to the north of the subject adjacent to Bridgewater canal. The development comprises circa 180 units and although was completed in early 2000s it is well established and attractive for the local area. There have been a number of re-sales and we are aware of four sales during 2020 with prices ranging from £150,000 for a 1 bedroom unit, through to £300,000 for a 2 bedroom unit. The average sales price for the 4 sold properties was £245,000.

We consider that the Timber Wharf scheme is situated in a better position to the subject but is now over 15 years old and some of the units might require some general upgrading or redecoration. The subject units are likely to have slightly better level of specification and in a smaller block next to one of the main arterial routes to the city centre. Therefore, we consider the pricing levels for the subject to be slightly below the comparable.

Bridgewater Wharf, Salford

This is a new build scheme comprising 374 units approximately 550 metres to the west of the subject site. Construction of the scheme has commenced together with the marketing and sale of the subject units. We have been unable to confirm the prices achieved but understand the purchasers to date have been investors. We understand that the following prices are being marketed:

- Studio units – sold out
- One bedroom – from £139,950
- Two bedroom – from £184,995
- Three bedroom – from £224,995
- Three bedroom townhouse - £315,000
- Four bedroom duple – from £394,995

We have been unable to confirm the levels of reservations with the agent but understand demand has been good. We consider that the scheme is located in an inferior location although it is close to the River Irwell. The scheme is located in Salford and approximately half way between Manchester city centre and Salford Quays. However, it is not as accessible as the subject site and there are a higher quantum of units being brought forward. We consider that the subject site would achieve better prices in comparison to this property.

Manchester Gardens, Castlefield

Manchester Gardens is DeTrafford's wider regeneration of the Ellesmere Street and Chester Road corridor approximately 150 metres to the north east of the subject development.

The first phase of the Manchester Gardens masterplan, The Roof Gardens, has completed and comprises of 49 townhouses offering two, three and four bedrooms arranged over 3 or 4 storeys, and 22 one bed apartments with a central courtyard. Sky Gardens, City Gardens. Gallery Gardens, St Georges Gardens and No. 1 Castlefield are DeTrafford's next phases and are currently at various stages of construction.

These schemes which have either recently completed or are currently under construction by the developer and provide good comparable evidence with regard to good level of specification and finish.

We are aware of the following sales information:

Scheme	No. of Sales	Aggregated NSA (sq. ft)	Average Size (sq. ft.)	Total GDV (£)	Ave. Unit Price (£)	Average asking price (£psf)
City Gardens	93	57,225	615	£25,157,500	£270,511	£440
Gallery Gardens	21	11,416	544	£5,492,000	£261,524	£481
Sky Gardens	152	81,963	539	£34,292,650	£225,610	£418

Scheme	No. of Sales	Aggregated NSA (sq. ft)	Average Size (sq. ft.)	Total GDV (£)	Ave. Unit Price (£)	Average asking price (£psf)
No. 1 Castlefield	241	140,548	583	£66,107,345	£274,304	£470
St. George's Gardens	68	41,872	616	£17,732,495	£248,415	£432
Total	575	333,024	579	£148,781,990	£258,751	£447

We are aware that some of the sales data is now considered a little dated as they reflect prices agreed a number of years ago and the Manchester market has moved on since then. We note that the average unit sizes are smaller than the subject scheme and this is reflected in the £ psf achieved for these units. However, when compared to the average unit price the subject development is in a better location with additional facilities in taller block and therefore this will be reflected in both the £psf ratio and the capital values for the completed units.

1.11 Based upon the above, we have applied the following values to the subject scheme:

Unit number	Floor	Type	Sq Ft	MV	£ per sq ft
1	Ground	1 bedroom	364	£150,000	£412
2	Ground	2 bedroom	651	£230,000	£353
3	Ground	1 bedroom	425	£170,000	£400
4	Ground	2 bedroom	648	£230,000	£355
5	Ground	2 bedroom	654	£230,000	£352
6	Ground	1 bedroom	404	£160,000	£396
7	First	1 bedroom	389	£155,000	£398
8	First	2 bedroom	661	£225,000	£340
9	First	2 bedroom	656	£225,000	£343
10	First	2 bedroom	648	£225,000	£347
11	First	2 bedroom	660	£225,000	£341
12	First	1 bedroom	404	£160,000	£396
13	Second	1 bedroom	389	£160,000	£411
14	Second	2 bedroom	661	£240,000	£363
15	Second	2 bedroom	656	£240,000	£366

16	Second	2 bedroom	648	£240,000	£370
17	Second	2 bedroom	660	£240,000	£364
18	Second	1 bedroom	404	£165,000	£408
19	Third	1 bedroom	389	£165,000	£424
20	Third	2 bedroom	661	£250,000	£378
21	Third	2 bedroom	673	£250,000	£371
22	Third	2 bedroom	648	£240,000	£370
23	Fourth/Fifth	2 bedroom	800	£310,000	£388
24	Fourth/Fifth	2 bedroom	808	£320,000	£396
25	Fourth/Fifth	1 bedroom	627	£265,000	£423
26	Fourth/Fifth	2 bedroom	778	£330,000	£424
27	Fourth/Fifth	2 bedroom	798	£310,000	£388
	Total		**16,164**	**£6,110,000**	**£378**

1.12 The above values assume a high level of specification throughout, including high quality fixtures and fittings, bathrooms and kitchens. Our GDV assumes that each apartment is sold separately on minimum 150 year ground leases, with peppercorn ground rent and reasonable service charge contribution for the common parts in line with other schemes in the area.

1.13 We note that there are a number of comparable units as highlighted above that have sold for over the prices adopted by us but this sometimes reflects other premiums to the units such as storey height or aspect. Given that the subject units are located in a more low rise block and that they are close to local authority housing this is likely to limit the ceiling price of what the units would achieve. However, the blend and mix of units in the subject is likely to appeal to a range of owner occupiers or residents as some will be attracted by the smaller number of units and the potential exclusivity of being in the block.

Car parking

1.14 With regard to car parking provision, we understand that 8 spaces will be provided to the rear of the site. This equates to a ratio of 0.29 spaces per apartment.

1.15 We are aware of a number of schemes that have car parking spaces that are sold with apartments. The sales prices for the apartments are normally inclusive of the car parking spaces and therefore not listed as separate entries. We have therefore had consideration for our knowledge and understanding of what other schemes have marketed spaces for with prices from £7,500 up to £20,000. The prices are impacted by both supply and demand. Where some schemes have very limited supply, prices are higher. We note that demand for spaces increases the further away from the city centre/core as occupiers are not as dependant on a car given the amenities/facilities in the city centre. However, there is still demand for these city centre locations and we consider the car parking space to apartment's ratio for the subject development appropriate and they will be of interest to both owner-occupiers and investor purchasers. There is the option that they could be used by apartment occupiers or potentially used by third parties as witnessed in other schemes in the city centre.

1.16 We consider that demand for car parking spaces for locations away from the city centre are greater and this is likely to be the case for the subject scheme.

1.17 For the purposes of our valuation, we have adopted a price of £10,000 per space, which we believe reflects an appropriate level across the development. This takes in to consideration our experience of demand for such spaces.

Valuation basis / notes on valuation

1.18 Please note the following:-

- Freehold;
- Granted full planning permission for the erection of a 27 unit apartment development;
- Demand for the completed units likely to come from both owner occupier buyers and potential investor purchasers;
- Assumption that no contamination exists at the existing site;
- The neighbouring local authority housing to the south and east of the site might be off putting for some potential owners/occupiers;
- We have considered unit pricing on an individual basis;
- We have assumed 10 year new build warranties for the completed units;
- We have assumed that the units will be subject to a peppercorn ground rent and appropriate service charge for the communal areas;
- Our valuation is based upon the build costs obtained from BCIS. We have relied upon these costs within our report and valuation. Should these costs be subject to change, this could have an impact on the values reported. We recommend our assumptions on build costs are reviewed by an independent QS;
- The standard of specification is assumed to be of a suitable quality in line with the target market for the completed units.

Potential changes in legislation affecting ground rents

1.19 In December 2017 the Communities Secretary announced new measures to cut out unfair and abusive practices within the leasehold system, including a ban on leaseholds for almost all new build houses in England. The Government plans to introduce legislation that will require ground rents on new long leases – for both houses and flats – to be set to zero.

1.20 As a result of these plans, we have assumed zero ground rents for all new residential long leases within our valuation. For existing residential long leases, where the ground rent is considered to be "onerous", the Government wishes to see support extended to leaseholders. The Government has not explicitly stated what level of ground rent it considers to be onerous, nor where the support for affected leaseholders should come from. In addition, the Government intends to consider ways in which to make it easier for leaseholders to buy their freehold or to extend their leases. Where likely to be applicable, we have set out any specific assumptions within our valuation in this regard.

Methodology

1.21 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Residual method

1.22 Our valuation has been carried out using the comparative and residual methods.

1.23 We arrive at our opinion of the Market Value of the completed units (often referred to as the "Gross Development Value") using the comparative method, which involves comparison of the subject scheme with sales evidence from other comparable schemes and other sales within the local market and making adjustments using our professional judgement.

1.24 Our opinion of the Market Value of the site, on the special assumption of planning permission, is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed units, using the method described above, we deduct from it the total costs of development and an allowance for the developer's profit.

1.25 Taking the above into account, we would consider a Market Value of £100,000 reasonable for the property in its existing condition, which reflects the potential risks involved, overall quality of the site and prevailing market conditions.

Market Value

Market Value

1.26 We are of the opinion that the Market Value of the freehold interest in the above property, with the benefit of full vacant possession, as at the valuation date is:

£1,300,000 (One Million Three Hundred Thousand Pounds)

Market conditions due to Coronavirus (COVID – 19)

Market conditions explanatory note

1.27 The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a "second wave" is possible.

1.28 The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the Valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our Valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards,

1.29 For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the Valuation date.

Sensitivity of the residual valuation method

1.30 The residual method requires the input of a large amount of data, which are rarely absolute or precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this sensitivity is known as sensitivity analysis.

1.31 Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

1.32 The following sensitivity analysis relates to the Market Value figure we have reported:

		Construction: Rate /ft²				
		-5.00 /ft²	**-2.50 /ft²**	**0.00 /ft²**	**2.50 /ft²**	**5.00 /ft²**
		145.00 /ft²	**147.50 /ft²**	**150.00 /ft²**	**152.50 /ft²**	**155.00 /ft²**
Sales: Rate /ft²	**-5.00 /ft²**	6,109,172	6,109,172	6,109,172	6,109,172	6,109,172
	373.00 /ft²	-1,329,511	-1,280,034	-1,230,558	-1,181,081	-1,131,604
	-2.50 /ft²	6,149,582	6,149,582	6,149,582	6,149,582	6,149,582
	375.50 /ft²	-1,357,483	-1,308,006	-1,258,529	-1,209,052	-1,159,575
	0.00 /ft²	6,189,992	6,189,992	**6,189,992**	6,189,992	6,189,992
	378.00 /ft²	-1,385,454	-1,335,977	**-1,300,000**	-1,237,024	-1,187,547
	2.50 /ft²	6,230,402	6,230,402	6,230,402	6,230,402	6,230,402
	380.50 /ft²	-1,413,426	-1,363,949	-1,314,472	-1,264,995	-1,215,519
	5.00 /ft²	6,270,812	6,270,812	6,270,812	6,270,812	6,270,812
	383.00 /ft²	-1,441,397	-1,391,921	-1,342,444	-1,292,967	-1,243,490

1.33 This sensitivity analysis demonstrates, inter alia, that:

- A £2.50 psf increase in construction costs and a £2.50 psf reduction in the Gross Development Value that we have adopted in this Valuation, would result in a land value of £1,200,000.

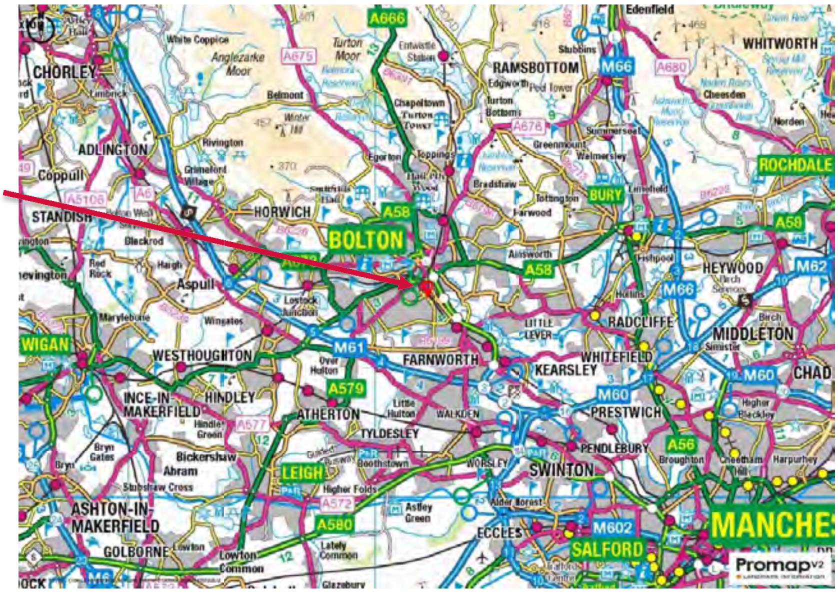
1.34 Please note that sensitivity analysis is an illustrative risk assessment tool based on the selected inputs and variations. In practice variations to the inputs adopted to assess the sensitivity of the valuation figure could exceed the figures adopted and do not therefore represent the maximum possible variation in the reported value.

Lincoln House, Nelson Street, Bolton, BL3 2JW

Location

1.1 As can be seen from the plan below, the property is located as shown by the red arrow.

Lincoln House



1.2 The subject property is located on Nelson Street in the town of Bolton. The property occupies an ‘L’ shaped parcel of land with the property fronting Nelson Street and a surface car parking area to the rear.

1.3 Bolton is a town situated in Greater Manchester and according to 2011 Census data it had a resident population of 194,189. From an employment perspective the town has traditionally been associated with heavy industry but this has changed with more service related opportunities coming forward. Also, its proximity to Manchester and the wide employment opportunities in the city has assisted in bringing the potential of Bolton forward.

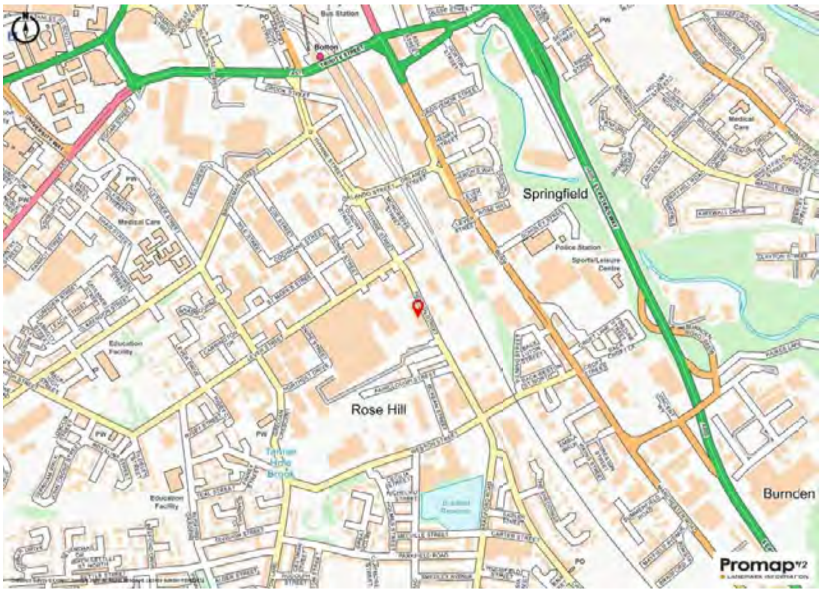
1.4 Bolton lies approximately 10 miles (16 km) to the north west of Manchester city centre, 17 miles (27.5 km) south east of Preston and 39 miles (63 km) west of Leeds.

1.5 The subject property is located approximately 750 metres to the south of Bolton train station which provides direct services to Manchester Victoria and Manchester Piccadilly, with journey times of approximately 20 minutes. Manchester Piccadilly station, which provides a high-speed rail service from the city to London Euston in just over 2 hours and Glasgow in just over 3 hours Bolton Bus Station is situated on the opposite side of the railway line to the train station approximately 100 metres to the north and provides regular services around the town and to wider destinations.

1.6 The subject property is situated approximately 2.5 miles to the north of M61 the links with Preston and M6 to the north and M60 (Manchester ring road) to the south. It is well placed for both road and rail links.

1.7 The subject property is located approximately 950 metres to the south of the town centre which provides a range of national and local shops and services together with leisure offerings. The immediate surrounding area is a mix of low rise commercial premises, Army Reserve Centre together with some traditional two storey terraced housing

1.8 The street plan below shows the location of the property.



1.9 The property is identified on the Ordnance Survey plan below, showing our understanding of the boundary outlined in red.

Description

1.10 The subject property comprises an irregular shaped site of approximately 0.316 hectares (0.780 acres).

1.11 The property comprise a five storey building that is of steel framed construction with concrete block elevations together with multi coloured cladding. We understand that the floors are of solid concrete and the windows are uPVC double glazed.

1.12 We have been informed by the owner that the property extends to approximately 5,135 sq m (55,292 sq ft) over five floors which are currently open plan. We have not measured the property and assume this to be correct.

1.13 We understand that internally the property is in shell condition and therefore is empty with no internal walls or divisions and is therefore in shell condition. Externally the property has vehicular and pedestrian access via metal gates to the front of the property off Nelson Street. There is an access road the leads to the side of the property and the rear which opens out to a larger surface car park for approximately 54 cars. The property is bounded by metal fencing with some brick pillars to the front elevation.

1.14 We understand that the property was originally designed and built to provide office accommodation in circa 2011. However, the property has never been used for such occupation and has remained vacant for the duration that it has been built. We understand that the building has planning permission for change of use to residential and the current owners have submitted a further application to improve the current planning permission.

1.15 We understand that the owners purchased the property for £1.32m plus VAT on 2 March 2020.

1.16 Photographs of the site and the surrounding area are below:

Front Elevation

Rear elevation

Nelson Street from north to south

Side access road leading to car parking area

Condition

1.17 We have only inspected the property from the roadside. We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair. However, we did note that the windows to the ground floor are currently boarded up and the property appears to have been subject to some vandalism. There are also a number of overgrown bushes to the front elevation.

1.18 However, we understand from the owner that they are going to convert the property to residential use and have undertaken cost plan by Ilex Project Management dated 20 July 2020 for the change of use. We have been informed that the property is in shell condition and will require significant investment for the change of use. The cost plan from Ilex Project Management is a detailed breakdown of the works required to complete the conversion. These build costs total £3,817,516 but are exclusive of contingency, professional fees, marketing, sales legal and finance costs. Further details on the conversion costs are commented on later in this report.

1.19 We would recommend that the costs to complete are verified by an independent Quantity Surveyor to ensure these are adequate. Our report and valuation has been based on the assumption these costs are correct. Should this not be the case then this will impact upon the Market Value. For the purposes of our valuation we assume that the land is in satisfactory condition.

Legal title / Tenure

1.20 We understand that property is held under two separate long leasehold titles (GM318 and GM17660) with a minimum unexpired term of approximately 273 years. We have not been provided with a copy of the Report on Title.

1.21 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the property is not subject to any onerous ground rent or rent review mechanisms. Should this not be the case then this could impact upon our opinion of value.

1.22 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

1.23 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

Environmental considerations

1.24 We have not been provided with a copy of a ground condition report for the property. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building constructed thereon.

Contamination

1.25 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings 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 potential for contamination.

1.26 Subject to the above, having regard to the historic use of the subject site, we consider that contamination is unlikely and have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the buildings to be constructed thereon. Should significant remediation costs be required then our opinion of value may be subject to change.

Japanese knotweed

1.27 We are not aware of any Japanese Knotweed being present on the site and our valuation is therefore prepared on this basis. Should it subsequently differ then our opinion of value may be subject to change.

Services

1.28 No tests have been undertaken on any of the services.

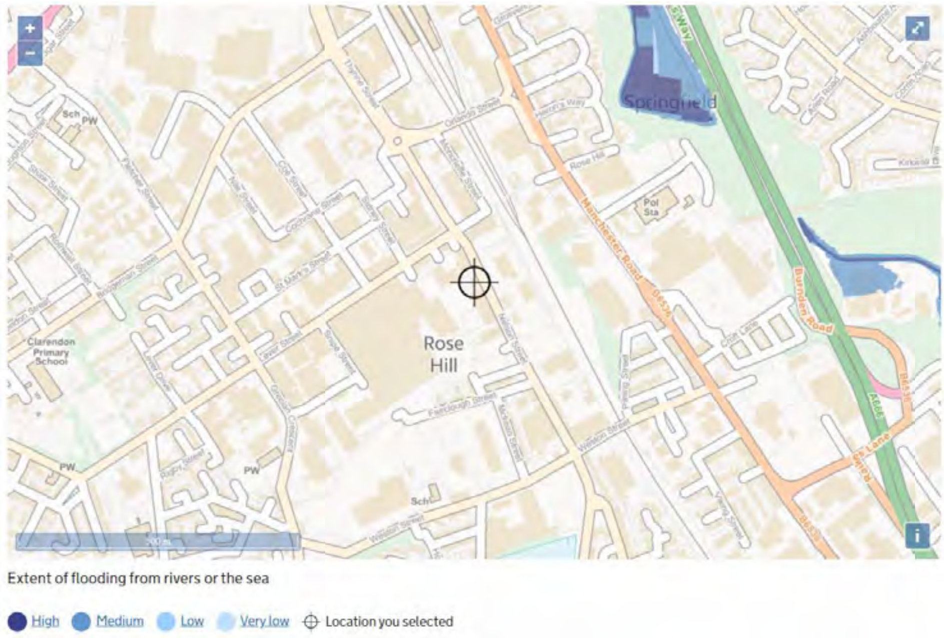
1.29 We have assumed for the purposes of this valuation that mains gas, water, electricity, drainage and telecommunications are all connected to the subject property.

Flooding

1.30 We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible.

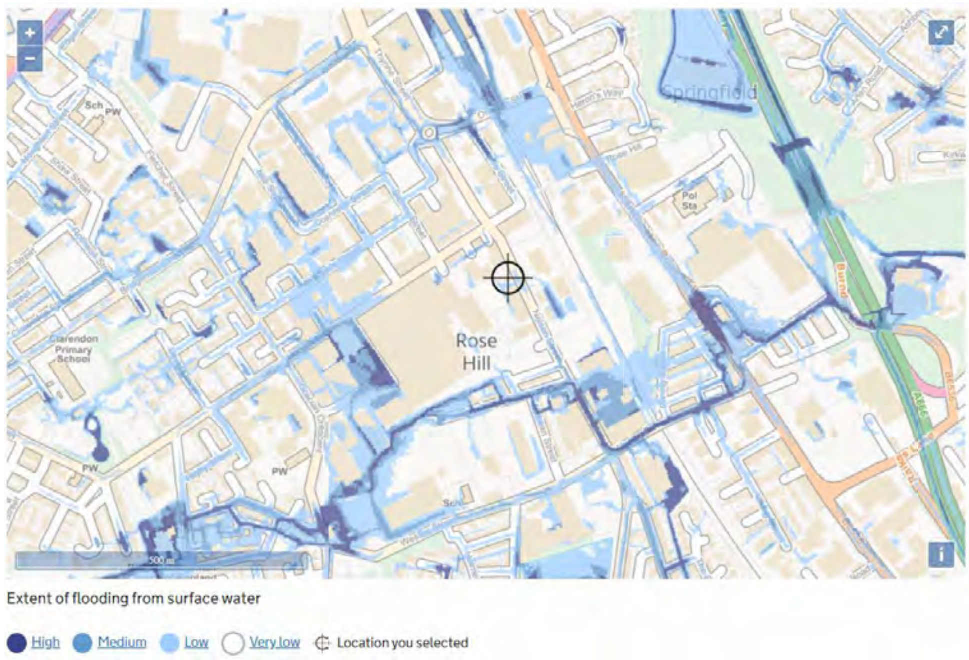
1.31 From our enquiries of the Environment Agency's website we have ascertained that the property is not within an indicative floodplain and that there is therefore a negligible risk of flooding.

1.32 The risk from flooding is considered to be very low from rivers or the sea. This is defined by the Environment Agency as a risk of flooding in the location from rivers or the sea which is 1 in 1,000 (0.1%) or less, in any year and where it is unlikely to flood except in extreme conditions.



Source: Environment Agency – Risk of flooding from rivers or the sea

1.33 The risk from flooding is considered from surface water is considered to be very low to low. This is defined by the Environment Agency as a risk of flooding in the location is between 0.1% and 1%, in any year.



Source: Environment Agency – Risk of flooding from rivers or the sea

Sustainability

1.34 The issue of sustainability is becoming increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health for their occupiers may retain value over a longer term than those that do not.

1.35 The Government has set itself a target to reduce CO2 emissions by 80% by 2050. With property representing around 50% of total emissions, the sector has become an obvious target for legislation. It is likely that, as we move towards 2050, energy efficiency legislation for property will become increasingly stringent.

Sustainability Characteristics

1.36 From a value perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

EPCs

1. All properties within the UK require an Energy Performance Certificate (EPC) when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.

2. The Energy Act 2011 introduced legislation that has made it unlawful to rent a property which has an “F or G” energy efficiency rating. This minimum energy efficiency rating could be made more stringent in the future.

1.37 We assume that the EPC’s will be sought for the residential units upon completion.

Planning

1.38 We have made informal enquiries of Bolton Council, the planning authority for the subject property, by their website.

1.39 Planning policy is contained by the Bolton Core Strategy Development Plan which was adopted in March 2011.

1.40 The property is not situated within Green Belt or a Conservation Area.

1.41 Our enquiries have revealed the following relevant planning history:

Date	Reference	Description
15 October 2020 – application validated	09591/20	Change of use and conversion of office building to 88no. self-contained flats with associated external alterations and landscaping
	06023/19	Change of use and conversion of office building to 90 self-contained flats. Withdrawn

Date	Reference	Description
June 2019	06024/19	External alterations to windows. Approved subject to conditions.
August 2018	03411/18	Change of use and conversion of office building to 90 self-contained flats. Approved subject to conditions.
June 2016	92921/14	The conversion of the first, second and third floors of the building to 47 flats. Approved subject to conditions

1.42 The above are the relevant planning applications for the subject property. We understand that the owner has had positive pre-app discussions with the local authority with regard to their revised scheme and this has been supported with feedback from the previously withdrawn application over the proposed size of the units. We understand from the application that revisions have been made to the apartment sizes to ensure there are more appropriate for living accommodation.

1.43 The supporting planning documentation states:

> *It is clear from the planning history detailed above that the principle of residential development has been accepted in this location. It is also worth noting that the previous consented schemes, notably 03411/18 proposed a similar quantum, size and mix of apartments.*
>
> *It is also noted that the most recent application (06023/19) was heard at Committee in July 2019, with an Officer recommendation for approval. Notwithstanding the Officer's recommendation, the application was deferred by the Planning Committee following the Committee raising some concerns with the amenity of future occupiers, specifically the scheme's compliance with the National Space Standards ("NSS"). The application was subsequently withdrawn.*
>
> *Our client, upon acquiring the site, has reviewed, and revised the proposals including revisions to the apartment sizes wherever possible.*

1.44 The Planning Statement prepared by Euan Kellie Property Solutions dated October 2020 concludes that:

> *The Proposed Development will bring an underutilised and vacant site back into productive use. The Site is located in a sustainable and highly accessible location, with good public transport connections, and within walking distance of Bolton Town Centre.*
>
> *The scheme has been revised following comments from the Committee Members and it is confirmed that all apartments now achieve the minimum targets outlined within the NSS.*
>
> *The proposals will result in the sustainable and efficient re-use of a previously developed site and will deliver 88 no. new dwellings which make a meaningful contribution to meeting Bolton Council's identified housing targets for the Borough.*

1.45 Having regard to the above we consider that the property has minimal attraction in its current use as office accommodation and that an alternative use and conversion to residential use provides the property with an appropriate new use and this is reflected in our opinion of Market Value.

Development Proposal

1.46 As highlighted above, the site has had planning permission for 90 apartments. However, given the proposed plans to provide a revised scheme of 88 units which has been encouraged by the local authority we have had regard to the following table that illustrates the total residential accommodation schedule:

Unit No.	Floor	Beds	Sq m (GIA)	Sq Ft (GIA)
1	G	2	61.2	659
2	G	Studio	39.4	424
3	G	Studio	40.9	440
4	G	Studio	44.5	479
5	G	Studio	48	517
6	G	Studio	39	420
7	G	Studio	39	420
8	G	2	62.1	668
9	G	2	64.1	690
10	G	1	56.8	611
11	G	1	57.1	615
12	G	1	53.9	580
13	G	1	57.6	620
14	G	1	56.1	604
15	G	1	58.8	633
16	G	1	57.6	620
17	G	2	61.3	660
18	G	2	68.4	736
			965.8	10396

Unit No.	Floor	Beds	Sq m (GIA)	Sq Ft (GIA)
19	1	2	61.7	664
20	1	Studio	39.1	421
21	1	Studio	40.9	440
22	1	Studio	44.5	479
23	1	Studio	48	517
24	1	Studio	39	420
25	1	Studio	39	420
26	1	2	62.1	668
27	1	2	64.1	690
28	1	1	56.8	611
29	1	1	57.1	615
30	1	1	53.9	580
31	1	1	57.6	620
32	1	1	56.1	604

33	1	1	58.2	626
34	1	1	63.3	681
35	1	2	61.3	660
36	1	2	68.4	736
			971.1	10453

Unit No.	Floor	Beds	Sq m (GIA)	Sq Ft (GIA)
37	2	2	61.7	664
38	2	Studio	39.1	421
39	2	Studio	40.9	440
40	2	Studio	44.5	479
41	2	Studio	48	517
42	2	Studio	39	420
43	2	Studio	39	420
44	2	2	62.1	668
45	2	2	64.1	690
46	2	1	56.8	611
47	2	1	57.1	615
48	2	1	53.9	580
49	2	1	57.6	620
50	2	1	56.1	604
51	2	1	58.2	626
52	2	1	63.3	681
53	2	2	61.3	660
54	2	2	68.4	736
			971.1	10453

Unit No.	Floor	Beds	Sq m (GIA)	Sq Ft (GIA)
55	3	2	61.7	664
56	3	Studio	39.1	421
57	3	Studio	40.9	440
58	3	Studio	44.5	479
59	3	Studio	48	517
60	3	Studio	39	420
61	3	Studio	39	420
62	3	2	62.1	668
63	3	2	64.1	690
64	3	1	56.8	611
65	3	1	57.1	615
66	3	1	53.9	580
67	3	1	57.6	620
68	3	1	56.1	604

69	3	1	58.2	626
70	3	1	63.3	681
71	3	2	61.3	660
72	3	2	68.4	736
			971.1	10453

Unit No.	Floor	Beds	Sq m (GIA)	Sq Ft (GIA)
73	4	1	46.7	503
74	4	1	43.7	470
75	4	1	42.2	454
76	4	2	61.2	659
77	4	1	42.7	460
78	4	1	50.7	546
79	4	3	83.2	896
80	4	1	44.1	475
81	4	1	44.2	476
82	4	1	44.2	476
83	4	1	44.1	475
84	4	1	44.2	476
85	4	1	44.2	476
86	4	1	44.2	476
87	4	2	73.3	789
88	4	2	61.2	659
			814	8763

Total	4,693	50,518

1.47 We have relied upon floor areas provided to us by the developer.

1.48 We recommend that the sizes of the units are confirmed by the Developer's architect, PH3 Architecture and Design.

1.49 We understand that the property has a gross area of 61,010 which equates to a gross to net efficiency of circa 83%. We consider this is appropriate for a scheme of this type and nature.

Specification

1.50 We have assumed that the proposed scheme would benefit from a medium specification, which would be appropriate for a development of this nature in this location. We have not been provided with a breakdown of the proposed specification by the developer but assume that it will be in keeping with other new build schemes and conversions in the area to ensure it is appropriate for the target market. This assumed level of specification has been reflected in our valuation.

1.51 In reporting our opinions of value, we have appraised the individual units on the assumption that they will be completed (both internally and externally) to a standard of workmanship and finish commensurate with that of an appropriate quality development in this location. Any departure from the assumed specification may impact upon our opinions of value.

Building Regulations

1.52 In reporting our opinions of value, we have assumed that the scheme is compliant with all Building Regulations and can be implemented in accordance with the plans provided. In the event that amendments need to be made to the proposed scheme as a consequence of it failing to meet statutory requirements, our opinions of value may be affected.

Building Safety – Market Uncertainty

1.53 The aftermath of the Grenfell Fire on 14 June 2017 has resulted in a wholesale review of the regime relating to building safety in addition to the public inquiry that has been established to investigate the circumstance (and which is planned to continue in 2020). The Independent Review of Building Regulations and Fire Safety led by Dame Judith Hackitt was published in May 2018. One of the key recommendations of the Hackitt Review was for a new Building Regulations regime for residential buildings of 10 storeys (30m) or higher. The Government has not yet stated which measures recommended in the Hackitt Review will be implemented or the timing of any such regulatory changes.

1.54 However, it announced that Building Regulations would be amended from 21 December 2018 to ban the use of combustible materials on the external walls of new buildings over 18m containing flats, as well as, inter alia, buildings such as new hospitals, residential care homes and student accommodation. The ban also affects existing buildings undergoing major works or undergoing a change of use. Whilst a ban affecting lower rise buildings falling within these categories is not currently anticipated there remains uncertainty as to the potential fire prevention and building safety measures that the Government might implement. Indeed, the Government made a series of further announcements on 18 December 2018 including how it proposes to implement a tougher and more effective regulatory framework to improve building safety. More specifically, it published a Hackitt Review Implementation Plan for consultation until 12 February 2019 and with a further consultation "Building a Safer Future" issued in June 2019 lasting until 31 July 2019 in respect of the potential new Regulatory regime. The Government has also issued further Advice Notes relating to residential buildings above 18m including, inter alia: Advice Note 22 recommending the immediate removal of High Pressure Laminate Cladding materials; and a separate Advice Note recommending that combustible materials used in the construction of external balconies be removed.

1.55 We are aware that market participants that are affected by the same or similar issues continue to review details of construction, health and safety, and particularly fire prevention, mitigation and means of escape from buildings where people sleep, albeit with the focus on residential buildings above 18m. However, in view of the continued lack of clarity on any regulatory changes, it remains too early to fully assess any valuation impact. Since the Grenfell Fire occurred, issues relating to the External Wall Systems have been considered by purchasers and created uncertainty. However, there has been evidence of market activity involving lower rise buildings where issues relating to the External Wall Systems have been considered by purchasers and created uncertainty. In the light of these circumstances, this valuation has been undertaken in the context of an unclear regulatory environment and we would therefore recommend that it is kept under regular review. Similarly, in the short-term, it is also likely that potential purchasers and occupiers will be more cautious, and the liquidity and pricing of some properties may be impacted.

Development Inputs

1.56 As previously stated, we have been provided with a cost schedule by Ilex Project Management dated 20 July 2020 for the change of use. This details a breakdown of the costs to convert the property to residential use. Given the nature of the proposed conversion and the limited comparable benchmarks on costs that we can assess, we are unable to utilise the Building Cost Information Service (BCIS) for average costs for the local area. BCIS produces median build costs per gross internal area of a building and excludes external works and contingencies. We have therefore in line with our Terms of Engagement adopted the costs to convert within our report and appraisal.

1.57 The Ilex Project Management costs total £3,817,596 which equates to £62.57 psf. This covers both internal and external costs to the building to provide the owners preferred scheme.

Professional fees & contingency

1.58 We have made an allowance of 5% of total build costs within our valuation for professional fees and an allowance of 5% of total build costs as a contingency. These allowances are in accordance with our experience of similar developments.

Purchaser's warranties

1.59 We have assumed that the units will be sold with the benefit of NHBC New Build warranties, or equivalent. Financial institutions can be reluctant to lend to prospective purchasers without this. The Developer will need to register the works with the appropriate authority and appoint registered contractors. In our valuation we have assumed these costs are included within the professional fees.

Construction period and phasing

1.60 We have assumed that construction of the development will require a build period of 12 months, following a lead-in period of 3 months.

1.61 Our assumed build costs have not been inflated to account for predicted build cost inflation through the life of the development. This is because we have assumed that the Developer will negotiate a fixed price contract at the outset of the development at the level of our assumed costs.

1.62 Our valuation has been undertaken upon the assumption that the build costs adopted by us above are adequate to complete the development to the specification adopted by us. Any variation in the build costs may have a significant impact upon the reported Market Value of the site. In this respect we additionally draw your attention to the importance of our recommendation in relation to the appointment of an independent quantity surveyor to review the costs and ensure they are appropriate.

1.63 A residual site valuation is particularly sensitive to the development costs and any significant increases in costs will have detrimental impact on site value.

1.64 We have undertaken our development appraisal on the proposed scheme and we list below the key development inputs adopted in our valuation:

Development variable	Input
Revenue:	
Flats	£6,517,500

Development variable	Input
Car parking	£165,000
Construction Costs:	
Core Build Cost (incl. external and landscaping)	£3,817,596 (£62.57 per sq ft)
Contingency	5.0%
Professional Fees	5.0%
Sales Costs:	
Sales Agent Fee	1.50%
Legal Fees	£450 per unit
Marketing Costs	1.00%
Interest:	6.0%
Profit:	22.0% on GDV
Timing:	24 months

1.65 Sales, other than pre-sales, are assumed to be on a “straight line” basis, across the sales period.

1.66 We consider our appraisal inputs reasonable and in line with our expectations and experience of valuing similar schemes.

Market Commentary

1.67 The subject property is situated to the south of Bolton town centre has good access to the amenities to the north.

1.68 There are a number of purpose-built, relatively low rise, flatted schemes across Bolton town centre which we have had regard to when benchmarking the pricing of the proposed apartments within the subject. There is generally a lack of new build activity within the town therefore we place greatest weight on re-sale pricing.

1.69 As the subject property has not been or is in the process of being converted into a residential scheme, a local agent is yet to be appointed to market the proposed apartments. We therefore cannot rely on a pricing schedule which we would otherwise sense check to the local market.

1.70 Assuming the subject is converted into a residential use, we anticipate demand to come from a mix of owner occupiers and investor purchasers. As such we provide a further sense check to the local lettings market to assess the attractiveness of the proposed scheme to investor purchasers.

Market Evidence

1.71 Following our due diligence, we summarise below a range of residential apartment sales within close proximity of the subject property in Bolton area:

Stone Cross House, Churchgate, BL1:

The only competing new build scheme currently being marketed in Bolton town centre.

A conversion from commercial office space to residential. Upon completion, Stone Cross House will comprise sixty-one apartments broken down into ten studios, forty one bedroom apartments and eleven two bedroom apartments. Many of the apartments will benefit from open plan kitchen and living spaces with a central island. The apartments are being marketed as a high specification development. We consider the location and proposal of Stone Cross House to be superior to the subject, as such, we anticipate a sales premium could be generated over and above the proposed subject apartments.

According to the floor plans, studio apartments range from 35-41 sq.m, 1 bed apartments range from 37-48 sq.m and the 2 bed apartments are between 50-67 sq.m

Current availability is as follows:

Table 1: Stone Cross House – Re-sale availability

Address	Commentary	Asking Price
Stone Cross House	2-bedroom apartment	£140,000
Stone Cross House	2-bedroom apartment	£135,000
Stone Cross House	1-bedroom apartment	£125,000
Stone Cross House	1-bedroom apartment	£124,950
Stone Cross House	1-bedroom apartment	£110,000
Stone Cross House	1-bedroom apartment	£105,000
Stone Cross House	1-bedroom apartment	£100,000
Stone Cross House	1-bedroom apartment	£110,000
Stone Cross House	1-bedroom apartment	£85,500
Stone Cross House	1-bedroom apartment	£85,000

Source: rightmove.co.uk and local agents

1.72 We have also had regard to the following re-sale available properties within Bolton town centre and fringes.

Table 2: Royal Court Drive - Re-sale availability

Address	Commentary
Royal Court Drive, Bolton 	Situated on the north western fringes of Bolton Town centre and in close proximity to Queen's Park, Royal Court Drive comprises a number of low-rise, purpose built apartment blocks constructed in early 2000's. We consider the location of Royal Court to be superior to the subject. A 2 bedroom apartment is currently marketed for £87,000 with a tenancy in place. The passing rent is £550 pcm, therefore should the asking price be achieved, this equates to a GIY of 7.6%. Current availability is as follows:

Type	Asking Price	Asking Price per sq.ft
2 bedroom, ground floor apartment.	£95,000	Not stated
2 bedroom, ground floor apartment. 629 sq.ft	£94,950 (SSTC)	£151 psf
2 bedroom second floor apartment	£93,000	Not stated
2 bedroom, ground floor apartment 619 sq.ft	£92,950	£150 psf
2 bedroom second floor apartment	£87,500	Not stated
2 bedroom, first floor apartment	£85,000	Not stated

Source: rightmove.co.uk and local agents

Table 3: Marsden House - Re-sale availability

Address	Commentary
Marsden House, Marsden Road, Bolton 	Situated in Bolton Town centre, on the junction of Deansgate and Marsden Road. Marsden House comprises a purpose built apartment block with ground floor retail units. We consider the location of Marsden House to be superior to the subject however is now considered slightly dated. Many of the apartments are currently tenanted and targeted to buy-to-let investors. Rents of £465 and £495 pcm are stated for 2 of the apartments below. Should the asking prices be achieved, this equates to GIY's in the order of 9.3-9.5%. Current availability is as follows:

Type	Asking Price	Asking Price per sq.ft
2 bedroom, ninth floor apartment	£70,000	Not stated
2 bedroom, eighth floor apartment. 689 sq.ft	£69,500	£101 psf
2 bedroom apartment 718 sq.ft	£63,950	£89 psf
2 bedroom apartment, seventh floor	£62,500	Not stated
1 bedroom sixth floor apartment 498 sq.ft	£59,500	£119 psf
2 bedroom, first floor apartment	£59,950	Not stated

Source: rightmove.co.uk and local agents

Table 4: The Trinity - Re-sale availability

Address	Commentary
The Trinity, Bridgeman Street, Bolton 	Situated to the south west of Bolton Town centre, and approximately 0.5 miles to the west of the subject. The Trinity comprises a purpose built, low rise apartment block which backs onto Heywood Park. We consider the location of The Trinity to be comparable to the subject. Current availability is as follows:

Type	Asking Price	Asking Price per sq.ft
2 bedroom, ground floor apartment	£79,950	Not stated
2 bedroom, first floor apartment.	£74,950	Not stated

Source: rightmove.co.uk and local agents

Table 5: The Trinity - Re-sale availability

Address	Commentary
Dean Court, Bridgeman Street, Bolton 	Situated to the northern fringe of Bolton Town centre, and approximately 1.5 miles to the north of the subject. Dean Court comprises a purpose built, low rise apartment block. Although on the opposite side of the town centre, we consider the location of The Trinity to be comparable to the subject. Current availability is as follows:

Type	Asking Price	Asking Price per sq.ft
2 bedroom, first floor apartment. 648 sq.ft	£80,000	£123 psf

Source: rightmove.co.uk and local agents

Table 6: Huntingdon House - Re-sale availability

Address	Commentary
Huntingdon House, Princess Street, Bolton 	Situated off Bradshawgate in Bolton Town centre, Huntingdon House comprises a 5 storey conversion into residential apartments. We consider the location of Huntingdon House to be superior to the subject. A tenanted one-bedroom apartment is achieving a rent of £450 pcm. Should the asking price of £60,000 be achieved, this equates to a GIY of 9%. Current availability is as follows:

Type	Asking Price	Asking Price per sq.ft
1 bedroom, fourth floor apartment. 334 sq.ft	£60,000	£180 psf
1 bedroom, fourth floor apartment.	£55,000	Not stated

Source: rightmove.co.uk and local agents

1.73 In conclusion, we have obtained market evidence within 6 schemes which are in or close to Bolton Town Centre. Stone Cross House is the only new build scheme in the town centre however we consider the location and proposed high-end specification will generate a premium over the pricing achievable at the subject.

1.74 Of the re-sale properties, we consider Royal Court Drive offers a higher quality environment with maintained gardens, and which backs onto Queen's Park. Although constructed c. 20 years previous, we consider Royal Court Drive offers a superior residential environment to the subject as such sale premiums can be generated.

1.75 As such, we consider the re-sale properties in Marsden House, The Trinity, Dean Court and Huntingdon House to be most comparable to the proposed apartments at the subject. Prices for these schemes are typically in the order of £55,000-£60,000 for a one-bedroom apartment and two bed apartments are in the region of £60,000-£80,000.

Comparable evidence of recently achieved sales

1.76 In addition to the currently available properties, we have accessed Rightmove.co.uk to obtain recently achieved sales in the above schemes.

Address	Achieved Price	GIA (Sq.ft)	Achieved Price £psf	Sold date
Apartment 26, Huntingdon House, Princess Street, Bolton, Greater Manchester BL1 1AU 1 bedroom apartment	£45,000	334 sq.ft	£135 psf	24/4/2020
68 Royal Court Drive, Bolton, Greater Manchester BL1 4AZ 2 bedroom apartment	£78,000	550 sq.ft	£142 psf	3/4/2020
48 Dean Court, Bolton, Greater Manchester BL1 2RY 2 bedroom apartment	£82,500	667 sq,ft	£124 psf	6/3/2020
707, Marsden House, Marsden Road, Bolton, Greater Manchester BL1 2JX 2 bedroom apartment	£55,000	861 sq.ft	£64 psf	3/12/2019
38 Dean Court, Bolton, Greater Manchester BL1 2RY 2 bedroom, ground floor apartment	£75,000	708 psf	£106 psf	14/11/2019

1.77 The achieved pricing within the schemes listed above is largely consistent with the asking price data, with the 2 bedroom apartments in the region of £75,000 - £80,000 and a 1 bedroom apartment in Huntingdon House achieving a price of £45,000. The exception to this is that a large 2 bedroom apartment in Marsden House sold for £55,000.

1.78 Typically, on a rate per sq.ft basis, the above evidence suggests pricing is in the region of low £100's psf however there are anomalies to this including the sale of apt 707 Marsden House.

Rental market

1.79 As the proposed apartments at the subject could attract interest from investor purchasers, we provide a sense check to the local lettings market. From the sales evidence stated above, many of the apartments are being marketed with a tenancy in place. From our analysis of the passing rents and yields as stated we conclude studio apartments would be in the region of £400 pcm, 1 bed apartments are likely to be in the order of £450 pcm and 2 bedroom apartments are typically in the region of £500 pcm. Further, investors would typically seek a gross return in the order of 9%.

1.80 Current rental availability is as follows:

Address	Beds	Asking Rent (£pcm)	Asking Rent (£pa)	Comments
Stone Cross House, 21 - 27 Churchgate, Bolton	Studio	£475 pcm	£5,700	New build development. Parking sur-charge of £10 per week.
The Church, Trinity Court, Bolton	Studio	£445 pcm	£5,340	Furnished studio in a converted grade II listed church
Stone Cross House, 21 - 27 Churchgate, Bolton	1	£550 pcm	£6,600	New build development. Parking sur-charge of £10 per week.
Nelson Square, Bolton	1	£550 pcm	£6,600	Town centre location, utility bills included.
Marsden House, Marsden Road	1	£475 pcm	£5,700	unfurnished apartment
56 Royal Court Drive, Bolton, BL1 4AZ	2	£650 pcm	£7,800	Furnished ground floor apartment
Marsden House, Marsden Road	2	£550 pcm	£6,600	Unfurnished apartment
89 Royal Court Drive, Bolton, BL1 4AZ	2	£550 pcm	£6,600	Unfurnished apartment, allocated parking
Marsden House, Marsden Road	2	£525 pcm	£6,300	Unfurnished apartment
Dean Court, Bolton	2	£485 pcm	£5,820	First floor, unfurnished

1.81 Based on the comparable rental properties above, we consider likely achievable rents for the proposed apartments at the subject are likely to be in the order of £450 pcm for a studio apartment, £500 pcm for a 1-bedroom apartment, and £550 pcm for a 2 bedroom apartment.

Our assessment assumes the apartments are offered to let on an unfurnished basis and exclusive of utility bills.

1.82 Based upon the above, we have applied the following values to the subject scheme:

Unit No.	Floor	Beds	Sq m	Sq Ft	Roof terrace	Market Value	£psf
1	G	2	61.2	659	N	£85,000	129
2	G	Studio	39.4	424	N	£60,000	141
3	G	Studio	40.9	440	N	£60,000	136
4	G	Studio	44.5	479	N	£60,000	125
5	G	Studio	48	517	N	£62,500	121
6	G	Studio	39	420	N	£60,000	143
7	G	Studio	39	420	N	£60,000	143
8	G	2	62.1	668	N	£85,000	127
9	G	2	64.1	690	N	£85,000	123
10	G	1	56.8	611	N	£70,000	114
11	G	1	57.1	615	N	£70,000	114
12	G	1	53.9	580	N	£70,000	121
13	G	1	57.6	620	N	£70,000	113
14	G	1	56.1	604	N	£70,000	116
15	G	1	58.8	633	N	£70,000	111
16	G	1	57.6	620	N	£70,000	113
17	G	2	61.3	660	N	£85,000	129
18	G	2	68.4	736	N	£85,000	115
			965.8	10396		£1,277,500	123

Unit No.	Floor	Beds	Sq m	Sq Ft	Roof terrace	Market Value	£psf
19	1	2	61.7	664	N	£87,500	£132
20	1	Studio	39.1	421	N	£62,500	£149
21	1	Studio	40.9	440	N	£62,500	£142
22	1	Studio	44.5	479	N	£62,500	£130
23	1	Studio	48	517	N	£65,000	£126
24	1	Studio	39	420	N	£62,500	£149
25	1	Studio	39	420	N	£62,500	£149
26	1	2	62.1	668	N	£87,500	£131
27	1	2	64.1	690	N	£87,500	£127
28	1	1	56.8	611	N	£72,500	£119
29	1	1	57.1	615	N	£72,500	£118
30	1	1	53.9	580	N	£72,500	£125
31	1	1	57.6	620	N	£72,500	£117
32	1	1	56.1	604	N	£72,500	£120
33	1	1	58.2	626	N	£72,500	£116

34	1	1	63.3	681	N	£72,500	£106
35	1	2	61.3	660	N	£87,500	£133
36	1	2	68.4	736	N	£87,500	£119
			971.1	10453		£1,322,500	£127

Unit No.	Floor	Beds	Sq m	Sq Ft	Roof terrace	Market Value	£psf
37	2	2	61.7	664	N	£87,500	£132
38	2	Studio	39.1	421	N	£62,500	£149
39	2	Studio	40.9	440	N	£62,500	£142
40	2	Studio	44.5	479	N	£62,500	£130
41	2	Studio	48	517	N	£65,000	£126
42	2	Studio	39	420	N	£62,500	£149
43	2	Studio	39	420	N	£62,500	£149
44	2	2	62.1	668	N	£87,500	£131
45	2	2	64.1	690	N	£87,500	£127
46	2	1	56.8	611	N	£72,500	£119
47	2	1	57.1	615	N	£72,500	£118
48	2	1	53.9	580	N	£72,500	£125
49	2	1	57.6	620	N	£72,500	£117
50	2	1	56.1	604	N	£72,500	£120
51	2	1	58.2	626	N	£72,500	£116
52	2	1	63.3	681	N	£72,500	£106
53	2	2	61.3	660	N	£87,500	£133
54	2	2	68.4	736	N	£87,500	£119
			971.1	10453		£1,322,500	£127

Unit No.	Floor	Beds	Sq m	Sq Ft	Roof terrace	Market Value	£psf
55	3	2	61.7	664	N	£87,500	£132
56	3	Studio	39.1	421	N	£62,500	£149
57	3	Studio	40.9	440	N	£62,500	£142
58	3	Studio	44.5	479	N	£62,500	£130
59	3	Studio	48	517	N	£65,000	£126
60	3	Studio	39	420	N	£62,500	£149
61	3	Studio	39	420	N	£62,500	£149
62	3	2	62.1	668	N	£87,500	£131
63	3	2	64.1	690	N	£87,500	£127
64	3	1	56.8	611	N	£72,500	£119
65	3	1	57.1	615	N	£72,500	£118
66	3	1	53.9	580	N	£72,500	£125
67	3	1	57.6	620	N	£72,500	£117
68	3	1	56.1	604	N	£72,500	£120
69	3	1	58.2	626	N	£72,500	£116

70	3	1	63.3	681	N	£72,500	£106
71	3	2	61.3	660	N	£87,500	£133
72	3	2	68.4	736	N	£87,500	£119
			971.1	10453		£1,322,500	£127

Unit No.	Floor	Beds	Sq m	Sq Ft	Roof terrace	Market Value	£psf
73	4	1	46.7	503	Y	£75,000	£149
74	4	1	43.7	470	Y	£75,000	£159
75	4	1	42.2	454	Y	£75,000	£165
76	4	2	61.2	659	Y	£90,000	£137
77	4	1	42.7	460	Y	£75,000	£163
78	4	1	50.7	546	Y	£75,000	£137
79	4	3	83.2	896	Y	£100,000	£112
80	4	1	44.1	475	Y	£75,000	£158
81	4	1	44.2	476	Y	£75,000	£158
82	4	1	44.2	476	Y	£75,000	£158
83	4	1	44.1	475	Y	£75,000	£158
84	4	1	44.2	476	Y	£75,000	£158
85	4	1	44.2	476	Y	£75,000	£158
86	4	1	44.2	476	Y	£75,000	£158
87	4	2	73.3	789	Y	£92,500	£117
88	4	2	61.2	659	Y	£90,000	£137
			814	8763		£1,272,500	£145

Total	4,693	50,518		£6,517,500	£129

1.83 The above values assume an appropriate level of specification throughout, including medium quality fixtures and fittings, bathrooms and kitchens. Our GDV assumes that each apartment is sold separately on minimum 150 year ground leases, with peppercorn ground rent and reasonable service charge contribution for the common parts in line with other schemes in the area.

Car parking

1.84 With regard to car parking provision, we understand that 55 spaces will be provided to the rear of the site. This equates to a ratio of 0.625 spaces per apartment.

1.85 The subject property is located to the south of the town centre and although the amenities and services associated with the town centre are only approximately 0.7 miles to the north, we consider that demand for car parking will be good, especially when taking in to consideration the capital values of each apartment. It is likely that the owner would be able to seek an additional charge for the spaces, especially as the scheme is gated and not openly accessible to the public. Also, given the mix use nature of the surrounding area potential owners and occupiers are likely to feel more secure with car parking on site.

1.86 We have endeavoured to obtain evidence of car parking transactions in the town but this information has not been forthcoming. We understand from local agents that in demand for car parking in the town when offered in other schemes is good and that sales prices of units are inclusive of parking and therefore not stated separately. We have therefore had consideration for our knowledge and professional judgement and have adopted a price of £3,000 per space that we think is appropriate for the subject site.

Valuation basis / notes on valuation

1.87 Please note the following:-

- Long leasehold;
- Granted full planning permission for the conversion to provide 88 apartments;
- Demand for the completed units likely to come from both owner occupier buyers and potential investor purchasers;
- Assumption that no contamination exists at the existing site;
- The location of the property in a mixed use area might be off putting for some potential owners/occupiers;
- We have considered unit pricing on an individual basis;
- We have assumed 10 year new build warranties for the completed units;
- We have assumed that the units will be subject to a peppercorn ground rent and appropriate service charge for the communal areas;
- Our valuation is based upon the build costs provided. We have relied upon these costs within our report and valuation. Should these costs be subject to change, this could have an impact on the values reported. We recommend our assumptions on build costs are reviewed by an independent QS;

Potential changes in legislation affecting ground rents

1.88 In December 2017 the Communities Secretary announced new measures to cut out unfair and abusive practices within the leasehold system, including a ban on leaseholds for almost all new build houses in England. The Government plans to introduce legislation that will require ground rents on new long leases – for both houses and flats – to be set to zero.

1.89 As a result of these plans, we have assumed zero ground rents for all new residential long leases within our valuation. For existing residential long leases, where the ground rent is considered to be "onerous", the Government wishes to see support extended to leaseholders. The Government has not explicitly stated what level of ground rent it considers to be onerous, nor where the support for affected leaseholders should come from. In addition, the Government intends to consider ways in which to make it easier for leaseholders to buy their freehold or to extend their leases. Where likely to be applicable, we have set out any specific assumptions within our valuation in this regard.

Methodology

1.90 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Residual method

1.91 Our valuation has been carried out using the comparative and residual methods.

1.92 We arrive at our opinion of the Market Value of the completed units (often referred to as the "Gross Development Value") using the comparative method, which involves comparison of the subject scheme with sales evidence from other comparable schemes and other sales within the local market and making adjustments using our professional judgement.

1.93 Our opinion of the Market Value of the site, on the special assumption of planning permission, is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed units, using the method described above, we deduct from it the total costs of development and an allowance for the developer's profit.

1.94 Taking the above into account, we would consider a Market Value of £545,000 reasonable for the property in its existing condition, which reflects the potential risks involved, overall quality of the property and prevailing market conditions.

Market Value

Market Value

1.95 We are of the opinion that the Market Value of the long leasehold interest in the above property, with the benefit of full vacant possession, as at the valuation date is:

£545,000 (Five Hundred and Forty Five Thousand Pounds)

Market conditions due to Coronavirus (COVID – 19)

Market conditions explanatory note

1.96 The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a "second wave" is possible.

1.97 The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the Valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our Valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards,

1.98 For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the Valuation date.

Sensitivity of the residual valuation method

1.99 The residual method requires the input of a large amount of data, which are rarely absolute or precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this sensitivity is known as sensitivity analysis.

1.100 Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

1.101 The following sensitivity analysis relates to the Market Value figure we have reported:

		Construction: Rate /ft^2				
		-5.00 /ft^2	**-2.50 /ft^2**	**0.00 /ft^2**	**2.50 /ft^2**	**5.00 /ft^2**
		57.57 /ft^2	**60.07 /ft^2**	**62.57 /ft^2**	**65.07 /ft^2**	**67.57 /ft^2**
Sales: Rate /ft^2	**-5.00 /ft^2**	6,429,910	6,429,910	6,429,910	6,429,910	6,429,910
	124.01 /ft^2	-685,207	-532,173	-379,139	-226,105	-73,071
	-2.50 /ft^2	6,556,205	6,556,205	6,556,205	6,556,205	6,556,205
	126.51 /ft^2	-768,534	-615,500	-462,467	-309,433	-156,399
	0.00 /ft^2	6,682,500	6,682,500	**6,682,500**	6,682,500	6,682,500
	129.01 /ft^2	-851,862	-698,828	**-545,000**	-392,760	-239,727
	2.50 /ft^2	6,808,795	6,808,795	6,808,795	6,808,795	6,808,795
	131.51 /ft^2	-935,189	-782,156	-629,122	-476,088	-323,054
	5.00 /ft^2	6,935,090	6,935,090	6,935,090	6,935,090	6,935,090
	134.01 /ft^2	-1,018,517	-865,483	-712,449	-559,416	-406,382

1.102 This sensitivity analysis demonstrates, inter alia, that:

- A £2.50 psf increase in construction costs and a £2.50 psf reduction in the Gross Development Value that we have adopted in this Valuation, would result in a land value of £310,000.

1.103 Please note that sensitivity analysis is an illustrative risk assessment tool based on the selected inputs and variations. In practice variations to the inputs adopted to assess the sensitivity of the valuation figure could exceed the figures adopted and do not therefore represent the maximum possible variation in the reported value.

PART VII

TAXATION

Taxation in the United Kingdom

The following information is based on UK tax law and HM Revenue and Customs ("**HMRC**") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

- ***Tax treatment of UK investors***

  The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

  - who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
  - who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
  - who are in any doubt as to their taxation position.

  Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

  Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

- ***Dividends***

  Where the Company pays dividends no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

  UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

  Dividend income received by UK tax resident individuals will have a £2,000 per annum dividend tax allowance. A Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

  Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

- ***Disposals of Ordinary Shares***

  Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption, or disposal as a capital gain.

  The rate of capital gains tax on disposal of Ordinary shares by basic rate taxpayers is 10 per cent., and for upper rate and additional is 20 per cent.

  For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

- ***Further information for Shareholders subject to UK income tax and capital gains tax***
  - *"Transactions in securities"*

    The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

  - *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

    No UK stamp duty or SDRT will be payable on the allotment and issue of Ordinary Shares pursuant to the subscription.

Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to SDRT at 0.5 per cent. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5 per cent. if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

PART VIII

GENERAL INFORMATION

1. The Directors, whose names appear on page 24, and the Company, accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company the information contained in this Document is in accordance with the facts and that this Document makes no omission likely to affect its import.

2. The Company and its share capital

2.1 The Company was incorporated and registered in England and Wales as a public limited company on 21 July 2020 under the Act with the name One Heritage Group plc and with a registered number 12757649. The registered office and principal place of business in the United Kingdom is 80 Mosley Street, Manchester, United Kingdom, M2 3FX and the telephone number of the Company is 0161 806 1498. The Company's website address is www.one-heritageplc.com/. The contents of any website of the Company or any other person do not form part of this Document. The Ordinary Shares will be issued pursuant to the Companies Act and the liability of the Company is limited. The Company has since the date of its incorporation operated in conformity with its constitution. The principal legislation under which the Company operates in the Companies Act 2006 (as amended, consolidated or re-enacted from time to time) and the regulations made thereunder. The registrars of the Company are Neville Registrars Limited who will be responsible for maintaining the register of members of the Company.

2.2 On incorporation 100 shares of 1p were in issue, all of which were paid up.

2.3 Since that date on 27 October 2020, 20,699,900 Ordinary Shares have been issued fully paid to One Heritage Property Development Limited in exchange for the entire issued share capital of One Heritage Property Development (UK) Limited.

2.4 Pursuant to the Subscription, 9,300,000 Subscription Shares are conditional on Admission occurring on or before 23 December 2020 or such later date as the Company and Hybridan may agree, and will be issued and allotted at a price of 10p per share to allotted Subscribers.

2.5 On Admission, the Hybridan Warrants will be issued to Hybridan.

2.6 The following resolutions have been passed:

2.6.1 By a special resolution passed on 27 October 2020 it was resolved to adopt new articles of association.

2.6.2 By an ordinary resolution passed on 27 October 2020 it was resolved that, the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot ordinary shares of £0.01 each in the capital of the Company (Shares) and to grant rights to subscribe for, or to convert any security into Shares (Rights) up to an aggregate nominal amount of £407,999, provided that the authority conferred by this resolution shall expire on 31 December 2025 (unless renewed, varied or revoked by the Company in general meeting), save that the Directors may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Shares to be allotted or Rights to be granted and the directors shall be entitled to allot Shares and grant Rights pursuant to any such offer or agreement as if such authority had not expired.

2.6.3 By a special resolution passed on 27 October 2020 it was resolved that, subject to the passing of the resolution detailed at paragraph 2.6.2 above, the Directors were empowered pursuant to section 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall be limited to the allotment of equity securities with an aggregate nominal value not exceeding £114,300, and that such authority shall expire on 31 December 2025 (unless renewed, varied or revoked by the Company in general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if this authority had not expired.

2.7 A certificate permitting the Company to do business and exercise any borrowing powers was issued by the Registrar of Companies pursuant to Section 96 of the Companies Act on 2 December 2020.

2.8 The issued share capital of the Company at the date of this Document, not including those shares conditionally issued pursuant to the Subscription, is as follows:

Issued (Fully paid)	*Number*	*Nominal value*
Ordinary Shares of 1p each	20,700,000	£207,000

Immediately following Admission, the Company's issued share capital will be:

Issued (Fully paid)	*Number*	*Nominal value*
Ordinary Shares of 1p each	30,000,000	£300,000

2.9 The Subscription Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

2.10 Save as set out at paragraph 13 below, as at the date of this Document the Company does not have outstanding any indebtedness or borrowing in the nature of indebtedness.

2.11 Application has been made for the Ordinary Shares to be listed and traded on the Official List by means of a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis as far as is practicable or appropriate in the circumstance of the Company, nor to impose sanctions in respect of any failure by the Company to so comply. Except as stated in this Part VIII:

2.11.1 the Company does not have in issue any securities not representing share capital; and

2.11.2 there are no outstanding convertible securities issued by the Company.

2.12 In addition, warrants have been granted to Hybridan to subscribe for such number of Ordinary Shares as will, if exercised in full, equal up to 1.96 per cent. of the Fully Diluted Enlarged Share Capital of the Company at the time of exercise, details of which are set out in paragraph 11 below.

3. Substantial shareholders

3.1 The Directors are aware of the following holdings of Ordinary Shares pursuant to the Subscription which, following Admission, represent more than 3 per cent. of the nominal value of the Company's share capital:

Name	*No. of Existing Ordinary Shares*	*% of Existing Ordinary Shares (%)*	*Number of Ordinary Shares on Admission including Subscription Shares*	*% of Enlarged Share Capital (%)*
One Heritage Property Development Limited*	20,700,000	100	20,700,000	69
Jason David Upton	–	–	1,000,000	3.33

*Yiu Tak (Peter) Cheung has an indirect interest in the Company through his 38.33 per cent. shareholding in One Heritage Holding Group Limited, which owns 100 per cent. of the Company's parent company, One Heritage Property Development Limited.

3.2 The shareholders in 3.1 above do not have any different voting rights. The Directors are not aware of any persons who, directly or indirectly, jointly, or severally, exercise or could exercise control over the Company.

4. Memorandum of Association

The Company's objects are unrestricted.

4.1 *Articles of Association*

The Articles of Association of the Company contain, *inter alia*, the following provisions:

4.1.1 *Rights attaching to Ordinary Shares*

4.1.1.1 There are no rights of pre-emption in respect of transfers of issued Ordinary Shares. However, in certain circumstances, the Company's shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to place new shares for allotment to existing shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares are offered to the Company's shareholders.

4.1.1.2 In order to transfer Ordinary Shares, the instrument of transfer of any such shares must be in any usual or common form or in such other form as may be approved by the Directors and must be executed by or on behalf of the transferor and, if the shares are not fully paid, by or on behalf of the transferee. The Articles of Association contain no restrictions on the free transferability of fully paid shares, provided that the transfer is in respect of only one class of share, a share upon which the Company has no lien, is in favour of a single transferee or no more than four joint transferees, is duly stamped (or otherwise exempt from stamp duty) and is accompanied by the share certificate (if applicable) and any other evidence of title required by the directors. The Board may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system or where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of the Act (which requires the member or such other person to declare his interest in the shares) and has failed to give the required information to the company within the prescribed period of 14 days.

4.1.1.3 Each Ordinary Share confers the rights to receive notice of and attend all meetings of shareholders.

4.1.1.4 The Ordinary Shares confer upon their holders the right to participate in any profits which the Company may from time to time determine to distribute in respect of any financial period.

4.1.1.5 The Company may make arrangements for any class of its shares to be issued in uncertificated form and in accordance with and subject as provided in The Uncertificated Securities Regulations 2001 and transfer of title of those shares shall be effected by means of a relevant system in the manner provided for and subject as provided for in The Uncertificated Securities Regulations 2001. Shares held in certificated form may be changed to uncertificated form and those held in uncertificated form may be changed to certificated form.

4.1.2 *General Meetings*

4.1.2.1 No business shall be transacted at any general meeting unless a quorum is present. Two members present in person (or by representative) or by proxy and entitled to attend and vote on the business to be transacted shall be a quorum.

4.1.2.2 A director may attend and speak at any general meeting, whether or not he is a member.

4.1.2.3 If within 15 minutes (or such longer period as the chairman may determine) from the time fixed for a meeting a quorum is not present or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case shall stand adjourned to such day and to such time (which must be not less than ten clear days thereafter) and place as may be determined by the chairman. If a quorum is not present within 15 minutes from the time fixed for holding the adjourned meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

4.1.2.4 Each holder of Ordinary Shares present at a general meeting in person or by proxy has one vote, and, on a poll, one vote for each Ordinary Share of which he is a holder.

4.1.2.5 Where shares are held jointly, the vote of the senior who has tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of each company in respect of the holding.

4.1.2.6 No member may vote at a general meeting (or any separate meeting of the holders of any class of shares), either in person or by proxy, or to exercise any other right or privilege as a member in respect of a share held by him unless all calls or other sums presently due and payable by him in respect of that share whether alone or jointly with any other person together with interest and expenses (if any) have been paid to the Company, or the Board determines otherwise.

4.1.2.7 The right to vote will also be lost where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of the Act (which requires the member or such other person to declare his interest in the shares) and has failed to give the required information to the Company within the prescribed period of 14 days.

4.1.2.8 At any general meeting, a resolution put to a vote shall be decided on a show of hands, unless a poll is duly demanded. A poll may be demanded by the chairman of the meeting, at least five members present in person (or by proxy) and entitled to vote at the meeting, a member or members present in person (or by proxy) representing at least one-tenth of the total voting rights of all the members having the right to vote at the meeting, or a member or members present in person (or by proxy) holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all the shares conferring that right.

4.1.3 *Directors*

4.1.3.1 Subject as provided in the Articles and the Act, the Board may exercise all the powers of the Company.

4.1.3.2 The number of directors shall be at least two but shall not be subject to any (unless otherwise determined by ordinary resolution).

4.1.3.3 Directors may be appointed by ordinary resolution. A director appointed by the Board shall hold office only until the next following annual general meeting at which such director will retire and be eligible for re-appointment.

4.1.3.4 Each director shall retire at the third annual general meeting or general meeting (as the case may be) at which they were previously appointed. Any director who has held office for nine years or more shall be subject to re-appointment at each annual general meeting.

4.1.3.5 The office of a director shall be vacated if he resigns by notice, is requested to resign by all other directors by notice in writing, if he becomes prohibited by law from being a director, becomes bankrupt or makes an arrangement or composition with his creditors generally, becomes physically or mentally incapable of acting as a director or is absent without permission of the Board for six consecutive months.

4.1.3.6 Any Director may appoint another Director, or any other person approved by the Board and willing to act, to be an alternate director and may at any time terminate that appointment.

4.1.3.7 The Board may meet, adjourn, and regulate its meetings as it sees fit. The quorum necessary for the transaction of business of the Board may be fixed by the Board and unless so fixed shall be two.

4.1.3.8 Questions arising at board meetings are decided by a majority vote. In the event of a tie, the chairman shall have a second or casting vote.

4.1.4 *Directors' Interests*

4.1.4.1 Subject to the Act and provided that he declares the nature of his interest at a meeting of the Directors, a Director may, *inter alia*, be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested.

4.1.4.2 A Director shall not vote or be counted in the quorum in relation to any resolution which may give rise to a conflict of interest, but can vote on the following:

(i) giving him any security, guarantee or indemnity for any money or any liability which he, or any other person, has lent or obligations he or any other person has undertaken at the request, or for the benefit, of the Company or any of its subsidiary undertakings;

(ii) giving any security, guarantee or indemnity to any other person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings, to that other person if the Financial Adviser take this responsibility by giving a guarantee, indemnity or security;

(iii) a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by the Company or any of its subsidiary undertakings, if the Director takes part because he is a holder of shares, debentures or other securities, or if he takes part in the underwriting or sub-underwriting of the offer;

(iv) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which only gives him benefits which are also generally given to employees to whom the arrangement relates;

(v) any arrangement involving any other company if the Director (together with any person connected with the Director) has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder of that company). This does not apply if he knows that he has a Relevant Interest;

(vi) a contract relating to insurance which the Company can buy or renew for the benefit of the Directors or a group of people which includes Directors; and

(vii) a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates

4.1.4.3 A Director cannot vote or be counted in the quorum on a resolution relating to his own appointment or the settlement or variation of the terms of his appointment to an office or place of profit with the Company or any other company in which the Company has an interest.

4.1.4.4 The Board may authorise, to the fullest extent permitted by law, and on such terms and conditions as it thinks fit, any matter which would or might otherwise result in a Director infringing his duty to avoid a conflict of interest. Such authorisation may be revoked or varied at any time.

4.1.4.5 Where any such matter is authorised by the board, the director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the conflict and shall not be accountable to the company for any benefit which he derives from such matter.

4.1.5 *Borrowing Powers*

The Directors may exercise all the powers of the company to borrow money, indemnify and guarantee, to mortgage and charge its undertaking, property and assets (present and future) and uncalled capital and, subject to the Act, to create and issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.1.6 *Dividends*

4.1.6.1 Subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on shares of any class of such amounts as and when they think fit. All dividends are apportioned and paid pro-rata according to the amounts paid on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien, and may apply them towards the satisfaction of the debts, liability, or engagements in respect of a lien. A dividend may be retained if a shareholder has failed to comply with the statutory disclosure requirements of the Act. Any dividend unclaimed for 12 years will be forfeited and revert to the Company.

4.1.7 *Untraced Members*

4.1.7.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission if and provided that:

(i) during a period of 12 years at least three dividends (whether interim or final) have been paid in relation to such shares and no such dividends have been claimed; and

(ii) the Company has given notice to the FCA of its intention to make such sale (if such shares are listed on the Official List or dealt with on the London Stock Exchange).

4.1.7.2 The net proceeds of sale will belong to the Company which shall account to the former member or other person entitled to the proceeds for the amount received, however, no trust shall be created in respect of the debt, no interest is payable on the amount of the debt and the Company shall not be required to account for any money earned on the net proceeds.

4.1.8 *Indemnity and Insurance*

4.1.8.1 The Company shall indemnify the Directors to the extent permitted by law and may take out and maintain insurance for the benefit of the Directors.

5. Working Capital

The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Company is, for at least the next twelve months from the date of this Document, not sufficient for its present requirements. The Directors have made this qualified working capital statement only on the basis that construction finance is not available to the Company at present. However the Directors are of the opinion that the working capital available to the Company would be sufficient on the basis that construction finance can be secured on terms set out in this Document but cannot guarantee that this will be available or that the terms will be as set out in this Document.

Chester Road requires £3.4 million of funding in order to complete the development, with Lincoln House requiring £4.9 million and Church Gate requiring £2.0 million. Of these amounts the Company is anticipating raising construction finance of £3.2 million for Chester Road, £4.7 million for Lincoln House and £1.7 million for Church Gate. Construction finance would need to be secured in January 2021 in order for these developments to commence in late January 2021.

In the event that construction finance on acceptable terms was unavailable then the Company would continue with the development of Chester Road, as planned, as the Company would use £623,750 of the net proceeds from subscription and a portion of the £5.0 million loan facility with One Heritage Property Development Limited to complete this development. The sale of Chester Road is anticipated to generate £6.1 million after the costs of sale in November 2021 which would then be available to fund the completion of Lincoln House and Church Gate, which is sufficient, along with additional funds from the £5m shareholder loan facility, to fund the amounts of £4.7 million and £1.7 million respectively that would otherwise be funded through construction finance. As construction works on the Lincoln House and Church Gate developments are currently scheduled to commence in February 2021 this would delay the start of the Lincoln House and Church Gate developments for a period of approximately 12 months and 6 months, respectively, or until such time as the proceeds from the sale of Chester Road were available to be reinvested.

If these works were not delayed the Directors are of the opinion that there would be a working capital shortfall which would commence in July 2021 and peak at approximately £2.2 million in October 2021. The Directors do not currently anticipate being unable to secure construction finance on acceptable terms. In the event that construction finance is not available the Directors are of the opinion that the delays set out above are a viable alternative solution to complete the developments identified in this Document.

6. Directors

6.1 The Directors currently hold the following directorships and have held the following directorships within the five years prior to the publication of this Document.

Yiu Tak (Peter) Cheung

Current Directorships and Partnerships	*Previous Directorships and Partnerships*
One Heritage Property Holding Limited	Cheshire Estates (Oakglade) Limited
Lincoln House Property Development Limited	
Pen Property Limited	
One Heritage Property Development (UK) Limited	
Nicholas Street Developments Ltd	
One Heritage Complete Limited	
One Heritage Tower Limited	
One Heritage Group Plc	
Generation 100 Ltd	

Jason David Upton

Current Directorships and Partnerships

Lincoln House Property Development Limited
J Upton Limited
One Heritage Property Development (UK) Limited
One Heritage Tower Limited
Nicholas Street Developments Ltd
Harley Street Developments Limited
Aretas Limited
One Heritage Aston Limited
One Heritage Property Management Limited
Robin Hood Property Development Limited
Olbas Property Limited
JD Upton Limited
ACT Property Developments Limited
One Heritage Property Holding Limited
Pen Property Limited
Mosley Property Limited
One Heritage Complete Limited
One Heritage Letting Limited
One Heritage Maintenance Limited
One Heritage Cleaning Limited
One Heritage Design Limited
Generation 100 Ltd
One Heritage (Chester Road) Limited
One Heritage Group Plc
Lincoln House Building Management Limited
Wayward Property Limited

Previous Directorships and Partnerships

Jeffrey Ian Pym

Current Directorships and Partnerships

One Heritage Group plc

Previous Directorships and Partnerships

Delin Participants IV Limited
Delin Participants III Limited
61 Metal Limited (Dissolved)
Cityscape Capital Limited (Dissolved)
Delin Property Asset Management UK Ltd (Dissolved)
Delin Advisors Ltd
The Close Film Sale and Leaseback (2003/4) LLP (Members Voluntary Liquidation)

David Stewart Izett

Current Directorships and Partnerships

QUAD 200 Limited
Richmond and Hillcroft Adult and Community College
Lee Baron Group Limited
Tiger Lane Limited
Ballycotton Limited

Previous Directorships and Partnerships

Social Communications (London) Limited
Mortlake Green Limited (Dissolved)
Church Road (Richmond) Limited (Dissolved)
Colliers International UK Plc (In liquidation)
Deanwater Estates Limited (Dissolved)
Deanwater Estates (Bollinwater) Limited
Colliers Godfrey Vaughan Limited (Dissolved)
Colliers Capital Holdings Limited
Colliers Emea Limited
Deanwater Estates Limited (Dissolved)
Residential and Hotels International Limited

6.2 Save for the company which has an asterisk next to its name in the table above, which is a company which has been voluntarily struck off from the Register of Companies, and save as disclosed in this paragraph, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital or (iii) a senior manager during the previous five years:

6.2.1 Mr Pym was a member of The Close Film Sale and Leaseback (2003/4) LLP when it entered Members Voluntary Liquidation on 11 April 2019. All creditors were settled in full.

6.3 No Director:

6.3.1 has any unspent convictions;

6.3.2 save as set out in paragraph 6.2 above, has been a director of any company which, at that time or within 12 months after his ceasing to be a director, became bankrupt, had a receiver appointed or was liquidated (other than solvent liquidation);

6.3.3 has had any public criticism against him by statutory or regulatory authority; or

6.3.4 has any potential conflict of interest between any duties owed to the Company and their private interests or other duties they may owe.

7. Directors' Interests and terms of appointment

7.1 The interests of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the Act) in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any director as at the date of this Prospectus and as expected to be immediately following Admission are as follows:

	At the date of this Document		*Immediately following Admission*	
Name	*No. of Existing Ordinary Shares*	*% of Existing Share Capital*	*No. of Ordinary Shares*	*% of Enlarged Share Capital*
Jason David Upton	–	–%	1,000,000	3.33%
Yiu Tak (Peter) Cheung*	–	–%	–	–%
David Stewart Izett	–	–%	–	–%
Jeffrey Ian Pym	–	–%	–	–%

* Yiu Tak (Peter) Cheung has an indirect interest in the Company through his 38.33 per cent. shareholding in One Heritage Holding Group Limited, which owns 100 per cent. of the Company's parent company, One Heritage Property Development Limited.

7.2 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of section 252 of the Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.

7.3 There are no outstanding loans granted or guarantees provided by any company in the Group to or for the benefit of any of the Directors.

7.4 Save as disclosed above, and save as otherwise disclosed in this Prospectus, none of the Directors have any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.

7.5 None of the Directors or any person connected with them (within the meaning of section 252 of the Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

7.6 ***Jason David Upton***

On 17 December 2020, Mr Upton will enter into a service agreement pursuant to which he will be appointed to the Company as Chief Executive Officer. Mr Upton's remuneration will be £75,000 per annum gross, payable monthly in arrears. Mr Upton's duties will require him to work full time for the Company. He is entitled to a bonus of up to 100 per cent. of his annual salary subject to such criteria as the Board may impose. Mr Upton will be entitled to 33 days' paid holiday per year. Mr Upton's appointment is terminable by either party on giving six months' prior notice thereafter or by way of payment *in lieu* of notice (save, *inter alia*, in the event that Mr Upton becomes disqualified or prohibited by law from acting as a director, when his appointment will terminate immediately without notice). The Company also has the option to place Mr Upton on garden leave following the service of notice of termination. Mr Upton must comply with Article 19 of the Market Abuse Regulation, the Company's share dealing policy or any such other code as the Company may adopt from time to time. Mr Upton shall not, except as a representative of the Company or with prior written approval of the Company, be engaged or financially interested in any other business, trade, profession or occupation that is in direct competition with the Company or Group Company, however Mr Upton may hold an investment of not more than 3 per cent. of the total issued share capital of any company, but only where the entity does not carry on a similar business or compete with the business being carried on by the Company or Group. Any intellectual property created by Mr Upton during the course of his employment will vest automatically in the Company. Upon termination of his office and in order to protect the confidential information of the Company, Mr Upton may not, *inter alia*, be engaged or interested in any business which is similar or in competition with any business being carried on by the Company or Group for a period of 12 months from the date of termination. The Company will not grant any benefits on termination of employment.

7.7 ***Yiu Tak (Peter) Cheung***

7.7.1 On 17 December 2020, Mr Cheung will enter into a service agreement pursuant to which he will be appointed to the Company as Chief Investment Officer. Mr Cheung's remuneration will be £15,000 per annum gross, payable monthly in arrears. Mr Cheung's duties will require him to work two days a week for the Company. Mr Cheung will be entitled to 5.6 days' paid holiday per year. Mr Cheung's appointment is terminable by either party on giving six months' prior notice thereafter or by way of payment *in lieu* of notice (save, *inter alia*, in the event that Mr Cheung becomes disqualified or prohibited by law from acting as a director, when his appointment will terminate immediately without notice). The Company also has the option to place Mr Cheung on garden leave following the service of notice of termination. Mr Cheung must comply with Article 19 of the Market Abuse Regulation, the Company's share dealing policy or any such other code as the Company may adopt from time to time. Mr Cheung shall not, except as a representative of the Company or with prior written approval of the Company, be engaged or financially interested in any other business, trade, profession or occupation that is in direct competition with the Company or Group Company, however Mr Cheung may hold an investment of not more than 3 per cent. of the total issued share capital of any company, but only where the entity does not carry on a similar business or compete with the business being carried on by the Company or Group. Any intellectual property created by Mr Cheung during the course of his employment will vest automatically in the Company. Upon termination of his office and in order to protect the confidential information of the Company, Mr Chueng may not, *inter alia*, be engaged or interested in any business which is similar or in competition with any business being carried on by the Company or Group for a period of 12 months from the date of termination. The Company will not grant any benefits on termination of employment.

7.7.2 As set out on page 36 Mr Cheung has an interest in Robin Hood Property Development Limited and Mosley Property Limited which also operate in the Co-living market. The Directors do not consider this to be a material conflict of interest.

7.8 ***David Stewart Izett***

7.8.1 On 17 December 2020, Mr Izett entered into a letter of appointment pursuant to which he will be appointed by the Company as the Non-Executive Chairman. Mr Izett's remuneration will be £25,000 per annum gross, payable monthly in arrears through PAYE after deduction of any taxes and other amounts that are required by law. It is anticipated that Mr Izett's duties will require a minimum of two days a month on work for the Company. In addition to attendance at board meetings, Mr Izett will also serve on the Audit and Risk Committee and the Remuneration Committee which will increase Mr Izett's overall expected time commitment. Mr Izett's appointment as a Non-Executive Director will be terminable by either party on giving three months' prior notice (save, *inter alia*, in the event that Mr Izett becomes disqualified or prohibited by law from acting as a director, when his appointment will terminate immediately without notice) and subject to the retirement by rotation provisions in the Company's Articles. Mr Izett must comply with Article 19 of the Market Abuse Regulation, the Company's share dealing policy or such other code as the Company may adopt from time to time. Mr Izett will be permitted to pursue his other existing business interests, but must seek agreement from the Board before accepting any appointment which might cause a conflict with his duties to the Company. Mr Izett must disclose the full extent of any actual or potential conflict of interest arising from these to the Board and company secretary and must also inform the Board and company secretary as soon as he becomes aware of any changes to these interests or any changes to any commitment outside his role in the Company. The Company will not grant any benefits on termination of employment, save for Mr Izett's director's fee, to the extent unpaid, on a pro-rata basis up to the date of termination and reimbursement of any reasonable expenses properly incurred before that date. The appointment will be governed by the laws of England and Wales.

7.8.2 Mr Izett is chairman of Lee Baron Group Limited, a company which provides property and facility management services in Manchester and the North West of England. The Directors do not consider this to be a material conflict of interest.

7.9 ***Jeffrey Ian Pym***

On 17 December 2020, Mr Pym entered into a letter of appointment pursuant to which he will be appointed by the Company as a Non-Executive Director. Mr Pym's remuneration will be £25,000 per annum gross, payable monthly in arrears through PAYE after deduction of any taxes and other amounts that are required by law. It is anticipated that Mr Pym's duties will require a minimum of two days a month on work for the Company. In addition to attendance at board meetings, Mr Pym will also serve on the Audit and Risk Committee and the Remuneration Committee which will increase Mr Pym's overall expected time commitment. Mr Pym's appointment as a Non-Executive Director will be terminable by either party on giving three months' prior notice (save, *inter alia*, in the event that Mr Pym becomes disqualified or prohibited by law from acting as a director, when his appointment will terminate immediately without notice) and subject to the retirement by rotation provisions in the Company's Articles. Mr Pym must comply with Article 19 of the Market Abuse Regulation, the Company's share dealing policy or such other code as the Company may adopt from time to time. Mr Pym will be permitted to pursue his other existing business interests, but must seek agreement from the Board before accepting any appointment which might cause a conflict with his duties to the Company. Mr Pym must disclose the full extent of any actual or potential conflict of interest arising from these to the Chairman and company secretary and must also inform the Chairman and company secretary as soon as he becomes aware of any changes to these interests or any changes to any commitment outside his role in the Company. The Company will not grant any benefits on termination of employment, save for Mr Pym's director's fee, to the extent unpaid, on a pro-rata basis up to the date of termination and reimbursement of any reasonable expenses properly incurred before that date. The appointment will be governed by the laws of England and Wales.

7.10 None of the Directors have any material conflicts of interest between any duties owed to the Company and their private interests and/or other duties.

8. Pension Arrangements

There are currently no pensions or similar arrangements in place with the Directors.

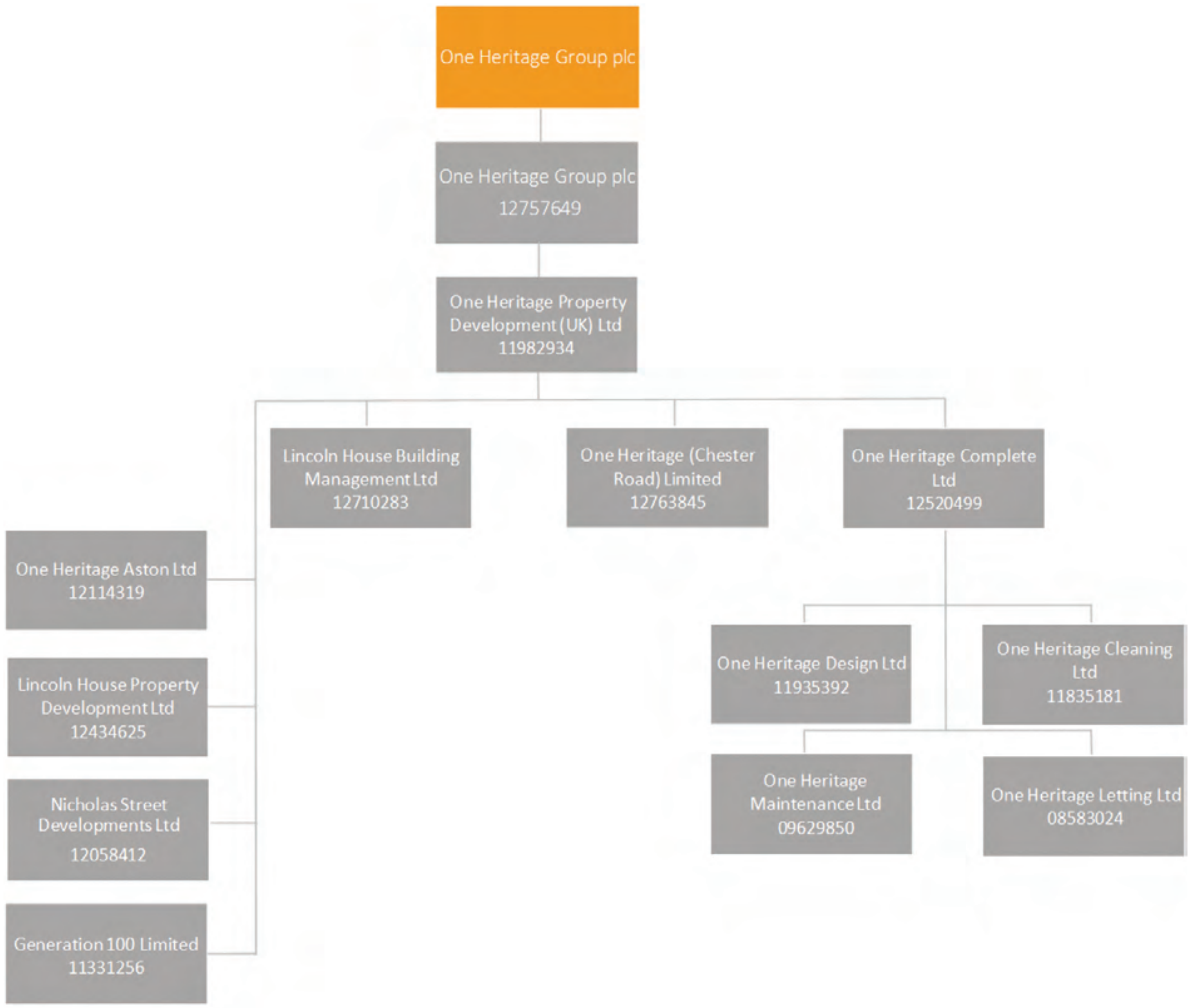
9. Employees

The Group currently has 10 employees.

10. Subsidiaries

10.1 One Heritage Group Holding Limited, registered in Hong Kong, is the holding company of the Group.

10.2 One Heritage Property Development Limited, registered in Hong Kong, is a subsidiary of One Heritage Group Holding Limited and owns the Company.



10.3 The Company has the following subsidiaries, which are private limited companies:

Company name	*Company Number*	*Incorporation Date*	*Registered address*	*Persons with Significant Control (PSC)*	*Proportion of ownership interest*
One Heritage Letting Limited	08583024	25 June 2013	10 Cliff Parade, Wakefield, West Yorkshire, WF1 2TA	One Heritage Complete Limited	60%
				Michael Aspinal	16%
				Robert Watson	12%
				Gary Johnston	6%
				Kirsty Child	6%
One Heritage Maintenance Limited	09629850	9 June 2015	31 Larkspur Way, Alverthorpe, Wakefield, United Kingdom, WF2 0FD	One Heritage Complete Limited	73%
				Gary Johnston	10%
				Robert Watson	10%
				David Cox	7%

Company name	*Company Number*	*Incorporation Date*	*Registered address*	*Persons with Significant Control (PSC)*	*Proportion of ownership interest*
Generation 100 Limited	11331256	26 April 2018	452 Chester Road, Manchester, Lancashire, United Kingdom, M16 9HD	One Heritage Property Development (UK) Limited	100%
One Heritage Cleaning Limited	11835181	19 February 2019	1 Church Crescent, Netherton, Wakefield, West Yorkshire, United Kingdom, WF4 4HF	One Heritage Complete Limited	60%
				Joanne May	30%
				Robert Watson	10%
One Heritage Design Limited	11935392	9 April 2019	22 St Johns North, St Johns, Wakefield, United Kingdom, WF1 3QA	One Heritage Complete Limited	100%
One Heritage Property Development (UK) Limited	11982934	7 May 2019	80 Mosley Street, Manchester, England, M2 3FX	One Heritage Complete Limited	100%
One Heritage Letting London Limited	12055800	18 June 2019	10 Cliff Parade, Wakefield, England, WF1 2TA	One Heritage Complete Limited	51%
				Sophie Klineberg	24.5%
				Gints Gaune	24.5%
Nicholas Street Developments Limited	12058412	19 June 2019	80 Mosley Street, Manchester, England, M2 3FX	One Heritage Property Development (UK) Limited	100%
One Heritage Aston Limited	12114319	22 July 2019	80 Mosley Street, Manchester, England, M2 3FX	One Heritage Property Development (UK) Limited	100%
Lincoln House Property Development Limited	12434625	30 January 2020	80 Mosley Street, Manchester, England, M2 3FX	One Heritage Property Development (UK) Limited	100%
One Heritage Complete Limited	12520499	17 March 2020	80 Mosley Street, Manchester, England, M2 3FX	One Heritage Property Development (UK) Limited	47%
				Peter Child	53%
Lincoln House Building Management Limited	12710283	1 July 2020	Suite 7b 80 Mosley Street, Manchester, England, M2 3FX	One Heritage Property Development (UK) Limited	100%
One Heritage (Chester Road) Limited	12763845	23 July 2020	80 Mosley Street, Manchester, England, M2 3FX	One Heritage Property Development (UK) Limited	100%

11. Dilution of Ordinary Share Capital

11.1 ***Hybridan Warrants***

11.2 Hybridan will be issued with warrant on Admission over 600,000 Ordinary Shares which have an exercise price of 10p per Ordinary Share. The Hybridan Warrants will become exercisable at any time from the date of Admission to the fifth anniversary of Admission. These warrants can be exercised through application to the Company.

11.3 If any of the Hybridan Warrants are exercised then the proportion of shares held by the Shareholders will be diluted. In the event that the Hybridan Warrants are all exercised and/or issued this would mean approximately a further £60,000 of funding to the Company and also dilute the interests of the Shareholders by approximately 1.96 per cent. of the Fully Diluted Enlarged Share Capital.

11.4 Upon exercise of the Hybridan Warrants, the Hybridan Warrants will represent approximately 1.96 per cent. of the Fully Diluted Enlarged Share Capital of the Company. This will result in the Existing Ordinary Shares being diluted so as to constitute 98.04 per cent. of the Fully Diluted Enlarged Share Capital of the Company.

11.5 ***Options***

The Company plans to create a long-term incentive plan, which will require the creation of an option scheme, for senior executives after Admission and after having taken proper advice.

12. Related Party Transactions

12.1 Between the date of incorporation and 31 March 2020, the Trading Group has the following related party transactions:

12.1.1 One Heritage Property Development Limited – shareholder loan;

12.1.2 One Heritage Tower Limited – development agreement;

12.1.3 Harley Street Developments Limited – development agreement and loan;

12.1.4 ACT Property Developments Limited – development agreement;

12.1.5 Robin Hood Property Development Limited – service agreement and loan;

12.1.6 Mosley Property Limited – service agreement and loan.

13. Capitalisation and Indebtedness

13.1 At the date of this Document, the Company:

13.1.1 does not have any secured, unsecured, or unguaranteed indebtedness, including direct and contingent indebtedness, other than its liabilities under the contracts described in paragraph 15 of this Part VIII;

13.1.2 has not granted any mortgage or charge over any of its assets; and

13.1.3 does not have any contingent liabilities or guarantees.

13.2 If Admission had taken place prior to the date of the balance sheet of the Company at Part IV then the balance sheet of the Company would change as follows (on the basis that the Company had not yet invested the proceeds of the Subscription):

13.2.1 the cash held by the Company would have been higher by the amount subscribed for pursuant to the Subscription (less any fees and expenses paid by the Company on Admission), being the Net Proceeds;

13.2.2 the total assets of the Company would increase by the amount of the Net Proceeds on Admission; and

13.2.3 the called up share capital would increase by the aggregate nominal amount of Ordinary Shares issued both prior to and following Admission.

13.3 If Admission had taken place prior to the date of the Company Financial Information set out in Part III(B) "Historical Financial Information on the Company" of Part III "Financial Information on the Company" of this Document then any impact on the Company's earnings would have been to enhance earnings with the precise level being dependent on any return made on the Net Proceeds received by the Company.

13.4 The following table shows the Group's capitalisation and indebtedness as at 30 September 2020:

	£
Total Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total Non-Current Debt	
Guaranteed	–
Secured	770,000
Unguaranteed/Unsecured	5,450,321

	£
Shareholder Equity	
Share capital	100
Reserves	(560,703)
Total	(560,603)

13.5 The following table shows the Trading Group's net indebtedness as at 30 September 2020:

		£
A.	Cash	1,185,034
B.	Cash equivalent	–
C.	Trading securities	–
D.	**Liquidity (A) + (B) + (C)**	1,185,034
E.	Current financial receivable	1,149,790
F.	Current bank debt	–
G.	Current portion of non-current debt	–
H.	Other current financial debt	–
I.	**Current Financial Debt (F) + (G) + (H)**	–
J.	**Net Current Financial Indebtedness (I) – (E) – (D)**	(2,334,823)
K.	Non-current bank loans	770,000
L.	Bonds issued	–
M.	Other non-current loans	5,450,321
N.	**Non-current Financial Indebtedness (K) + (L) + (M)**	6,220,321
O.	**Net Financial Indebtedness (J) + (N)**	3,885,497

13.6 As at the date of this Document, the Company had cash resources of £397,381.

13.7 ***Statement of material change***

Since 30 September 2020 and pursuant to the Subscription, a committee of Directors resolved to issue 9,300,000 Subscription Shares, conditional on Admission occurring on or before 31 December 2020 (or such later date as the Company and Hybridan may agree), at a price of 10p per share to Subscribers.

Other than the material change set out above, there have been no material changes in either the capitalisation or the indebtedness of the Company.

14. Significant Change

14.1 Other than on 17 December 2020, pursuant to the Subscription, a committee of Directors resolved to issue 9,300,000 Subscription Shares, conditional on Admission occurring on or before 31 October 2020 (or such later date as the Company and Hybridan may agree), at a price of 10p per share to Subscribers, there has been no significant change in the financial position of the Enlarged Group since 31 July 2020, the date to which the most recent consolidated financial information on the Issuer in Part III(B) "Historical Financial Information on the Company" of Part III "Financial Information on One Heritage Group PLC" was made up to, to the date of this Document.

14.2 There has been no significant change in the financial position of the Trading Group since 31 March 2020, the date to which the most recent consolidated financial information on the Issuer Trading Group included in Part IV(B) "*Historical Financial Information on One Heritage Property Development (UK) Limited and its Subsidiaries*" of Part IV "*Financial Information on One Heritage Property Development (UK) Limited and its Subsidiaries*" was made up to, to the date of this Document.

14.3 There has been no significant change in the financial performance of the Enlarged Group since 31 July 2020, the date to which the most recent consolidated financial information on the Issuer in Part III(B) "*Historical Financial Information on the Company*" of Part III "*Financial Information on One Heritage Group PLC*" was made up to, to the date of this Document.

14.4 There has been no significant change in the financial performance of the Trading Group since 31 March 2020, the date to which the most recent consolidated financial information on the Issuer Trading Group included in Part IV(B) "Historical Financial Information on One Heritage Property Development (UK) Limited and its Subsidiaries" of Part IV "Financial Information on One Heritage Property Development (UK) Limited and its Subsidiaries" was made up to, to the date of this Document.

15. Material Contracts

The following are summaries of each material contract, other than contracts entered into in the ordinary course of business, firstly to which the Company is a party, since the date of the Company's incorporation on 21 July 2020 and, secondly, to which the Trading Group is a party, within the period from 17 December 2018 to (and including) 17 December 2020 (being the period of two years immediately preceding the latest practicable Business Day prior to the publication of this Document); and any other contract (not being a contract entered into in the ordinary course of business) entered into by the Company and/or the Trading Group which contains any provision under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this Document. All fees stated being exclusive of VAT:

15.1 *Registrar Agreement*

15.1.1 Pursuant to an agreement between the Registrar and the Company dated 17 December 2020, the Registrar has been engaged by the Company to keep the register of members and provide a share registration service. The agreement may be terminated by either party on the service of six week' notice on the other. The basic fee payable by the Company to the Registrar is £1.20 per annum per shareholder, subject to an annual minimum charge of £2,040. In addition, various other fees are also payable including fees on the transfer of any Shares. The agreement is governed by English law.

15.2 *Financial Adviser and Broker Agreement, Placing Agreement and Hybridan Warrants*

15.2.1 Pursuant to an agreement between Hybridan and the Company dated 17 December 2020, Hybridan has been engaged by the Company to act as Financial Adviser and Broker to the Company for the Admission to market of the Company's shares. The Company shall grant Hybridan warrants over 600,000 ordinary shares exercisable at the price per share at which ordinary shares of the Company are placed with investors and expiring on the fifth anniversary of grant. The Company shall pay to Hybridan 6 per cent. of any amount raised by Hybridan.The agreement becomes subject to a minimum contract period of 12 months and shall terminate on either party giving no less than three months' notice. Under this engagement the Company will pay an ongoing broker fee and financial adviser fee to Hybridan of £50,000 plus VAT per annum. The agreement is governed by English law.

15.2.2 On 17 December 2020, Hybridan and the Company entered into a placing agreement ("Placing Agreement") pursuant to which Hybridan will use reasonable endeavours to procure placees for the 1,000,000 shares subject to the usual market standard conditions including, but not limited to, the passing of the necessary board resolutions and there being no significant change or breach of warranty between the date of the placing agreement and Admission. The Company will provide customary warranties covering, *inter alia*, the accuracy and completeness of the information in the Prospectus, the Company's share capital and constitution, the Company's financial prospects, position and procedures and the

Company's assets including intellectual property. Warranty claims will be unlimited in terms of time and value in respect of the Company The Company will indemnify Hybridan in respect of a breach of the warranties, such indemnity to be uncapped as to duration and quantum, save in the case of Hybridan's negligence, deceit, wilful default or fraud or material breach of the Placing Agreement and the terms of the letter set out at paragraph 15.2.1 above. Post-Admission restrictions apply to material variations to the terms of engagement of the Directors, any substantial transactions and any further share issues or grant of options without Hybridan's prior consent. The agreement may be terminated by Hybridan in the event of a breach of warranty of a failure to satisfy conditions therein. The placing is not underwritten. The agreement is governed by the laws of England and Wales.

15.2.3 On 17 December 2020 the Company granted Hybridan warrants over 600,000 ordinary shares exercisable at 10p per share and expiring on the fifth anniversary of grant.

15.3 ***One Heritage Complete Limited ("OHC")***

15.3.1 By an agreement dated 27 March 2020 OHC purchased 65 per cent. of the entire issued share capital of One Heritage Design Limited, 72 per cent. of the entire issued share capital of One Heritage Maintenance Limited, 60 per cent. of the entire issued share capital of One Heritage Cleaning Limited and 60 per cent. of One Heritage Letting Limited from Peter Child and others ("**Sellers**") in consideration of the issue of 53 Ordinary shares to Peter Child (representing 53 per cent. of OHC and £200,000 in cash). The Sellers have given customary warranties and covenants to OHC. By a further agreement also dated 27 March 2020 entered into by One Heritage Property Development (UK) Limited ("**OHPD**") (1), Peter Child (2) and OHC (3) the parties agreed to regulate their shareholding in Complete. Certain matters are reserved for the approval of the shareholders of Complete. OHPD may appoint two directors to the Board of Complete and Mr Child one. Complete undertakes to supply certain financial and other information to OHPD and Mr Child. Mr Child gives certain warranties in favour of OHPD in relation to the business and assets of the Company. There are limitations on transfers of shares which require shares to be offered to the other shareholder first. Further Mr Child undertakes for 36 months after 27 March 2020 not to compete with the Company or solicit customers or staff. Both agreements are governed by the law of England and Wales.

15.4 ***One Heritage Letting London Limited ("London")***

15.4.1 By an agreement dated 14 August 2020 entered into by One Heritage Complete Limited ("**OHC**"), OHC subscribed for 50 shares and Sophie Klineberg and Gints Caune 49 shares. The parties agreed to regulate their shareholding in London. Certain matters are reserved for the approval of the shareholders of London. London undertakes to provide certain information to the shareholders. There are limitations on transfers of shares require shares to be offered to the other shareholders first. The agreement is governed by the laws of England and Wales.

15.5 ***Loan Facility Agreements***

15.5.1 By an agreement dated 21 September 2020, One Heritage Property Development Limited has granted a loan facility to One Heritage Property Development (UK) Limited of up to £5,000,000. At the date of this document there is no amount outstanding under this facility. The loan can be repaid early and redrawn but is ultimately repayable on 31 December 2025. The loan is subject to an interest rate of 7 per cent. payable quarterly in arrears and is subject to usual events of default under which it becomes repayable.

15.5.2 By an agreement dated 22 July 2020 One Heritage SPC has granted a loan facility to One Heritage Property Development (UK) Limited of up to £1,135,000. At the date of this document there is outstanding £1,135,000. The loan can be repaid early and redrawn but is ultimately repayable on 22 January 2022. The loan is subject to an interest rate of 12 per cent. payable quarterly in arrears and is subject to usual events of default under which it becomes repayable.

15.5.3 By an agreement dated 11 August 2020 One Heritage SPC has granted a loan facility to One Heritage Property Development (UK) Limited of up to £1,007,000. At the date of this document there is outstanding £1,007,000. The loan can be repaid early and redrawn but is ultimately repayable on 11 February 2022. The loan is subject to an interest rate of 12 per cent. payable quarterly in arrears and is subject to usual events of default under which it becomes repayable.

15.5.4 The Group will refinance the facilities set out in paragraph 15.5.2 and 15.5.3 using existing facilities described in paragraph 15.5.1 or, if available, using proceeds from completed developments (which the Directors believe are likely to be available), or if the market conditions allow, refinance from the same source or an alternative external source.

15.6 ***Acquisition of One Heritage Property Development (UK) Limited ("OHPD")***

15.6.1 On 27 October 2020 the Company acquired the entire issued share capital of OHPD from One Heritage Property Development Limited in exchange for the issue of 20,699,900 ordinary shares of 1p each fully paid up.

15.7 ***Transfer of One Heritage Tower Limited and One Heritage Harley Street Development Limited***

15.7.1 On 31 August 2020 One Heritage Property Development (UK) Limited transferred the entire issued share capital of One Heritage Tower Limited and Harley Street Developments Limited to One Heritage Property Management Limited for £2,921 and £39,537 respectively.

15.8 ***Exclusivity Agreement***

15.8.1 On 24 November 2020 One Heritage Property Development (UK) Limited entered into an exclusivity agreement with Harvey Lyndsay Burns and Whitehall Trustees Limited relating to Old County Court House, 56 Bank Street, Sheffield ("**Property**"). The exclusivity fee is £100,000 which is non refundable if completion does not occur by 31 December 2020. If completion does occur then the £100,000 will be set off against the purchase price. The exclusivity agreement also grants One Heritage Property Development (UK) Limited an option to acquire the Property for £800,000.

16. Other Information

16.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since incorporation which may have or have had in the recent past significant effects on the Company or Group's financial position or profitability.

16.2 The Company does not conduct research and development. Further there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business. As a consequence, the Company does not engage any technical staff other than the Directors.

16.3 Save for the acquisition of the Church Gate property, there are no significant investments made, none are in progress and, so far as the Company is aware, none are proposed.

16.4 No exceptional factors have influenced the Company's activities.

16.5 Hybridan LLP is acting as financial adviser to the Company in relation to Admission and has given and not withdrawn its consent to the inclusion in this Document of its name and references to it in the form and context in which they appear. Hybridan LLP's registered office address is 2 Jardine House, The Harrovian Business Village, Bessborough Road, Harrow, Middlesex, HA1 3EX.

16.6 Haysmacintyre LLP has given and not withdrawn its consent to the inclusion in this Document of its reports in Part III(A), Part IV(A) and Part V and has authorised the contents of the reports for the purposes of 5.3.2(R)(2)(f) of the Prospectus Regulation. Haysmacintyre LLP's registered office address is 10 Queens Street Place, London, EC4R 1AG. Haysmacintyre LLP who are also the auditors of the Company, is authorised and regulated by the Institute of Chartered Accountants in England and Wales.

16.7 Knight Frank LLP has given and not withdrawn its consent to the inclusion in this Document of its report Part VI and has authorised the contents of the reports for the purposes of 5.3.2(R)(2)(f) of the Prospectus Regulation. Knight Frank LLP's registered office is 55 Baker Street, London, W1U 8AN and its business address is 11th Floor One Marsden Street, Manchester, M2 1HW. Their qualifications are set out on page 87.

16.8 The expenses of the Admission to Official List are estimated at £306,250, excluding VAT and are payable by the Company.

16.9 Copies of this Document and the following documents: the memorandum and articles of association of the Company, all reports, letters and other documents referred to in this Document will be available free of charge from the registered office of the Company during normal office hours, Saturday and Sundays excepted, for 14 days following the admission of the Ordinary Shares to trading on the Official List and will also be available for inspection on the Company's website www.one-heritageplc.com/.

Dated 18 December 2020

PART IX

NOTICE TO INVESTORS

The distribution of this Document and the Subscription may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129. The FCA only approves this Document as meeting to the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Document. Such approval should not be considered as an endorsement of the issuer that is the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

For the attention of all Investors

The Ordinary Shares are only suitable for acquisition by a person who: (a) has a significantly substantial asset base such that would enable the person to sustain any loss that might be incurred as a result of acquiring the Ordinary Shares; and (b) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the Ordinary Shares.

For the Attention of European Economic Area Investors

In relation to each member state of the European Economic Area (each, a "**Relevant Member State**"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Regulation Rules. For the other Relevant Member States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Regulation Rules:

- solely to qualified investors as defined under the Prospectus Regulation Rules;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation Rules) in such Relevant Member State; or
- in any other circumstances falling described in Rule 1.2.3 of the Prospectus Regulation Rules, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Rule 1.2.1 of the Prospectus Regulation Rules.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression "Prospectus Regulation" means Regulation EU 2017/1129 (and any amendments thereto, and includes any relevant implementing measure such as Commission Delegated Regulation (EU) 2019/980 of 14 March 2019

This Document may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions.

For the Attention of UK Investors

This Document has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129. The FCA only approves this Document as meeting to the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Document. Such approval should not be considered as an endorsement of the issuer that is the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

PART X

DEFINITIONS

"**Act**" or "**Companies Act**"	the Companies Act 2006 (as amended);
"**Admission**"	the admission of the Ordinary Shares to trading on the Main Market becoming effective;
"**Articles**" or "**Articles of Association**"	the articles of association of the Company;
"**Board**" or "**Directors**"	the directors of the Company, being Jason David Upton (Chief Executive Officer), Yiu Tak (Peter) Cheung, David Stewart Izett and Jeffrey Ian Pym (and each a "**Director**");
"**Company**" or "**One Heritage Group**"	One Heritage Group plc incorporated with number 12757649;
"**Company Financial Information**"	the audited historical financial information of the Company for the period from incorporation on 21 July 2020 to 31 March 2020;
"**Control**"	an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company irrespective of whether such interest or interests give de facto control;
"**QCA Corporate Governance Code**"	the "Quoted Companies Alliance Corporate Governance Code" (the latest edition of which was published in April 2018) published by the Quoted Companies Alliance as amended from time to time is tailored to small and mid-size companies wishing to follow good governance practices;
"**Directors' Letters of Appointment**"	the letters of appointment for each of the Directors, details of which are set out in Part VIII of this Document;
"**Document**" or "**Prospectus**"	means this prospectus;
"**EEA**"	The European Economic Area;
"**Enlarged Group**"	One Heritage Group Plc and the Trading Group;
"**Enlarged Share Capital**"	the issued share capital of the Company following the Subscription;
"**Existing Ordinary Shares**"	the 20,700,000 Ordinary Shares in issue immediately preceding the Subscription;
"**FCA**"	the UK Financial Conduct Authority;
"**Financial Year**"	the financial period from incorporation to 30 June 2021 and the year to 30 June in the following periods.
"**FSMA**"	the Financial Services and Markets Act 2000 (as amended);
"**Fully Diluted Enlarged Share Capital**"	the issued share capital of the Company following the exercise of the Hybridan Warrants;
"**Group**"	the Company and its subsidiaries from time to time;
"**Hybridan**"	Hybridan LLP a company registered under company number OC325178 whose registered office is at 2 Jardine House, The

	Harrovian Business Village, Bessborough Road, Harrow, Middlesex, HA1 3EX and whose business is that of corporate broking and corporate finance services;
"**Hybridan Warrants**"	the 600,000 warrants to subscribe for Ordinary Shares granted to Hybridan as more particularly described on page 10 of this Document;
"**Listing Rules**"	the Listing Rules made by the FCA under Part VI of the FSMA;
"**London Stock Exchange**" or "**LSE**"	London Stock Exchange plc;
"**Main Market**"	the regulated market of the London Stock Exchange for officially listed securities;
"**MAR**"	Market Abuse Regulation (Regulation 596/2014);
"**Net Proceeds**"	the funds received in relation to the Subscription prior to the date hereof less any expenses paid or payable in connection with Admission and the Subscription;
"**New Ordinary Shares**"	the 9,300,000 new Ordinary Shares to be allotted and issued pursuant to the Subscription;
"**Official List**"	the Official List of the FCA;
"**OHHK**"	One Heritage Group Holding Limited (registered in Hong Kong) and its subsidiaries from time to time, that form part of the global One Heritage group of companies;
"**Ordinary Shares**"	ordinary shares of 1p each in the Company, including the Subscription Shares;
"**Placing Letters**"	the placing letters from Hybridan to potential investors dated on or around 7 December 2020 inviting irrevocable conditional applications for subscription for Ordinary Shares;
"**Premium Listing**"	a premium listing under Chapter 6 of the Listing Rules;
"**Prospectus Regulation**"	Regulation (EU 2017/1119) of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market;
"**Prospectus Regulation Rules**"	the Prospectus Regulation Rules issued by the FCA and made under Part VI of FSMA and pursuant to the Prospectus Regulation;
"**Registrar**"	Neville Registrars Limited a company registered under company number 04770411 whose registered office is at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD whose business is that of registration services;
"**RIS**"	a Regulatory Information Service;
"**Shareholders**" or "**Existing Shareholders**"	holders of Ordinary Shares from time to time, each individually being a ("**Shareholder**");
"**Standard Listing**"	a Standard Listing under Chapter 14 of the Listing Rules;

"**Subscribers**"	those persons who have signed Subscription Letters or Placing Letters and are subscribing for Subscription Shares;
"**Subscription**"	the placing and subscription of 9,300,000 New Ordinary Shares pursuant to the Placing Letters and Subscriber Letters and conditional on Admission occurring on or before 31 December 2020 (or such later date as the Company and Hybridan may agree);
"**Subscription Letters**"	the subscription letters from the Company to potential investors dated September 2020 inviting irrevocable conditional applications for subscription for Ordinary Shares;
"**Subscription Price**"	10p per Ordinary Share;
"**Subscription Shares**"	the 9,300,000 New Ordinary Shares in the capital of the Company which have been issued, subject to Admission, and allotted to the Subscribers, pursuant to the Subscription;
"**Trading Group**"	One Heritage Property Development (UK) Limited and its subsidiaries.

Perivan 260310