

For general release

REPORT TO:	<i>Scrutiny and Overview Committee 4 September 2018</i>
SUBJECT:	<i>Update on Financial Strategy 2018/22 – Asset Investment</i>
LEAD OFFICER:	<i>Richard Simpson, Executive Director Resources and s151 Officer</i>
CABINET MEMBER:	<i>Councillor Simon Hall Cabinet Member for Finance and Resources</i>
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	<i>Richard Simpson, Executive Director Resources and s151 Officer</i>

ORIGIN OF ITEM:	To follow up on the paper that came to July Scrutiny on the new Financial strategy.
BRIEF FOR THE COMMITTEE:	To provide the Committee with more detail on the approach to asset investment and the criteria for making decisions about investment.

1. EXECUTIVE SUMMARY

- 1.1 The Financial Strategy will be presented to Cabinet on 24th September and will set out an estimate of the Council's income and expenditure over the next four years based on a best estimate. It will also set out the key strategies and approach to ensuring we have a balanced budget over the medium term. Included in the strategy is an approach to asset investment to deliver income to the Council to protect front line services. This builds on the priority in the previous Asset Strategy.
- 1.2 The proposal is for a 5 year strategy to reflect the Council's aspiration to secure medium to long term revenue returns from sound property investment within the Borough. It is important to acknowledge that in order to maximise the benefits from property investments, the assets need to be held for a longer period due to the acquisition and disposal costs and the short term fluctuations in capital values. However, if chosen carefully the revenue returns should be consistent and less prone to fluctuation due to the protection within the lease agreements.
- 1.3 In order to compete in what has become a very competitive market it is essential that the Council has a very streamline decision making process so that both the pre-purchase process and the commitment to purchase can be worked through in a systematic and swift manner.

2.1 PURPOSE

2.1 The draft strategy is attached as Appendix A and comments from the Committee are sought in advance of sign off at Cabinet.

Appendices

Appendix 1 - Draft Asset Investment Strategy

CONTACT OFFICER: Steve Wingrave Head of Assets and Estate Management

DRAFT – Asset Investment Strategy

Introduction

Local authorities are under unprecedented pressure to reduce expenditure whilst improving services for an ever growing and demanding population. Property acquisitions for long term investment is a recognised strategy for generating long term revenue income to support front line services and the Council's operation.

As part of the Financial Strategy in September, Asset Investment will be identified as one of the key strategies for ensuring that the Council has a clear strategy for managing its budget over the next four years.

Background

Historically the Council has not actively pursued the acquisition of properties purely for investment return purposes. Acquisitions have been made of properties for other reasons that have subsequently been managed and transformed into investments that are providing a good return. An example of this would be Davis House

The existing Asset Management Plan makes reference to investment assets and the need to review and develop a more formal policy and the current Asset Strategy emphasises the need to increase income through better use of the property portfolio as a key financial objective.

However, it is recognised that a more formal approach specifically relating to the acquisition of commercial property assets for investment purposes is required to ensure decisions are made in a clear and transparent way.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has recognised that commercial investment is an option for local authorities for future financial sustainability. The Prudential Code was developed as a professional code of practice to support local strategic planning, asset management planning and option appraisal for local authorities when developing their programmes for capital investment in fixed assets. These help local authorities to demonstrate that they are acting responsibly. Reference has also been made to feedback that CIPFA have given to council's with existing property investment strategies so that areas of good practice can be included within the proposed strategy

A market appraisal report from CBRE has been commissioned to inform the investment strategy and to assist the Council with developing a medium term plan and portfolio mix to generate the most beneficial outcome from investment.

Section 120 of the Local Government Act 1972 gives the Council the power to acquire property by agreement for the purpose of any of its functions or for the benefit, improvement or development of the borough.

The Council also has the power to invest for the purpose of the prudent management of its financial affairs under section 12 of the Local Government Act 2003.

Section 1 of the Localism Act 2011, enables a local authority to do anything that an individual generally may do (subject to prohibitions, restrictions and limitations in existing statute which are not applicable in the circumstances set out in this report) The provisions also enables the authority to exercise the power anywhere in the United Kingdom for commercial purposes. This would therefore enable the Council to acquire assets outside of the Borough if it wanted to.

Current Position

Although the Council currently generates income in excess of £4m pa this is largely derived through the letting of two key assets, Bernard Weatherill House (BWH) and Davis House together with a number of smaller community assets. With the exception of BWH most of the properties are now ageing, are management intensive and are likely to require capital investment in the medium term to maintain income streams

Governance and Delegation

The acquisition of property is not new to the Council, but the existing governance arrangements need to be streamlined for purchases in what is a very competitive and commercial fast moving market. This will necessitate the extension of existing delegated authorities in order to allow decisions to be made within commercial timescales.

A typical timetable for the purchase of commercial investments would be a two or three week marketing period followed by a further week for the submission of bids and then a 3-4 week period for due diligence investigations by the buyers solicitors prior to exchange of unconditional contracts. Completion may be simultaneous or within 2-4 weeks of exchange.

All acquisition proposals will be channelled through the Head of Asset Management and Estates who will then prepare an initial investment report where the opportunity is considered to align with the Council's policy. This will be considered by an officer panel before with any final decision being made by the Cabinet Member for Finance and Resources in consultation with the Leader of the Council.

Each investment will be appraised against a clear and transparent set of criteria by the Head of Asset Management. The criteria will test the rationale for making the acquisition and ensure that the proposed return is realistic and achievable.

Property Acquisitions Criteria

The objectives of the Asset Investment Strategy are to: -

1. Acquire properties that provide a medium to long term investment return in accordance with the Council criteria
2. Reduce risk by building a diverse and balanced property portfolio
3. Support regeneration where appropriate
4. Protect capital invested in properties through proactive asset management

The primary focus will be to acquire investments within borough. Acquisitions will generally be made on the basis that they present a strong long-term income stream. However, acquisitions may be made on the basis that they provide a strategic benefit or support regeneration.

When assessing investments, the Council will carefully consider the activities that are undertaken within the property or portfolio as part of the overall appraisal and specifically consider the following activities: -

- Alcohol and / or tobacco production or sale
- Gambling establishments, including betting shops and casino's
- Pornography or adult entertainment
- Fast food establishments (where these are the sole tenant but may be acceptable as part of a wider portfolio mix)
- Any form exploitation or environmentally damaging operations

The existence of these activities within an investment will not preclude the Council from pursuing the acquisition if they form a small part of a wider portfolio, such as a single shop within a parade or centre.

The Council will aim to build a diverse property portfolio across a range of property types and locations to ensure that risk is balanced against yield and that the Council is not over exposed to one property type or location. The primary focus will be to acquire properties within borough, however out of borough properties will be considered and evaluated on a case by case basis.

Investment opportunities will be assessed and considered against the following criteria: -

1. Location
2. Covenant strength
3. Property Tenure
4. Occupiers Lease length
5. Lease terms including Repairing obligation
6. Existing condition
7. Lot size
8. Net yield (Property and against borrowing)
9. Occupiers activities
10. Portfolio "fit"

Each investment opportunity will be considered against **all** the criteria by the Head of Asset Management and a recommendation made on the viability and opportunity. All reviews will be recorded using an agreed template and held for future reference and audit.

Assessment - Location

The location of each investment is an important factor in understanding its present and future performance. The advantage of sourcing properties within borough is that officers have a detailed knowledge and understanding of the location and future and factors that may affect property within that location. Specific areas will be assessed based on the property type and factors that are likely to affect that property type.

Criteria	Excellent	Good	Fair	Marginal
Location	Croydon Prime	Prime locations in District Centres	Croydon Tertiary	Out of Borough where this supports key Council Objectives
Example	Prime industrial estates, East Croydon offices	Town Centre locations or strategic industrial locations in District Centres	Secondary retail parades, offices near transport hubs or major regeneration sites	Good Secondary locations likely to support Education or Adult services

Assessment – Covenant Strength

The strength of an organisation’s financial standing is the “covenant strength” and effectively is the ability and probability of the organisation being able to pay the demanded rent to the landlord. A long-established Plc or Ltd company with large cash reserves and strong cash flow would be considered an excellent covenant, whereas a new limited company with limited or no cash reserves would be considered a very weak covenant. Full consideration will be given to the payment history of the tenant to establish whether there are any know issues regarding delays/non-payment of rent

Criteria	Excellent	Good	Fair	Marginal
Covenant	Single tenant with strong financial status	Single tenant with good financial status or multiple tenants with strong financial status	Multiple tenants with good financial status	Any tenants with average or weak financial status
Example	Large, strong Plc or Ltd company with	Large, strong Plc or Ltd with excellent	Multiple tenants (Plc or Ltd) with	Secondary retail parades in adjoining

	outstanding financial status	financial status or multiple tenants (Plc or Ltd) with outstanding financial status	outstanding financial status	boroughs, offices near transport links
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Assessment – Property Tenure

Property tenure is extremely important assessment when considering investments. The majority of investment purchases should be unencumbered registered freehold titles providing the Council with ultimate control, however long leaseholds should be considered where the head lease does not have onerous terms and covenant is considered to be strong. All freeholder covenants and clauses together with the occupational lease will be carefully considered by a legal expert before deciding to pursue an acquisition.

Criteria	Excellent	Good	Fair	Marginal
Tenure	Freehold	Leasehold in excess 125 years	Leasehold in excess of 75 years	Leasehold in excess of 50 years
Example	Freehold without any onerous conditions/restrictions	Long lease with limited landlord covenants	Medium term leasehold, would need to consider market for resale and cost of extension	Short term, serious consideration to cost of extension and covenants

Assessment – Occupiers Lease length

The length of lease needs to be considered within the assessment of the investment to determine the likelihood of any break or lease renewal. The lease length is critical in determining the income stream. However, where there is an established tenant who is trading well and showing strong profits, a shorter remaining lease term may be acceptable.

Criteria	Excellent	Good	Fair	Marginal
Lease length	20 Years +	15 Years + or shorter if under rented and offering regear opportunities	10 Years +	5 Years +
Example	Longer term income stream creating very	Medium term income stream providing good security of	Medium term security providing fair security of income. Any	Short term investment, weak security of income. Serious

	good security of income. Any breaks should be considered.	income. Any breaks should be considered.	breaks should be considered.	consideration of lettable should tenant not renew
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Assessment – Lease Terms including Repairing Obligation

Repairing obligations within a lease will assist with understanding the likely cost impact of acquiring the investment. Onerous repairing obligations for the landlord can be both costly in financial terms but also resource intensive for any staff or managing agent that is responsible for day to day operational matters.

Criteria	Excellent	Good	Fair	Marginal
Repairing Obligation	FRI (Full repairing & Insuring	Internal Repairing and Insuring	Internal Repairing and Insuring – fully or partially recoverable	Landlord responsible for all repairs
Example	Tenant responsible for everything, best option for landlord.	Landlord responsible for external and structure only with full recovery through service charge	Lease will specify landlord and tenant responsibility and some or all charges may be recoverable or subject to cap	Landlord responsible for everything and therefore costs likely to be high and property difficult to manage.

Assessment – Existing Condition

New or recently fully refurbished buildings will have a premium attached to their purchase, however they are less likely to suffer major maintenance issues and are potentially more marketable to potential tenants. Conversely, properties that require major refurbishment or plant replacement can be attractive as long-term investments properties.

Criteria	Excellent	Good	Fair	Marginal
Existing Condition	New build or recent refurbishment including all major M&E	Recent fabric refurbishment or new plant installation	Plant and major structural elements less than 15 years old	Plant and major structural elements more than 15 years old or requiring major refurbishment / replacement
Example	New construction or entire property refurbished	Major structural replacements and fabric refurbishment or full new	Major structure elements and plant is in good working condition and has been	Landlord responsible for everything and therefore costs likely to be high

	including replacement plant	plant installation and upgrade	regularly maintained	and property difficult to manage.
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Assessment – Lot Size

A strong portfolio will have a good mix of lot sizes and risk will be spread across the portfolio to ensure that the Council is not over exposed to lots of small lots or one or two very large lots.

Criteria	Excellent	Good	Fair	Marginal
Lot Size	£10m-£20m	£5m-£10m & £20m - £30m	£30m + Under £2m-£5m	Under £2m
Example	A reasonable number of medium size lots present low risk within good size portfolio	One large or a few smaller purchases would present low to medium risk within portfolio	One very large or several smaller lots would present medium risk and management strain to portfolio	Lots of small purchasers would present major resource requirement for managing

Assessment – Net Yield

Consideration to the property yield is a key factor in considering investment assets and should be considered on two basis:

Looking at the net property yield (i.e. the acquisition costs including Stamp Duty, agents fees, legal acquisition advice) and of more importance to the Council the return on the cost of borrowing to acquire the asset including acquisition costs (i.e. the difference between the cost of borrowing and income received). Consideration should be given to both elements.

Criteria	Excellent	Good	Fair	Marginal
Net property Yield	5.0 – 6.5%	4.99- 4.25%	4.25% –4.0% or above 6.5%	Less than 4.0% or over 8%
Net return on borrowing	2.5% and above	2.0 -2.49%	1.5-1.99%	Less than 1.5%

Assessment – Occupiers Activities

As a public body the Council is committed to certain ethical standards and therefore the activities that take place in any property owned by the Council will need to be carefully considered from both a reputational perspective and ethical perspective. Whilst the Council cannot necessarily influence what its residents do, eat or how they spend their money the Council as a landlord can be seen to promote

businesses that maybe don't support activities that are in conflict with Council campaigns.

Assessment – Portfolio “Fit”

The Council will build a mixed and balanced property portfolio. Target property types will be developed to ensure that the Council is not over exposed to any one group.

Criteria	Excellent	Good	Fair	Marginal
Portfolio Fit – Property Type	Meets target property type	Acquisition would exceed target property type	Acquisition would majorly exceed target property type	Does not meet any of target group
Example	Target property type is 40% and acquisition would bring portfolio to within 5% of target	Target property type is 40% and acquisition would exceed portfolio target by 10%	Target property type is 40% and acquisition would exceed portfolio type by 25% of target	Property type does not fit target groups

Full Risk & Return Assessment Matrix

Criteria	Excellent	Good	Fair	Marginal
Location	Prime Croydon	Good Secondary Croydon (major district centres)	Secondary district centres	Tertiary/out of borough
Covenant	Single tenant Strong Financial strength	Single Tenant Good Financial Covenant	Multiple tenants Strong Covenant strength	Multiple tenants Good Covenant strength
Lot Size	£5-12m	£12-20m	£20m+	£1-5m
Lease length	15 years plus	10-15 years	5-10 years	Less than 5 years
Tenure	Freehold	Long Leasehold 125 years plus	Leasehold 75-125 years	Leasehold less than 75 years
Repairs	FRI	Internal repairing but 100% recovery	Internal repairing partial recovery/capped service charge	Internal repairs no fix recovery

Condition	New build or recent refurbishment including all major M&E	Recent fabric refurbishment or new plant installation	Plant and major structural elements less than 15 years old	Plant and major structural elements more than 15 years old or requiring major refurbishment / replacement
Redevelopment Potential	Prime site in Opportunity area	Prime site	Good location (non-industrial area)	Secondary location
Portfolio Fit	Meets Target property type	Acquisition would exceed target mix	Acquisition would majorly exceed target mix	Does not meet any of target group
Yields: net property yield Net return on borrowing	5.0 – 6.5% 2.5% and above	4.99- 4.25% 2.0 -2.49%	4.25% –4.0% or above 6.5% 1.5-1.99%	Less than 4.0% or over 8% Less than 1.5%

1. Target Portfolio

The Council will aim to build and develop a diverse investment portfolio consisting of a mix of property types, lot sizes and yields. The target portfolio will aim to reduce risk and exposure to any single property type and ensure that the council will have the best opportunity to derive a steady income to support service delivery.

The borough is experiencing unrepresented levels of inward investment and this is due to continue over the next decade. Major developments in and around East Croydon and the town centre has included office blocks, residential units and will soon also include a major new retail centre with the Hammerson and West Field development.

To ensure that a balanced investment portfolio is built this strategy sets out a target for each mix by property type, location, lot size and yield.

Property Type

High street and industrial retail units are struggling nationally with multiple closures or rent reductions being negotiated for established brands and companies. As a result, in the change of demand high street retail units are suffering high vacancy levels and long void periods. Within Croydon the major retail led development by Westfield & Hammerson will also have an impact in the town centre. The target for high street type retail units as part of the investment portfolio will be restricted to 10% and will largely be in tertiary / secondary locations where yields will be higher, but risk of business failures higher and weaker covenants will exist.

The target property type is as follows: -

Offices	30%
Industrial	20%
Other *	40%
Retail	10%

*Other will mainly include leisure type facilities e.g. hotels, leisure and food retailers

Location

Prime locations are where businesses want to carry out their activities to maximise efficiency and ultimately profit. In property terms this would generally be interpreted as property in locations that are in demand for that sector and type and traditionally this would be retail units in town centres, offices near major transport hubs and town centre locations and industrial units on estates close to major arterial roads and motorways. Regard will also be had to the location of existing Croydon assets where there is a potential of “added value” from the acquisition of adjoining properties

For the Council’s property investment portfolio, it will be critical to reach a balanced mix of prime property investment which is likely to generate a smaller yield to investing in locations that are likely to be up and coming and see growth and secondary / tertiary areas where housing estates may be located and subject to regeneration. As the property portfolio is being developed for investment the primary objective is income generation and therefore the targets have been set as follows: -

Croydon Prime	70%
Croydon Secondary	25%
Out of Boundary Good Secondary	5%

Lot Size

Lot size refers to the capital acquisition cost of each investment (and subsequent capital value). To ensure that a balanced portfolio is built with an acceptable level of risk it is important to have a target mix of lot sizes. The number of investments (and subsequent number of occupiers) will inform the likely resource requirement and effort required in managing the investment portfolio.

For the Council’s property investment portfolio, a carefully selected range of lot sizes should present a steady income stream with an acceptable level of risk. For example, two or three high value low yield lots will present a steady income stream with moderate resources required to manage the tenants, however if two of the tenants were to vacate or cease trading then the Council would very quickly lose a large income stream. Where consideration is being given to the acquisition of

retail/industrial estates, consideration will be given to the individual tenant lot sizes as this will reduce the risk especially if this represents a mixture of uses.

Yield

Like Lot size and location, a balanced range of investment yields will provide the Council with a steady, consistent and predictable return on investment. High yield volatile investments may provide a good short-term investment opportunity; however, they are likely to present a higher level of risk. Low yield investments will generate smaller returns but are likely to present more secure long-term investment streams. A balance of risk to reward is required and therefore a target of yield spread as follows; -

Yield Category	% of portfolio
Excellent	30%
Good	30%
Fair	30%
Poor	10%

Acquisition Process

The process map below sets out the high-level acquisition process and approval procedure.

- Opportunity Identified
- Fully Appraised against Matrix
- Obtain Valuation report from suitably qualified Chartered Surveyor
- Request copy of latest Fire Risk Assessment and carry out check/challenge process where appropriate
- Carry out initial financial checks against tenant(s)
- Prepare recommendation report
- Signed off by Executive Director and S151 officer and cabinet member for Finance and Resources
- Offer/counter offer
- Heads of Terms agreed
- Instruct Legal Team – Title due diligence, Contract negotiations
- Instruct surveys (Building, M&E, specialist reports) if not available as part of the Sellers pack. Where reliance can be taken from surveys provided, internally check and seek further advice where necessary
- Funds secured through treasury for whole amount including SDLT with timescales
- Register for VAT/ TOGC as required
- Set up management contract if required
- Final searches and completion including registration with Land Registry

Portfolio & Performance Management

The investment portfolio will be subject to separate management requirements from the Council's own property portfolio. The day to day operational management requirements will be outsourced to a third-party specialist that have the expertise and resources to manage tenants. The provision of any service charge regimes will also be outsourced to a specialist due the legal regulation and specialist skills required to maintain a service charge programme. The cost will be market tested periodically and depending on the lease the majority of administrative and insuring can be recovered from tenants.

External repair costs will be separately budgeted for against the commercial rental income and annual liabilities included within any projected income stream for each investment. Major capital investment and refurbishment programmes to address obsolescence will be subject to the Council's standard capital bid procedure whereby a business case setting out the requirement will be required and subject to officer and member review as appropriate and in accordance with the scheme. It is important that these are accounted for separately from BAU property funding due to the legal obligations to the tenants and the need for investment in the properties to maintain their investment potential

In addition to quarterly high level update reports to the Members Asset Group a more detailed Portfolio Performance Reports will be developed annually and issued to the Executive Director Resources and Cabinet Member for Finance and Treasury to review. The report will include the following performance measures: -

1. Total return – net yield plus capital growth of portfolio as a percentage
2. Effective return – income net of borrowing and other costs as a percentage
3. Growth in asset value – percentage increase
4. Income growth – absolute increase in gross income per year (£)
5. Vacancy rate – by floor space, expressed as a percentage of lettable space and by number of vacant units
6. Lost rental income due to voids / vacant units – actual loss of income (£)

The performance report will include a commentary and narrative on property performance and will include separate reports against the target property types and locations. The narrative will include a more general market commentary which will highlight over and under-performing property types and market sectors to help inform the future strategy and support any proposed disposals or acquisitions.

Agenda Item 8

REPORT TO:	SCRUTINY AND OVERVIEW COMMITTEE 4 September 2018
SUBJECT:	CALL IN: Acquisition of the Freehold interest in the Croydon Park Hotel as a commercial investment
LEAD OFFICER:	Stephen Rowan, Head of Democratic Services and Scrutiny
CABINET MEMBERS:	Councillor Simon Hall, Cabinet Member for Finance and Resources

ORIGIN OF ITEM:	This item has been triggered by the call-in of the decision by the Leader on 22 August 2018 on the Acquisition of the Freehold interest in the Croydon Park Hotel by 16 members of the Council.
BRIEF FOR THE COMMITTEE:	To consider and respond to the Call-In in accordance with the procedure set out in the Council's constitution (set out in paragraph 2.3 below).

1. Executive Summary

1.1 The decision taken on the Acquisition of the Freehold interest of the Croydon Park Hotel as a commercial investment by the Leader in the absence of the Cabinet Member for Finance and Resources on 22 August 2018 has been called-in by 16 members of the Council. The decision by the Leader using his power to make Executive Decisions following the 16 July 2018 meeting of the Cabinet.

1.2 Attached to this report are:

- **Appendix A** is the Decision Report
- **Appendix C** is the completed call in form that was received by the Monitoring Officer (signatures have been redacted).
- **Additional Information** requested as part of the Call-In.

In addition a supplementary confidential report is also provided, which includes **Appendix B** the Part B Decision Report and Part B Additional Information.

2. Call-In – Acquisition of the Freehold interest of Croydon Park Hotel as a commercial Investment

2.1 The decision taken by the Leader, that is the subject of this call-in, was as follows:

The Leader **RESOLVED** :

- 1.1 *That the Leader agrees that the Council submit an initial bid and if successful purchases the freehold interest in the Croydon Park Hotel on the terms detailed in the associated Part B report.*
- 1.2 *Agrees that, for the reasons detailed in paragraph 3.10 of the report, the Executive Director (Resources) and s151 Officer be given delegated authority, acting in consultation with the Leader or the Cabinet Member for Finance and Resources, to make any amendments to the terms of the acquisition of the freehold interest considered necessary after the decision has been made.*
- 1.3 *Note that where any significant amendments are made under this delegation, the amended terms for the acquisition of the freehold interest for the Croydon Park Hotel will be published on the Councils' website within 1 month of completion of the completion of the lease.*
- 2.2 The call-in pro-forma is attached at Appendix C. The decision form was received on 30 August 2018 from Councillor Robert Ward and was signed by the following Councillors: Gareth Streeter, Sue Bennett, Mario Creatura, Richard Chatterjee, Jason Cummings, Scott Roche, Michael Neal, Helen Redfern, Stuart Millson, Margaret Bird, Vidhi Mohan, Tim Pollard, Lynne Hale, Hellen Pollard and Yvette Hopley.

The reasons stated for the Call-In are that:

- i) The decision is outside the policy framework;
- ii) The decision is inconsistent with the budget;
- iii) The decision is inconsistent with another council policy; and
- iv) Other:-

“The decision is not open and transparent. There has been no opportunity for questions to be raised by back bench Councillors and the public to verify compliance with policies and the budget, and that the purchase is a sound investment. ”

The outcomes desired from the Call-In are stated as:

“That the decision is delayed until there has been adequate Scrutiny to ensure that the decision is within Policy Framework, consistent with the budget and with other Council policies and is a sound investment of public money.”

The request for additional information to assist the Scrutiny and Overview Committee when considering the referral is:

“Historical transactions related to the site, recent sales or transfers of ownership of the site or the tenants' business, the financial performance of the tenant.

Economic analysis of the Council's bid (structure of bid, borrowing costs, projected returns, risk mitigation measure).

Details of future development options that have been considered.

Assessment of likely competitors for the purchase

Timings of the sales process.”

2.3 Call-In Procedure

The Council's Constitution, Part 4E Scrutiny & Overview Procedure Rule, states:

- “11.08 The referral shall be considered at the next scheduled meeting of the Scrutiny and Overview Committee unless, in the view of the Borough Solicitor, this would cause undue delay. In such cases the Borough Solicitor, will consult with the decision-taker and the Chair of Scrutiny and Overview to agree a date for an additional meeting. The Scrutiny and Overview Committee may only consider a maximum of three referrals at any one meeting.*
- 11.09 At the meeting, the referral will be considered by the Committee which shall determine how much time it will give to the call-in and how the item will be dealt with including whether or not it wishes to review the decision. If having considered the decision there are still concerns about the decision then the Committee may refer it back to the Cabinet for reconsideration, setting out in writing the nature of the concerns. The Cabinet shall then reconsider the decision, amending the decision or not, before making a final decision.*
- 11.10 The Scrutiny and Overview Committee may refer the decision to the Council if it considers that the decision taken by the Leader or Cabinet is outside the Budget and Policy Framework of the Council. The Council may decide to take no further action in which case the decision may be implemented. If the Council objects to Cabinet's decision it can nullify the decision if it is outside the Policy Framework and/or inconsistent with the Budget.*
- 11.11 If the Scrutiny and Overview Committee decides that no further action is necessary then the decision may be implemented.*
- 11.12 If the Council determines that the decision was within the Policy Framework and consistent with the Budget, it will refer any decision to which it objects, together with its views on the decision, to the Cabinet. The Cabinet shall choose whether to either, amend, withdraw or implement the original decision within 10 working days or at the next meeting of the Cabinet after the referral from the Council.*
- 11.13 The responses of the decision-taker and the Council shall be notified to all Members of the Scrutiny and Overview Committee once the Cabinet or Council has considered the matter and made a determination.*
- 11.14 If either the Council or the Scrutiny and Overview Committee fails to meet in accordance with the Council calendar or in accordance with paragraph 11.08 above, then the decision may be implemented on the next working day after the meeting was scheduled or arranged to take place.”*

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APPENDIX A: Decision Report 16 July 2018

APPENDIX C: Call in pro-forma

BACKGROUND DOCUMENTS: None

Part A For General Release

REPORT TO:	Cllr Tony Newman – Leader of the Council
SUBJECT:	Acquisition of the Freehold interest in the Croydon Park Hotel as a commercial investment
LEAD OFFICER:	Richard Simpson Executive Director(Resources) and s151 Officer
CABINET MEMBER:	Cllr Simon Hall Cabinet member for Finance and Resources
WARDS:	Fairfield
<p>Corporate Plan - the proposals presented in this report will help support:</p> <ul style="list-style-type: none"> • Growth – through investment in local business premises and help secure the facility within the borough • Independence – income generated will help support the provision of key services throughout the Borough 	
<p>FINANCIAL IMPACT</p> <p>The purchase of the freehold interest will secure a significant annual rental income for at least 13 years</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.: 2218FR</p> <p>This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the 6th working day after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.'</p>	

The Leader is asked to approve the following recommendations:

1. RECOMMENDATIONS

- 1.1 That the Leader agrees that the Council submit an initial bid and if successful purchases the freehold interest in the Croydon Park Hotel on the terms detailed in the associated Part B report.
- 1.2 Agrees that, for the reasons detailed in paragraph 3.10 of the report, the Executive Director (Resources) and s151 Officer be given delegated authority, acting in consultation with himself or the Cabinet Member for Finance and Resources, to make any amendments to the terms of the acquisition of the freehold interest considered necessary after the decision has been made.
- 1.3 Note that where any significant amendments are made under this delegation, the amended terms for the acquisition of the freehold interest for the Croydon Park Hotel will be published on the Council's website within 1 month of completion of completion of the lease

2. EXECUTIVE SUMMARY

- 2.1 As part of the Council's Financial Strategy which will be presented to Cabinet in September, there will be a proposal that the council have a much more active asset acquisition strategy to help generate income to help delivery the financial strategy of the council..
- 2.2 The proposal is for a strategy to reflect the Council's aspiration to secure medium to long term revenue returns from sound property investment within Borough. It is important to acknowledge that to maximise the benefits from property investments, the assets need to be held for a longer period due to the acquisition and disposal costs and the short term fluctuations in capital values. However, if chosen carefully the revenue returns should be consistent and less prone to fluctuation due to the protection within the lease agreements.
- 2.3 An opportunity has arisen in advance of this which to purchase a significant asset that will deliver a significant secure income over a period of at least 13 years on a key strategic site close to East Croydon Station. This is in line with current guidance in respect of prudential borrowing..

3. DETAIL

- 3.1 The Council is looking at the opportunity that investment in property can provide to help generate a secure revenue stream over the medium to long term and also the acquisition of assets that offer future revenue potential with higher returns and unlock the development of strategic sites.
- 3.2 The Strategy will be included within the Financial Strategy which is due to be submitted to Cabinet in September. To date an outline process has been proposed and provisionally agreed which sets out the process, targets and an assessment matrix. This process will allow the decision making process to be delegated to senior officers and the relevant cabinet member.
- 3.3 The key elements within the matrix will be:
- **Location** – the proposal is to have all investments within borough unless there are exceptional circumstances to justify an out of borough purchase (eg linked to a wider portfolio of assets, supports local employment or business retention) The split between locations is suggested as Prime 65%, Secondary 25%, Out of borough prime/secondary 10%
 - **Covenant Strength** – to secure the required security of revenue it is important to secure grade A covenants. By exception, weaker covenants may be considered if there are refurbishment/redevelopment benefits.
 - **Tenure** – unencumbered freehold or long leasehold titles without any restrictive covenant terms
 - **Lease terms** – ideally 15-20 years on Full Repairing basis in a single occupation to minimise management costs.
 - **Building Age** – new build or have been subject to a comprehensive refurbishment. Older buildings in sound condition, such as Davis House, may also be considered on the right terms

- **Lot size** – This will reflect the quality of the above requirements but a range of values should be considered to help reduce risk and offer some flexibility. Suggested split: £1-5m 20%, £5-12m 35%, £10-20m 25% and £20m+ 20%
- **Net Yields** - These must reflect the total costs including SDLT, Agents fees and legal costs together with the cost of borrowing to give a true return on the investment to the Council
- **Property use** – certain uses will not be considered and it is suggested that these follow the requirements of the pension fund
- **Portfolio mix** – to spread the type of investment so that not all investments are in one market sector (Suggested 35% Offices, 35% industrial, 20% other and 10% retail)

The matrix will have scoring against each of the above and categorise into Excellent, Fair, Good and Marginal investments

- 3.4 The Council have commissioned external advice from CBRE in respect of investment opportunities. This advice has been used together with the experience from other Council's and guidance from CIPFA to help formulate the proposed strategy.
- 3.5 The number of larger scale investment opportunities within the borough are limited with only 3 having come to the market in the last 12 months. Due to the short supply it is essential that the Council have a policy in place which allows a very quick response and the ability to commit to making an offer in a matter of weeks. Investment assets typically sell within 6-8 weeks of first coming to the market.
- 3.6 An opportunity to acquire the freehold interest in the Croydon Park Hotel has come to the market and although prior to the formal strategy being in place it is recommended that the purchase is taken forward as it offers a very good opportunity and is in line with the recommendations within the emerging strategy.
- 3.7 The Hotel was opened in 1984 and provides a large purpose built hotel on a 1.54 acre site. The building has approximately 121,000 sq ft of accommodation split over 5 floors with bedrooms being on first to fifth and the ancillary space on the ground floor with basement parking. The property was previously owned by the Council but sold off in the mid 1990's as part of a larger portfolio sale. It is currently trading as an independent operation and offers:
- 211 bedrooms,
 - a bar,
 - restaurant,
 - 6 meeting/conference rooms
 - Leisure club including pool and squash court
 - 110 car spaces

Two floors of the bedroom accommodation were refurbished 4 years ago and the lobby and restaurant areas have also been refurbished.

- 3.8 The terms of the acquisition are detailed in Part B of this report but offer a significant rental income over the remaining 13 year term of the lease. It is

located close to East Croydon Station and is within the Croydon Opportunity area and therefore any future redevelopment would support high rise developments.

- 3.9 The vendors have provided significant background information and advice on the existing use value and redevelopment values have been obtained by specialist valuers. Further consideration and advice has been obtained in respect of potential redevelopment of the site and this again supports the proposed purchase price.
- 3.10 The Council have been invited to submit an initial bid for the purchase of the property. Depending on the number of bids received a second and final offer will be submitted. If successful the Council will be required to agree heads of terms and complete the purchase in 10-14 days. At this stage it may be necessary to vary the terms agreed to accommodate minor changes to terms and values.
- 3.11 The terms detailed in the Part B report are considered to be competitive. favourably and would offer a sound medium to long term investment

4. CONSULTATION

- 4.1 Consultation regarding general investment strategy and advice has been obtained from CBRE and specialist valuation advice from Copping Joyce.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1. Risks

The principle risk is the commitment of a significant capital sum against the receipt of a rental income stream.

The existing lease has 13 years unexpired and is on a full repairing and insuring basis minimising the risks for the landlord. The lease has been in place since 2006 and the existing owners have confirmed that rent is currently being paid in full and on time. As with any tenancy agreement there is always a risk that the tenant could default but the lease is in a standard form that would allow the landlord to take action should difficulties arise. The lease allow for upward only rent reviews and therefore the current rental level will be guaranteed as the minimum for the remainder of the lease term.

The acquisition cost is classed as capital expenditure. The council has the opportunity in the current market to purchase at relatively low fixed interest rates which limit the revenue cost of the purchase.

The site is also in a prime location being close to the station and therefore offers a good opportunity for future redevelopment and consideration has been given to this option as part of the process.

2 Options

As this is the purchase of a freehold subject to a lease in place there are few options available other than not to purchase the asset. The Seller requires a straightforward clean disposal as is common with investments and therefore there are no alternative options around the purchase. The Council do not have to purchase the asset but opportunities of this type are very limited

3 Future savings/efficiencies

This property will be purchased specifically to generate a net revenue stream after financing costs in the short to medium term.

(Approved by: Richard Simpson, Executive Director Resources and S151 Officer)

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Council Solicitor comments that in agreeing the basis of the acquisition, the Council must be satisfied that it is paying a fair market value for the lease. The best consideration test and requirements are set out in section 123 of the Local Government Act

(Approved by: Sean Murphy, Head of Commercial and Property Law and Deputy Monitoring Officer on behalf of the Director of Law and Monitoring Officer)

7. HUMAN RESOURCES IMPACT

- 7.1 There are no human resources impacts.

8. EQUALITIES IMPACT

- 8.1 An initial equality impact assessment has been undertaken and determined that:
- No major change - the Equality Analysis indicates that the proposal to secure the asset through the purchase of the freehold interest will not have a neutral effect.

9. ENVIRONMENTAL IMPACT

- 9.1 The purchase of the hotel will have no environmental impact. Any future changes to the building or redevelopment will be in line with current legislation.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 The hotel will continue to be managed responsibly and will look to minimise any risks.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

The acquisition of the freehold asset will provide a significant rental income in the medium term and offer possible redevelopment opportunities in the longer term.

12. ALTERNATIVE OPTIONS CONSIDERED

The opportunity to acquire this asset has arisen through the work currently being done by the Assets team to develop an investment strategy and secure future revenue to support the Councils key service and strategy delivery. The only alternative option would be to reject the opportunity on the grounds that it did not represent value for money, was of unsuitable quality or did not meet the proposed investment requirements. The detail provided in the body of the report demonstrates this is not the case,

CONTACT OFFICER: Steve Wingrave Head of Asset Management and Estates ext 61512

BACKGROUND PAPERS: None.

PROFORMA

REFERRAL OF A KEY DECISION TO THE
SCRUTINY AND OVERVIEW COMMITTEE

For the attention of: Victoria Lower, Democratic Services & Scrutiny e-mail
to

Victoria.lower@croydon.gov.uk

Meeting: None

Meeting Date: None

Agenda Item No: None

Reasons for referral:

- i) The decision is outside of the Policy Framework
- ii) The decision is inconsistent with the budget
- iii) The decision is inconsistent with another Council Policy
- iv) Other: Please specify:

The decision is not open and transparent. There has been no opportunity for questions to be raised by back bench Councillors and the public to verify compliance with policies and the budget and that the purchase is a sound investment.

The outcome desired:

That the decision is delayed until there has been adequate scrutiny to ensure that the decision is within Policy Framework, consistent with the budget and with other Council policies and is a sound investment of public money

Information required to assist the Scrutiny and Overview Committee to consider the referral:

Historical transactions related to the site, recent sales or transfers of ownership of the site or the tenants' business, the financial performance of the tenant.

Economic analysis of the Council's bid (structure of bid, borrowing costs, projected returns, risk mitigation measures).

Details of future development options that have been considered.

Assessment of likely competitors for the purchase

Timings of the sales process.

Signed:

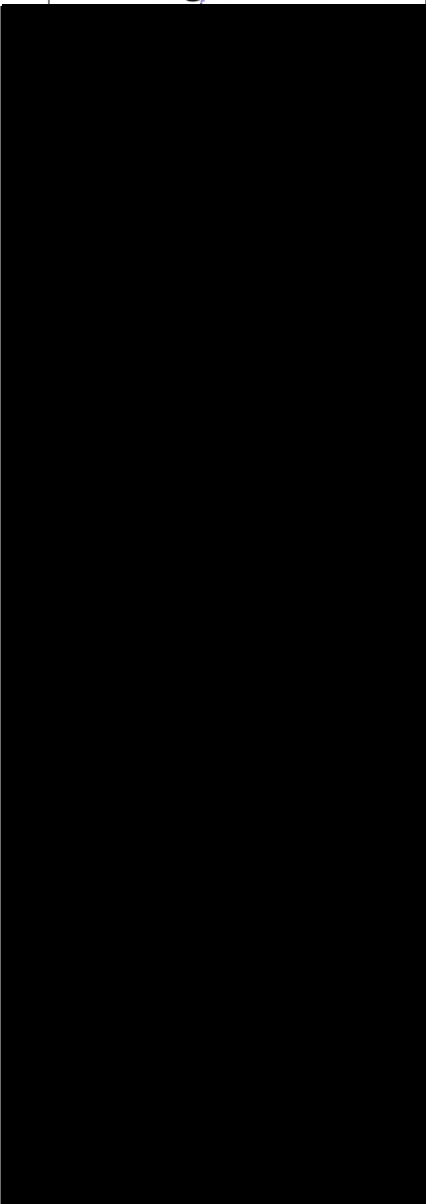


Date: 29th August 2018

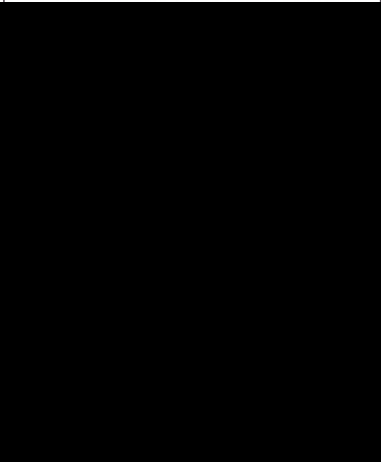
Councillor ROBERT WARD

Member of Scrutiny and Overview Committee

Call in of the decision to acquire the Freehold interest in the Croydon Park Hotel as a commercial investment

Signature	Print Name	Date
	Cllr GARETH B STREETER	23/8/18
	Cllr Sue Bennett	23/8/18
	Cllr MARIO CRAPANZANO	23/8/18
	Cllr RICHARD CUTTRESS	23/8/2018
	Cllr SASHA CUMMINGS	23/8/2018
	Cllr SCOTT ROCHE	23/8/2018
	Cllr Michael Neal	23/8/2018
	Cllr HELEN REDFERN	23/8/2018
	Cllr STUART MILLSON	24/8/2018
	Cllr MARGARET BIRD	24/8/18
	Cllr VIDHI MOHAN	24/8/18

Call in of the decision to acquire the Freehold interest in the Croydon Park Hotel as a commercial investment

Signature	Print Name	Date
	TIN POLLARD	23.8.18
	LYNNE HALE	23.8.18
	HELEN POLLARD	23.8.18
	YVETTE HOPLEY	24.8.18

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ADDITIONAL INFORMATION

1. EXECUTIVE SUMMARY

- 1.1 The original Part A and Part B reports provide the detail on the rationale for the purchase and other key considerations. These are provided alongside these papers. This report is intended to give further details in response to this call in. This purchase provides the Council with an immediate new income stream to help fund front line services. It is in a key strategic location and given the valuations it is at a risk level considered acceptable.
- 1.2 The Council already holds a number of properties that are classified as investment assets that are not utilised as operational or community properties such as Enterprise Close and Davis House. These have been managed to secure revenue for the Council and help contribute towards the Council's financial strategy. The existing Asset Strategy that was approved by Cabinet in 2014 has a key objective in relation to looking at opportunities to generate more income for the Council to support our financial challenges. Further work is underway as part of the new financial strategy and is reported elsewhere on this agenda.

2. *Acquisition of Freehold interest in the Croydon Park Hotel as a commercial investment*

- 2.1 The Part A and B papers provide the detail behind the proposed acquisition and the original reports are included as background papers within the Part A and B sections of this paper as appropriate.
- 2.2 The due diligence undertaken as part of the acquisition process has been detailed and thorough and has allowed due consideration to be given to any risks identified. The site was previously owned by the Council and sold off in 1994 together with other assets. Appendix 1 includes a copy of the Transfer document that included this site along with others. More recently the site was acquired by the current owner in 1999 for a recorded figure of £19.9m although some parts of the original site have subsequently been disposed of. Details of the Freehold and Leasehold registers are included in Appendix 2
- 2.3 Financial account details for the tenant, Kasterlee UK Limited have been obtained from companies House and a copy of these are included in Appendix 3. Although the December 2016 figures demonstrate a loss, further investigation in connection with the rent payment history demonstrates that the tenants have not defaulted in respect of their rent payments over the period for which data has been provided which runs from 2014 and details are included within the Part B report
- 2.4 As part of the due diligence the Council has obtained a valuation report from a consultant who specialises in hotel and leisure valuations (Report contained within Part B), a full title report, building survey and measured survey. In addition as part of the title checks the following reports have also been obtained:
- a. Local search
 - b. Drainage & Water search

- c. Chancel check
 - d. Highways search
 - e. Environmental & Flood Search
 - f. Utilities check
- 2.5 The selling agents dealt with the disposal by way of a bidding process. In order to fully assess the value of the asset to allow the Council to make a competitive bid, valuations were obtained on a number of basis as detailed below and the relevant figures are contained within the Part B report

Existing Use Value

Value with Vacant Possession

Potential Development Value

Existing Rental value

- 2.6 In respect of the potential development value, planning advice was obtained to assess the likely development options. The summary of the advice is detailed below:

“Given that there is an existing hotel on the site and that hotels are considered a growth sector within the Croydon OA, the LPA is likely to support either the modernisation of the existing hotel, or the re-provision of a modern, fit for purpose hotel that makes more effective use of the site.

In addition to supporting hotel growth, the Opportunity Area is also the focus within Croydon for residential and commercial growth and it is likely that other alternative uses (residential/offices) would be acceptable on site, either as a mixed-use development or as a sole use.”

- 2.7 In his report the valuer assumed the basis of redevelopment as a hotel but as part of the process, informal advice was also obtained in connection with residential development options and although very high level, this supported the level of value that was subsequently bid.
- 2.8 In respect of the vacant possession value, the valuer has detailed in his report the evidence relied upon which supports the fact that the current letting is slightly below the current market rent. The Valuer also made enquiries within the hotel industry regarding operators views in respect of Croydon and the response was both positive in respect of the location and operators currently considering Central Croydon as a target location.
- 2.9 As with any competitive bidding situation, the identity of the other bidders has not been identified but enquiries with the selling agents have identified that the initial round of bids attracted 14 compliant offers and the second and final round of bids included 4 parties.

2.10 The sale of investment assets within the market generally have a very tight timeframe from offer to completion. In this case the timescales were as follows:

Opportunity identified	02/7/18
Site inspection	12/7/18
Valuation received	27/7/18
Initial offer	31/7/18
Best and Final Offer	03/8/18
Successful bid confirmed	06/8/18
Proposed completion	TBC

Appendices

Appendix 1 – Transfer document dated 10 May 1994

Appendix 2 – Current Land Registry entries for the Freehold and Leasehold titles

Appendix 3 – Tenants accounts

Appendix 4 – Marketing brochure for Croydon Park hotel

CONTACT OFFICER: Steve Wingrave Head of Assets and Estate Management

**INLAND REVENUE
PRODUCED
- 8 JUN 1994
FINANCE ACT 1931
H 3**

GROUP THREE TRANSFER

COMPOSITE TRANSFER OF

- (1) WHOLE AND PART OF LAND ALREADY REGISTERED AND
- (2) LAND BEING TRANSFERRED UNDER RULE 72

H.M. LAND REGISTRY
LAND REGISTRATION ACTS 1925-1988

THIS TRANSFER is made the 10th day of May 1994

- BETWEEN:
- (1) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF CROYDON of Town Hall Katherine Street Croydon CR9 1XY and
 - (2) CROYDON PROPERTIES LIMITED (registered in England No. 2902133) whose registered office is at 10 Norwich Street London EC4A 1BD

THIS DEED WITNESSES as follows:

1. Definitions and Interpretation

1.1 In this transfer and in any Schedule to it the following words and expressions shall have the following meanings unless the context requires otherwise:

- "Additional Consideration" shall have the meaning ascribed thereto in the Agreement
- "Agreement" the agreement dated 4th May 1994 for the sale and purchase of the Property and other freehold and leasehold properties of the Transferor made between the Transferor (1) Croydon Land Limited (2) Croydon Land (No. 2) Limited (3) Croydon Properties Limited (4) Croydon Properties (No. 2) Limited (5) and

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Croydon Land and Estates Limited (6)

"Schedule"	each schedule to this transfer
"Property"	the registered and unregistered freehold and the registered leasehold property and each and every part thereof brief details of which are set out in each Schedule and which is for the purpose of identification only shown edged red or coloured pink on the relevant Plan
"Code Number"	the code number allocated by the parties for ease of reference to any Property and set out in each Schedule
"Plan"	any plan annexed to this transfer
"Transferor"	the first named party to this transfer
"Transferee"	the second named party to this transfer
"Rights"	the rights if any granted by the Transferor to the Transferee set out in any Schedule
"Reservations"	the rights if any reserved by the Transferor set out in any Schedule
"Covenants"	the covenants if any given by the Transferee to the Transferor or the Transferor to the Transferee as the case may be set out in any Schedule
"Encumbrances"	(1) in relation to land which is registered any covenant obligation restriction or stipulation contained or referred to in the property register

(other than any Restriction) or charges register (other than any charge securing borrowing by the Transferor or any other financial charge) of the title to any Property and (2) in relation to land which is not registered any covenant obligation restriction or stipulation contained or referred to in the deeds and documents (if any) brief particulars of which are set out in any Schedule (other than any charge securing borrowing by the Transferor or any other financial charge) in so far as the same relate to the Property and are still subsisting and capable of taking effect

"Restriction"

any land registry restriction in respect of the disposal of any Property and noted on the property register to the title to any Property

"Landlord's Covenants"

any covenant on the part of the landlord contained in any Lease in so far as the same relate to the Property and are still subsisting and capable of taking effect

"Lease"

any lease of any Property in respect of which the Transferor prior to this transfer is the person entitled to the reversion immediately expectant on the expiry or earlier ending of the term

1.2 In this transfer where the context so admits the singular shall include the plural and vice versa references to any gender shall include the other genders and the expressions "the Transferor" and "the Transferee" shall include their respective successors in title

1.3 The headings in this transfer are for convenience only and shall not affect its interpretation

1.4 Any consideration for this transfer shall be inclusive of any Value Added Tax thereon

1.5 Words and phrases defined in the Agreement shall bear the same meanings when used in this transfer

2. Transfer

2.1 IN consideration of the payment set out and made by the Transferee on the dates referred to below the Transferor as beneficial owner transfers to the Transferee the Property pursuant to S.123 of the Local Government Act 1972 or where appropriate S.32 and S.33 of the Housing Act 1985 or other statutory provision

2.2 The Property is transferred together with the Rights

2.3 The Reservations are excepted and reserved from the transfer of the Property

2.4 The consideration for the Property shall be an apportioned part of the Purchase Price (and for the avoidance of doubt not the whole thereof) as set out in the Agreement and shall be paid on the following dates in the following manner:-

2.4.1 on the date of this transfer an apportioned part of the sum of £58,000,000 (receipt of which the Transferor acknowledges) and

2.4.2 on the expiry of the Realisation Period or other date specified in the Agreement an apportioned part of the Additional Consideration the same being apportioned in the manner set out in the Agreement

3. Encumbrances

The Transferee covenants with the Transferor by way of indemnity only to observe and perform from the date of this transfer the Encumbrances and to indemnify and keep indemnified the Transferor against any action claim loss expense or liability in respect of any non-observance or non-performance which shall occur after the date of this transfer

4. Covenants

The Transferee covenants with the Transferor by way of indemnity only that the Transferee shall at all times hereafter perform and observe the Covenants

5. Landlord's Covenants

5.1 The Transferee covenants with the Transferor by way of indemnity only with effect from the date of this transfer to observe and perform the Landlord's Covenants and to indemnify and keep indemnified the Transferor against any action claim loss expense or liability in respect of non-observance or non-performance which shall occur after the date of this transfer

5.2 The Transferor shall indemnify and keep indemnified the Transferee against any action claim loss expense or liability in respect of any non-observance or non-performance of the Landlord's Covenants which shall have occurred prior to the date of this transfer

6. Options

6.1 The provisions contained in any Schedule under the section headed "Covenants" relating to the option of the Transferor to re-acquire part of a Property for the consideration set out therein shall have effect

6.2 The Transferor and the Transferee hereby apply to the Chief Land Registrar to enter a notice on the relevant charges register in

respect of any option referred to in Clause 6.1 above

7. Observance of leasehold covenants (if any) by Transferee as tenant

During the term created by any registered lease transferred to the Transferee under transfer the Transferee shall pay the rent thereby reserved and perform and observe the covenants conditions and agreements on the part of the tenant contained therein

8. Restrictions

The Transferor hereby declares that this transfer is made in a manner so as to satisfy any Restriction and covenants with the Transferee that it shall produce to H.M. Land Registry evidence in all respects satisfactory to the Registry to this effect

9. Local Authority Duties etc

Nothing contained in this transfer shall be deemed to amend abridge abrogate curtail or affect any of the Transferor's powers rights duties or obligations as a local authority

10. Acknowledgement for Production

To the extent the Transferor retains original title deeds and documents of which the sale of a Property comprises part the Transferor shall produce the same to the Transferee for inspection upon demand and undertakes to keep the same at all times safe and in good condition

11. Declaration

It is hereby agreed and declared that the covenants which are implied by reason of the Council assigning and being expressed to assign as beneficial owner or implied by Section 24(1) (a) of the Land Registration Act 1925 shall not be deemed to imply that the tenant's covenants contained in any registered lease hereby transferred to the

Transferee relating to the repair and decoration of the Property have been observed and performed up to the date hereof

12. Deed

This transfer is intended to be and is delivered as a deed on the date first above written

**Schedules of Properties
in Code Number order**

PROPERTIES OWNED BY CROYDON PROPERTIES LIMITED

<u>CODE NO</u>	<u>PROPERTY</u>
4	115 Brighton Road, Purley
5	115A Brighton Road, Purley
6	115A Brighton Road, Purley
8	Land R/O 28/26A Sanderstead Road, South Croydon (Industrial Letting)
12	2/8 Altyre Road Croydon
13	Coomber Way, Beddington (2 lettings)
25	Beddington Lane, Beddington
46	68/70 Windmill Road, Croydon
47	70 Windmill Road, Croydon
48	80/94 Windmill Road, Croydon
49	7 Imperial Way, Croydon
50	8 Imperial Way, Croydon
51	9 Imperial Way, Croydon
52	10 Imperial Way, Croydon
53	11 Imperial Way, Croydon
54	15 Imperial Way, Croydon
55	Vulcan Way, New Addington (2 lettings)
56	Vulcan Way, New Addington
57	Vulcan Way, New Addington
58	Vulcan Way/King Henry's Drive, New Addington
59	Vulcan Way, New Addington
60	Vulcan Way/King Henry's Drive, New Addington
61	Vulcan Way, New Addington
62	Vulcan Way, New Addington
63	Rutland Works, Vulcan Way, New Addington (2 lettings)
64	St Florians Works King Henry's Drive New Addington
65	King Henry's Drive, New Addington
66	King Henry's Drive, New Addington
67	King Henry's Drive, New Addington
68	King Henry's Drive, New Addington
70	45/49 Union Road, Croydon
74	6 Aurelia Road & r/o 3-17 Brading Rd, Thornton Heath
80	Land 31/35 Osborne Road, Thornton Heath

<u>CODE NO</u>	<u>PROPERTY</u>
81	Tamworth Road, Croydon (2 lettings)
83	Land 62/68 Milton Avenue, Croydon
84	Land 1/19 Milton Avenue, Croydon
118	47/49 Westow Street, Upper Norwood
121	98 High Street, Thornton Heath
122	100 High Street, Thornton Heath
123	102 High Street, Thornton Heath
124	104 High Street, Thornton Heath
125	106 High Street, Thornton Heath
126	25 South End, Croydon
127	27 South End, Croydon
128	29 South End, Croydon
129	31 South End, Croydon
130	33 South End, Croydon
131	35 South End, Croydon
132	37 South End, Croydon
133	39A/41A South End, Croydon
134	39/41 South End, Croydon
135	15/33 High Street, Purley
138	Brigstock Road, Thornton Heath
139	278/312 Old Lodge Lane, Kenley
140	923B Brighton Road, Purley
141	87 Limpsfield Road, Sanderstead
142	Chateau Napoleon, Coombe Road
160	114 Headley Drive, New Addington
161	116 Headley Drive, New Addington
162	118 Headley Drive, New Addington
163	120 Headley Drive, New Addington
164	122 Headley Drive, New Addington
165	117A Headley Drive, New Addington (Doctor's Surgery)
176	23 Broom Road, Shirley (Doctor's Surgery)
187	"The Bunkers Knob" Fieldway, New Addington (Public House)
188	95 Calley Down Crescent, New Addington
189	97 Calley Down Crescent, New Addington
190	99 Calley Down Crescent, New Addington

<u>CODE NO</u>	<u>PROPERTY</u>
191	101 Calley Down Crescent, New Addington
192	103 Calley Down Crescent, New Addington
193	105 Calley Down Crescent, New Addington
194	Croydon Park Hotel, Altyre Road, Croydon
195	12 Altyre Road, Croydon
199	Snooker Hall, Imperial Way, Waddon
206	Adj 84/146 Mayday Road, Thornton Heath
209	Victory Place, Upper Norwood
211	Chipstead Valley Road, Coulsdon
212	89 Waddon Way, Waddon
213	Shaftesbury School, Purley
216	Depot Meadow Stile (Croydon)
219	1A Castle Hill Avenue, New Addington (Doctor's Surgery)
225	Adj 25 Croham Road, South Croydon
237	68 Park Lane, Croydon (2 lettings)
238	70 Park Lane, Croydon
239	72/74 Park Lane, Croydon
240	4/20 Edridge Road, Croydon (Subject to licence to use as car park by Council employees)

SCHEDULE

Code Numbers 4, 5 and 6

County and District : Greater London - Croydon

Title Number : Z347Z

Property : 115 and 115A Brighton Road (as the same was vested in the Transferor pursuant to the provisions of the London Authorities (Property, etc.) Order 1964)

Rights

None.

Reservations

None.

Covenants

1. If at any time within ten (10) years after the date of this Transfer the Council wishes to repurchase the part of the Property hatched black on the Plan attached hereto ("the Option Land") then at the Council's expense the Transferee shall transfer the Option Land to the Council with vacant possession save in respect of any leasehold or other occupational interests existing at that time according to the following procedure and on the following terms:-

- (i) The Council shall serve a written notice on the Transferee stating its wish to repurchase the Option Land
- (ii) No purchase price shall be payable for the Option Land
- (iii) The sale of the Option Land to the Council shall take place within thirty (30) Working Days (as defined in the National

Conditions of Sale 20th Edition) ("the National Conditions") after the Council has served a notice on the Transferee requiring the sale of the Option Land and the National Conditions shall apply to such sale

PROVIDED THAT the Council may not serve the written notice on the Transferee until:-

- (a) it has entered into binding contracts for the acquisition of all leasehold or other occupational interests affecting the Option Land;
- (b) it has resolved to acquire the Option Land for highway improvements and has all necessary authority to proceed with such works; and
- (c) it has all necessary finance available and intends to commence the relevant highway improvements in the immediate future following completion of the acquisition of the Option Land

2. If as a result of the Council exercising its option in respect of the Option Land any existing right of access to or from the Property or any existing rights for services will thereby be affected then in the transfer of the Option Land to the Council the Council shall grant to the Transferee its servants tenants and licensees such satisfactory rights of access to the Property as may be necessary to gain access to and egress from the Property at all times with or without vehicles until such rights of access are available over land adopted for highway purposes and such satisfactory rights for the free flow of water soil or other services as exist at the date of the transfer to or from the remainder of the Property until such rights are available through services adopted for public use

SCHEDULE

Code Number 8

Legal Description of the Property

The freehold land known as land to the rear of 28 and 28A Sanderstead Road shown for the purpose of identification only coloured pink on the Plan (if any) annexed to this Schedule and comprised in a conveyance dated 2nd February 1926 and made between the Guardians of the Poor of the Croydon Union (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2)

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

None.

SCHEDULE

Code Number 12

County and District : Greater London - Croydon

Title Number : SY210096, SY285380, SY218950, SY263292,
SGL137495, SY300728, SY42506

Property : 2-8 Altyre Road

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 13A

Legal Description of the Property

The freehold land known as land at Coomber Way, Beddington shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and comprised in a conveyance dated 30 April 1937 and made between British Portland Cement Manufacturers Limited (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2)

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
30.04.1937	Conveyance	British Portland Cement Manufacturers Limited (1) London Borough of Croydon (2)
14.02.1975	Deed of Variation of Covenants	Associated Portland Cement Manufacturers Limited (1) London Borough of Croydon (2)

SCHEDULE

Code Number 13B

Legal Description of the Property

The freehold land known as land at Coomber Way shown for the purpose of identification only coloured pink on the Plan (if any) annexed to this Schedule and comprised in a conveyance dated 30 April 1937 and made between British Portland Cement Manufacturers Limited (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2)

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
30.04.1937	Conveyance	British Portland Cement Manufacturers Limited (1) London Borough of Croydon (2)
14.02.1975	Deed of Variation of Covenants	Associated Portland Cement Manufacturers Limited (1) London Borough of Croydon (2)

SCHEDULE

Code Number 25

Legal Description of the Property

The freehold land known as 40 Beddington Lane shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and being part of the land comprised in a conveyance dated 15 August 1881 and made between Joseph Henry Shorthouse (1) and The Local Board of Health for the District of Croydon (2).

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
22.02.1983	Deed of Grant	The Transferor (1) South Eastern Electricity Board (2)
22.02.1983	Deed of Grant	The Transferor (1) Central Electricity Generating Board (2)

SCHEDULE

Code Numbers 46 and 47 (part)

County and District : Greater London - Croydon

Title Number : SY36370 (part)

Property : 68 Windmill Road (part only shown
coloured pink on the Plan annexed to
this Schedule)

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such on the Plan annexed to this Schedule and thereon edged blue or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such on the Plan attached to this Schedule and thereon edged blue and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Numbers 46 and 47 (part)

Legal Description of the Property

The freehold land with Buildings situate at and known as 68/70 Windmill Road, Croydon shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and comprised in a Conveyance dated 14 November 1938 and made between Commander V Buckland (1) and the Mayor Aldermen and Burgesses of the Borough of Croydon (2)

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such on the Plan annexed to this Schedule and thereon edged blue or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such on the Plan attached to this Schedule and thereon edged blue and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorized by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

Encumbrances

None.

SCHEDULE

Code Number 48 (part)

County and District : Greater London - Croydon

Title Number : SY38042, SY39878, SY38870 (part)

Property : (i) 82 Windmill Road
(ii) 90 Windmill Road
(iii) Land at the back of 92 and 92A
Windmill Road (part only shown
coloured pink on the Plan annexed
to this Schedule)

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 48 (part)

Legal Description of the Property

The freehold land with Buildings situate at 80, 84, 86, 88, 92 and 94 Windmill Road, Croydon shown for the purpose of identification only coloured pink on the Plan (if any) annexed to this Schedule and comprised in a Conveyance dated 25 January 1937 and made between South Suburban Co-Operative Society (1) and London Borough of Croydon (2), a Conveyance dated 1 May 1937 and made between Mrs L Sayer (1) and London Borough of Croydon (2), a Conveyance dated 14 June 1937 and made between J Milligan (1) and London Borough of Croydon (2) and a Conveyance dated 19 December 1938 and made between C and D Weightman (1) and London Borough of Croydon (2)

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

None.

SCHEDULE

Code Numbers 49, 50, 51, 52, 53 and 54

County and District : Greater London - Croydon and Sutton

Title Number : SGL11341 (part)

Property : Land lying to the west of Purley Way shown separately coloured purple, green, blue, yellow, orange and pink respectively on the Plan annexed to this Schedule

Rights

The free flow of water soil or other services to or from part of the Property known as 7 Imperial Way through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such edged blue on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the part of the Property known as 7 Imperial Way to deal in any manner whatsoever with the land retained by the Transferor and identified as such by blue edging on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times

hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in the part of the Property known as 7 Imperial Way or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Numbers 55, 56, 57, 58, 59, 60,
61, 62, 63, 64, 65, 66, 67 and 68

County and District : Greater London - Croydon
Title Number : SY52142
Property : Land situate at Addington

Rights

No. 57 only

The free flow of water soil or other services to or from that part of the Property identified on the Plan as Parcel No. 57 through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such by blue edging on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof.

Reservations

No. 57 only

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of that part of the Property identified on the Plan as Parcel No. 57 to deal in any manner whatsoever with the land retained by the Transferor and identified as such on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings

whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon.

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in that part of the Property identified on the Plan as Parcel No. 57 or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof.

Covenants

None.

SCHEDULE

Code Number 70

County and District : Greater London - Croydon
Title Number : SY40148
Property : 45, 47 and 49 Union Road

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 74

County and District : Greater London - Croydon

Title Number : SY49467 and SY40561 (part)

Property : Land and buildings on the south east side of Aurelia Road and land lying to the west of Brading Road and south of Lavender Road shown coloured pink on the Plan

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 80

County and District : Greater London - Croydon

Title Number : SY42912

Property : Land on the south west side of Osborne
Road

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 81

Legal Description of the Property

The freehold land known as 59/61 Tamworth Road Croydon shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and comprised in a conveyance dated 24 December 1935 made between Mariette Cleveland Forsyth and others (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2), a conveyance dated 11 November 1936 made between W.S. Hover (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2), a conveyance dated 15 June 1936 made between Amy Drake (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2) and a conveyance dated 15 June 1936 made between Ada Elizabeth Buckfield and Amy Drake (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2).

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

None.

SCHEDULE

Code Number 83

County and District : Greater London - Croydon
Title Number : SY55337, SY55750, SY55664 and SY57380
Property : 4 to 26 (even) and part 28 Milton Avenue

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 84

County and District : Greater London - Croydon
Title Number : SY57764
Property : 1 to 17 (odd) and Part 19 Milton Avenue

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 109 (part)

County and District : Greater London - Croydon
Title Number : SY41931
Property : Land at corner of Crown Hill and North
End

Rights


None.

Reservations

None.

Covenants

None.

Handwritten signature or initials in cursive script, possibly reading 'A. J. A.' or similar, located in the lower right quadrant of the page.

SCHEDULE

Code Number 118

County and District : Greater London - Croydon

Title Number : SGL154986 (part)

Property : 47 and 49 Westow Street shown coloured
pink on the Plan annexed to this
Schedule

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Numbers 121, 122, 123, 124 and 125

County and District : Greater London - Croydon

Title Number : SY62865 (part)

Property : 96, 98, 100 and 102 and 104 (now known as 98, 100, 102, 104 and 106) High Street, Thornton Heath shown coloured pink on the Plan annexed to this Schedule

Rights

1. The right for the Transferee its successors in title the owners and occupiers for the time being of the Property and all persons authorised by the Transferee or any of them at all times by day and night in common with the Council and others having a like right to pass and repass on foot and by vehicles over and along the access road shown coloured brown on the Plan and to load and unload vehicles thereon and on the adjoining car park provided that such user does not interfere with the free use of the car park by members of the public

2. The right for the Transferee its successors in title the owners and occupiers for the time being of 98 High Street, Thornton Heath during the term created by the Agreement for Lease of 98 High Street dated 29th July 1992 made between the Council (1) and Hussein Alibhai (2) (including any statutory continuation or renewal thereof) to park free of charge one vehicle in the adjoining car park provided that such user does not interfere with the free use of the said car park by members of the public

3. The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such on the Plan annexed to this Schedule or substituted

therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Subject to the rights granted to the Transferee herein full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Numbers 133 and 134

County and District : Greater London - Croydon

Title Number : SY249 (part)

Property : 39-41 and 39A-41A South End together with the roadway to the rear all of which property is shown coloured pink in part hatched black on the Plan annexed to this Schedule

Rights

1. The right at all times with or without vehicles to pass and repass over and along the roadway shown coloured brown on the plan annexed hereto for all purposes in connection with the beneficial use and occupation of the Property

2. The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

The right at all times with or without vehicles to pass and repass over and along the roadway shown coloured pink and hatched black on the Plan annexed hereto in connection with the beneficial use and ownership of the retained land.

SCHEDULE

Code Numbers 135 and 140

County and District : Greater London - Croydon
Title Number : SGL68875 and SGL314133
Property : 15-33 High Street and 923, 923A and
923B Brighton Road, Purley

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 138

County and District : Greater London - Croydon

Title Number : SGL272818

Property : 2 and 6 to 34 Brigstock Road and land on
the south west side of Parchmore Road,
Thornton Heath

Rights

None.

Reservations

None.

Covenants

The Transferee covenants that it will use all reasonable endeavours to enforce Clause 2(38) of the Lease referred to in Entry 8 of the Charges Register of title number SGL272818 (as varied by the Deed referred to in Entry 11 of the Charges Register) for the benefit of the Transferor as lessee pursuant to the underlease dated 23rd September 198⁷ made between Tesco Holdings Limited (1) and The Mayor and Burgesses of the London Borough of Croydon (2) and the Transferor and the Transferee hereby apply to the Chief Land Registrar to enter a restriction on the Proprietorship Register that no further transfers of the property comprised in the title may be made without a deed of covenant being provided to the Council (or its successors in title) for so long as the underlease remains in existence

[Handwritten signature]

SCHEDULE

Code Number 139

County and District : Greater London - Croydon

Title Number : SY45640 (part)

Property : 278/312 Old Lodge Lane, Purley and land
and buildings at Old Lodge Lane, Purley
shown coloured pink on the Plan annexed
to this Schedule

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 141

County and District : Greater London - Croydon

Title Number : SY61832

Property : 87 Limpsfield Road, Sanderstead

Rights

1. A right at all times together with the Transferor and all others having the like right at all times by day or night to pass and repass along over and upon the roadway shown coloured brown on the Plan No. 4310076 attached to this Schedule with or without vehicles of any description for all purposes in connection with the use and enjoyment of the Property subject to a contribution from the Transferee from time to time of a fair proportion according to use of the costs of keeping the roadway in repair cleansed and lighted the proportion in case of difference to be determined by a single arbitrator appointed under the Arbitration Acts 1950-1979

2. The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such and shown edged blue on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner

or owners occupier or occupiers for the time being of the Property subject to the right of way hereinbefore granted to deal in any manner whatsoever with the land retained by the Transferor and identified as such and shown edged blue on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

The Transferor hereby covenants with the Transferee to keep the roadway shown coloured brown on the Plan No. 4310076 annexed to this Schedule in good and substantial repair and condition

SCHEDULE

Code Number 142

County and District : Greater London - Croydon

Title Number : SY53129 (part) and SY63638

Property : Coombe Wood House, Coombe Lane shown
coloured pink on the Plan annexed to
this Schedule

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Numbers 160, 161, 162, 163 and 164

County and District : Greater London - Croydon

Title Number : SGL297569 (part)

Property : 114, 116, 118, 120, 122 Headley Drive,
New Addington shown coloured pink on the
Plans annexed to this Schedule

Rights

1. The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

2. The right to pass and repass with or without vehicles over and along the garage compound and yard at the rear of the Property for the purposes only of making deliveries to or collections from the rear of the Property and of escape in case of emergency.

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or

any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Number 165

County and District : Greater London - Croydon

Title Number : SGL154760 (part)

Property : 117A Headley Drive, New Addington shown
coloured pink on the Plan annexed to
this Schedule

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

Not to use the Property or any part of it except as regards the ground floor of the main building as a doctor's or dentist's surgery, as regards the front floor of the main building as a doctor's, dentist's or staff living accommodation and as regards any other buildings or structures on the Property and any part not built on for purposes ancillary to the aforementioned uses nor allow anyone else to do so provided that this covenant shall be of effect only for so long as there exists no other competing use within the vicinity

SCHEDULE

Code Number 176

County and District : Greater London - Croydon

Title Number : SGL541394 (part)

Property : 23 Broom Road, Shirley shown coloured pink on the Plan annexed to this Schedule

Rights

1. The right for the Transferee its successors in title the owners and occupiers for the time being of the Property and all persons authorised by the Transferee or any of them at all times by day and night in common with the Council and others having a like right (i) to pass and repass on foot and by vehicle over and along the access road shown coloured brown on the Plan leading to and from Lilac Gardens and (ii) to pass and repass on foot only over and along the footpaths shown coloured brown on the Plan leading to and from Broom Road subject to the Transferee contributing a fair and reasonable proportion (according to use) of all payments costs and expenses incurred by or on behalf of the Council in maintaining the said access road and footpath

2. The right for the Transferee its successors in title the owners and occupiers for the time being of the Property in favour of the Property, to lay and thereafter maintain at the Transferee's expense in the approximate positions shown by broken red and blue lines respectively on the plan annexed to the Lease dated 13th March 1962 made between The Mayor Aldermen and Burgesses of the Borough of Croydon and John Charles Roddick (2) surface waste and foul water drains (with necessary manholes thereon as shown on the said plan) to connect with the existing or intended drains owned by the Council and the right to enter upon the Retained Property for the purpose of laying and subsequent maintenance repair renewal and inspection of the said drains the Transferee at its own expense making good to the Council's

reasonable satisfaction any damage or disturbance arising out of the exercise of such rights and paying to the Council on demand from time to time a reasonable proportion of the cost of maintenance of that part of the existing foul water drain belonging to the Council situated between the points marked "M" and "N" in red on the plan annexed to the Lease

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other the owner or owners occupier or occupiers for the time being of the Property subject to the rights herein granted to the Transferee to deal in any manner whatsoever with any of the Retained Property or any land belonging to the Council adjoining opposite or near to the Property and to erect or maintain or suffer to be erected or maintained on such adjoining opposite or neighbouring land any buildings whatsoever whether such buildings shall or shall not affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from any adjoining or neighbouring land of the Council through any drains channels watercourses pipes wires or cables now existing in the Property or substituted therefor by the Transferee and the right for the Council and all others authorised by it (on giving prior written notice except in an emergency) to enter the Property for the maintenance repair renewal or removal thereof the persons exercising such right making good all damage occasioned by the exercise thereof

Covenants

1. To maintain all the boundary fences and gates along the boundaries of the Property (excluding only the northern boundary between the points marked "A" and "F" on the plan annexed to the Lease) in good condition

2. Not to use the Premises or any part of it except as a private dwelling house and dentists' surgery nor allow anyone else to do so provided that this covenant shall be of effect only for so long as there exists no other competing use within the vicinity

SCHEDULE

Code Number 187

County and District : Greater London - Croydon

Title Number : SGL275755 (part)

Property : "The Bunker's Knob" Public House,
Fieldway, New Addington shown coloured
pink on the Plan annexed to this
Schedule

Rights

1. If the road or way hereinafter mentioned is not adopted for the Transferee its tenants servants and licensees in common with the Corporation and all other persons having a like right with or without vehicles at all times for all purposes connected with the use of the Property but not for any other purpose to pass and repass to and from the Property or any part thereof over and along the road or way shown coloured brown on the Plan subject to payment on demand of a fair proportion (to be ascertained by the Council's Borough Engineer for the time being) of the expense of maintaining and keeping the same in repair

2. The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Numbers 188, 189, 190, 191, 192 and 193

County and District : Greater London - Croydon

Title Number : SGL215719 (part)

Property : 95-105 (odd) Calley Down Crescent shown
coloured pink on Plan 1 annexed to this
Schedule

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such and shown hatched black on Plan 2 annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such and shown hatched black on Plan 2 attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Number 194

County and District : Greater London - Croydon

Title Number : SY45867, SY236402, SY237694 and
SGL195614 (part)

Property : Croydon Park Hotel, 7 Altyre Road shown
coloured pink and green on the Plan
annexed to this Schedule

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 195

County and District : Greater London - Croydon

Title Number : SY47391

Property : 12 Altyre Road

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 199

County and District : Greater London - Croydon

Title Number : SGL70205 (part)

Property : Land on the west side of Purley Way
shown coloured pink on Plan 1 annexed to
this Schedule

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such as shown hatched black on Plan 2 on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other the owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such as shown hatched black on Plan 2 on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in the Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferor procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

None.

SCHEDULE

Code Number 206

Legal Description of the Property

The freehold land being land adjoining 84/146 Mayday Road, Croydon shown for the purpose of identification only coloured pink on Plan 1 (if any) annexed to this Schedule and being part of the land comprised in a conveyance dated 4 February 1896 and made between George John Allen (1) and The Guardians of the Poor of the Union of Croydon (2)

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such and shown hatched black on Plan 2 annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof.

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such and shown hatched black on Plan 2 attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon.

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof.

Covenants

None.

Encumbrances

None.

SCHEDULE

Code Number 209

County and District : Greater London - Croydon

Title Number : SY89371, SY39644, SY39765 and SY47518

Property : Land and buildings at Victory Place,
Upper Norwood shown coloured pink on the
Plan annexed to this Schedule together
with such right and title as may exist
to the area shown coloured yellow on the
Plan annexed

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 211

Legal Description of the Property

The freehold land at the junction of Chipstead Valley Road and Lion Green Road, Coulsdon shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and vested in the Transferor by virtue of a scheme made by the Greater London Council and confirmed on 28th March 1969 by the Minutes of Housings and Local Government in exercise of his powers under Article 9(2) of the London Authorities (Property, etc.) Order 1964 and of all other powers enabling him in that behalf.

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
08.08.1878	Conveyance	Joseph Tucker (1) Richard Henry Wyatt (2)
08.08.1878	Covenant	Joseph Tucker (1) Richard Henry Wyatt (2)
13.11.1883	Conveyance	William Thornely and William Arthur Smith (1) Jemima Durning Smith, Edwin Lawrence and Edith Jane (2) Richard Henry Wyatt (3)

<u>Date</u>	<u>Document</u>	<u>Parties</u>
18.05.1967	Deed	Minister of Health (1) Greater London Council (2) Her Majesty's Postmaster General (3)
18.05.1967	Licence	Greater London Council (1) Her Majesty's Postmaster General (2)

SCHEDULE

Code Number 212

Legal Description of the Property

The freehold land known as 89 Waddon Way shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and being part of the land comprised in a conveyance dated 15 January 1931 and made between The Ecclesiastical Commissioners for England (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2)

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such and shown edged blue on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof.

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such and shown edged blue on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon.

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof.

Covenants

None.

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
05.11.1896	Indenture	The Ecclesiastical Commissioners for England (1) The Transferor (2)
09.02.1899	Indenture	The Ecclesiastical Commissioners for England (1) The Transferor (2)
15.01.1931	Conveyance	The Ecclesiastical Commissioners for England (1) The Transferor (2)

SCHEDULE

Code Number 213

Legal Description of the Property

The freehold land known as Shaftesbury School, Godstone Road, Purley shown for the purpose of identification only coloured pink and in part hatched black on the Plan annexed to this Schedule and comprised in a conveyance dated 13 August 1913 and made between Edward Kenneth Wilson and others (1), Montague George Dashwood and another (2) Sir Joseph Lawrence (3) and The County Council of the Administrative Council of Surrey (4) and subject to the right of way contained in a conveyance dated 30th July 1956 made between the County Council of the Administrative County of Surrey (1) and the South Eastern Electricity Board (2)

Rights

None.

Reservations

None.

Covenants

1. If at any time within ten (10) years after the date of this Transfer the Council wishes to repurchase the part of the Property hatched black on the Plan attached hereto ("the Option Land") then at the Council's expense the Transferee shall transfer the Option Land to the Council with vacant possession save in respect of any leasehold or other occupational interests existing at that time according to the following procedure and on the following terms:-

- (i) The Council shall serve a written notice on the Transferee stating its wish to repurchase the Option Land

- (ii) No purchase price shall be payable for the Option Land
- (iii) The sale of the Option Land to the Council shall take place within thirty (30) Working Days (as defined in the National Conditions of Sale 20th Edition) ("the National Conditions") after the Council has served a notice on the Transferee requiring the sale of the Option Land and the National Conditions shall apply to such sale

PROVIDED THAT the Council may not serve the written notice on the Transferee until:-

- (a) it has entered into binding contracts for the acquisition of all leasehold or other occupational interests affecting the Option Land;
- (b) it has resolved to acquire the Option Land for highway improvements and has all necessary authority to proceed with such works; and
- (c) it has all necessary finance available and intends to commence the relevant highway improvements in the immediate future following completion of the acquisition of the Option Land

2. If as a result of the Council exercising its option in respect of the Option Land any existing right of access to or from the Property or any existing rights for services will thereby be affected then in the transfer of the Option Land to the Council the Council shall grant to the Transferee its servants tenants and licensees such satisfactory rights of access to the Property as may be necessary to gain access to and egress from the Property at all times with or without vehicles until such rights of access are available over land adopted for highway purposes and such satisfactory rights for the free flow of water soil or other services as exist at the date of the transfer to or from the remainder of the Property until such rights are available through services adopted for public use

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
13.08.1913	Conveyance	Edward Kenneth Wilson, Edward Arthur Lycett Green and Robert George Vivian Duff (1) Montague George Dashwood and Henry Thomas Alexander Dashwood (2) Sir Joseph Lawrence (3) The County Council of the Administrative County of Surrey (4)
02.11.1950	Conveyance	The County Council of the Administrative County of Surrey (1) The South Eastern Electricity Board (2)
04.12.1954	Conveyance	The County Council of the Administrative County of Surrey (1) Coulston and Purley Urban District Council (2)
30.07.1958	Conveyance	The County Council of the Administrative County of Surrey (1) The South Eastern Electricity Board (2)
12.07.1993	Letter agreeing amended insurance arrangements	Council to Shaftesbury Independent School
29.11.1993	Letter consenting to alterations	Council to Shaftesbury Independent School

SCHEDULE

Code Number 216

County and District : Greater London - Croydon

Title Number : SY1985 (part)

Property : Land fronting Meadow Stile shown
coloured pink on the Plan annexed to
this Schedule

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Number 219

County and District : Greater London - Croydon

Title Number : SGL264073 (part)

Property : 1A Castle Hill Avenue, New Addington
shown coloured pink on the Plan annexed
to this Schedule

Rights

The free flow of water soil or other services to or from the Property through any drains channels watercourses pipes wires or cables now existing in the land to be retained by the Transferor and identified as such on the Plan annexed to this Schedule or substituted therefor by the Transferor and the right for the Transferee and all others authorised by it (on giving reasonable prior written notice except in an emergency) to enter onto the land referred to above for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Reservations

1. Full and free right and liberty without obtaining the consent of or making any compensation to the Transferee or other owner or owners occupier or occupiers for the time being of the Property to deal in any manner whatsoever with the land retained by the Transferor and identified as such on the Plan attached to this Schedule and to erect or maintain or permit to be erected or maintained on that land any buildings whatsoever Provided That such buildings shall not materially affect or diminish the light or air which may now or at any time or times hereafter be enjoyed for or in respect of the Property or any building for the time being thereon

2. The free flow of water soil or other services to or from the land retained by the Transferor referred to above through any drains channels watercourses pipes wires or cables now existing in Property or substituted therefor by the Transferee and the right for the Transferor and all others authorised by it (on giving reasonable prior notice except in an emergency) to enter the Property for the maintenance repair and renewal thereof the Transferee procuring that the persons exercising such right shall make good forthwith all damage occasioned by the exercise thereof

Covenants

1. To erect within 6 months of the date hereof and thereafter to maintain a good and sufficient fence in good repair along the boundaries of the Property marked "T" on the Plan annexed to this Schedule

2. Not to use the Property or any part of it except as (i) a doctor's or dentist's surgery with staff living accommodation or (ii) a private dwellinghouse nor allow anyone else to do so provided that (in relation to use as a doctor's or dentist's surgery with staff living accommodation) this covenant shall be of effect only for so long as there exists no other competing use within the vicinity

SCHEDULE

Code Number 225

Legal Description of the Property

The freehold land known as land at Croham Road shown for the purpose of identification only coloured pink on the Plan annexed to this Schedule and being part of the land comprised in a conveyance dated 2 April 1938 and made between The Southern Railway Company (1) and The Mayor Aldermen and Burgesses of the Borough of Croydon (2) ("the Conveyance")

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

The Conveyance.

SCHEDULE

Code Number 237

County and District : Greater London - Croydon

Title Number : SY44294 and SY174991

Property : 68 Park Lane and roadway at rear leading
to Edridge Road

Rights

None.

Reservations

None.

Covenants

None.

SCHEDULE

Code Numbers 238 and 239

Legal Description of the Property

The freehold land known as 70 to 74 (even) Park Lane Croydon being the property comprised in a Conveyance dated 13th September 1938 made between L S Rogers (1) and the Mayor Aldermen and Burgesses of the London Borough of Croydon (2) and a further conveyance dated 4th October 1938 made between Charles Albert Sedgwick (1) and the Mayor Aldermen and Burgesses of the Borough of Croydon (2)

Rights

None.

Reservations

None.

Covenants

None.

Encumbrances

<u>Date</u>	<u>Document</u>	<u>Parties</u>
08.10.1894	Conveyance	W G Penn (1) H T Mennell and R Ryley (2)
10.12.1894	Conveyance	W G Penn (1) F Hanscomb and W Smith (2)
27.08.1898	Conveyance	C Hussey (1) J M Newnham (2)
21.12.1894	Conveyance	W G Penn (1) J Jones (2)

SCHEDULE

Code Number 240

County and District : Greater London - Croydon

Title Number : SGL160256, SGL312478, SY65245, SY221525,
SGL71830, SGL58002, SGL104573, P16318
and SY45258 together with all the right,
title and interest of the Council in the
land shown coloured black on the Plan
attached

Property : 4, 6, 8, 10, 12, 14, 16, 18 and 20
Edridge Road

Rights

None.

Reservations

None.

Covenants

None.

THE COMMON SEAL of THE MAYOR)
AND BURGESSES OF THE LONDON)
BOROUGH OF CROYDON was)
hereunto affixed in the)
presence of:-)

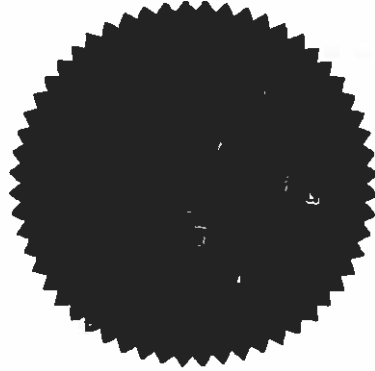


K. M. Harris

Authorised officer

Deal Register No. 30416

THE COMMON SEAL of CROYDON)
PROPERTIES LIMITED was)
hereunto affixed in the)
presence of:-)



C. J. [Signature]

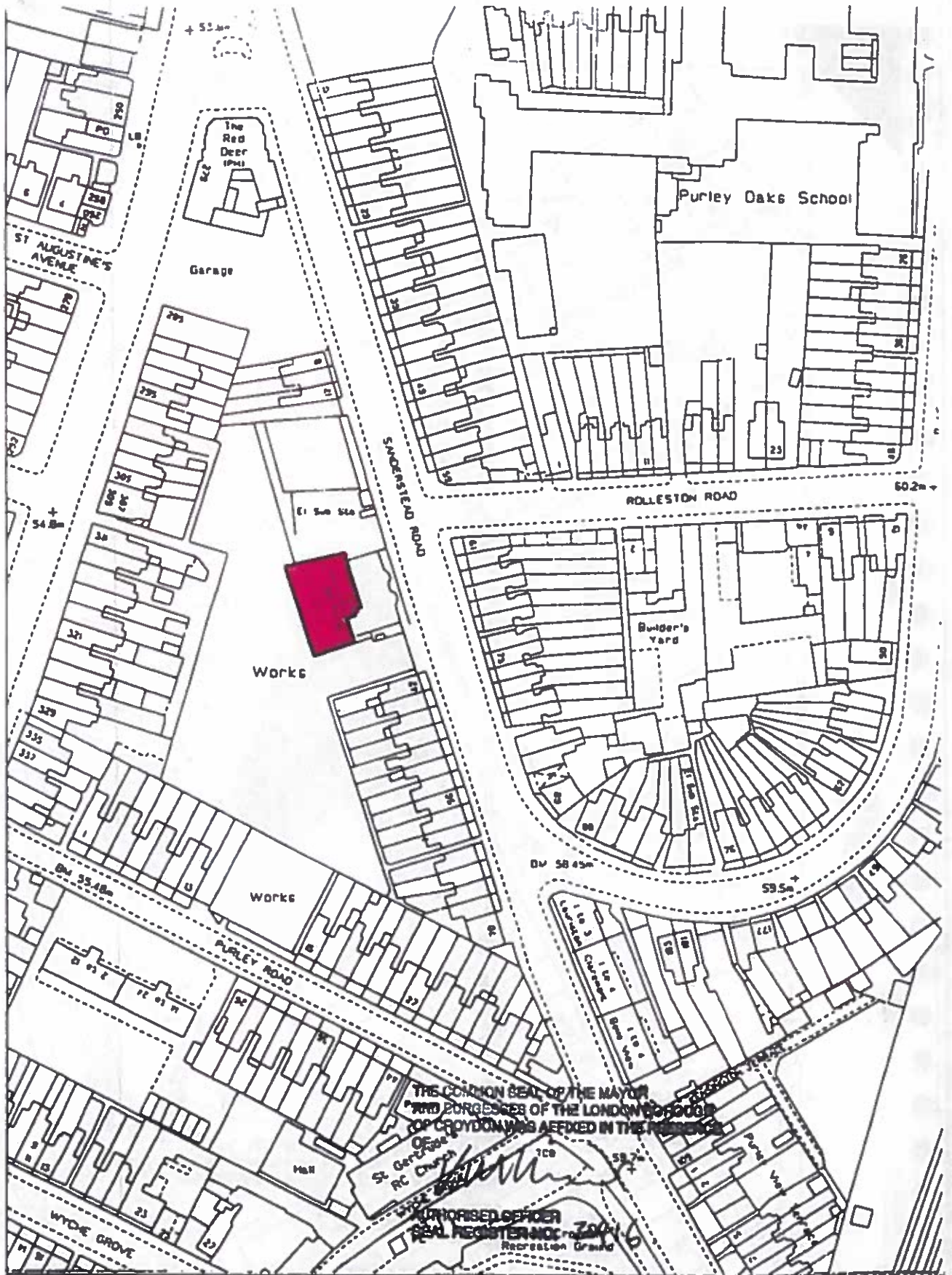
Director

[Signature]

Secretary

[00089842]

8



LONDON BOROUGH OF CROYDON

FOR IDENTIFICATION PURPOSES ONLY

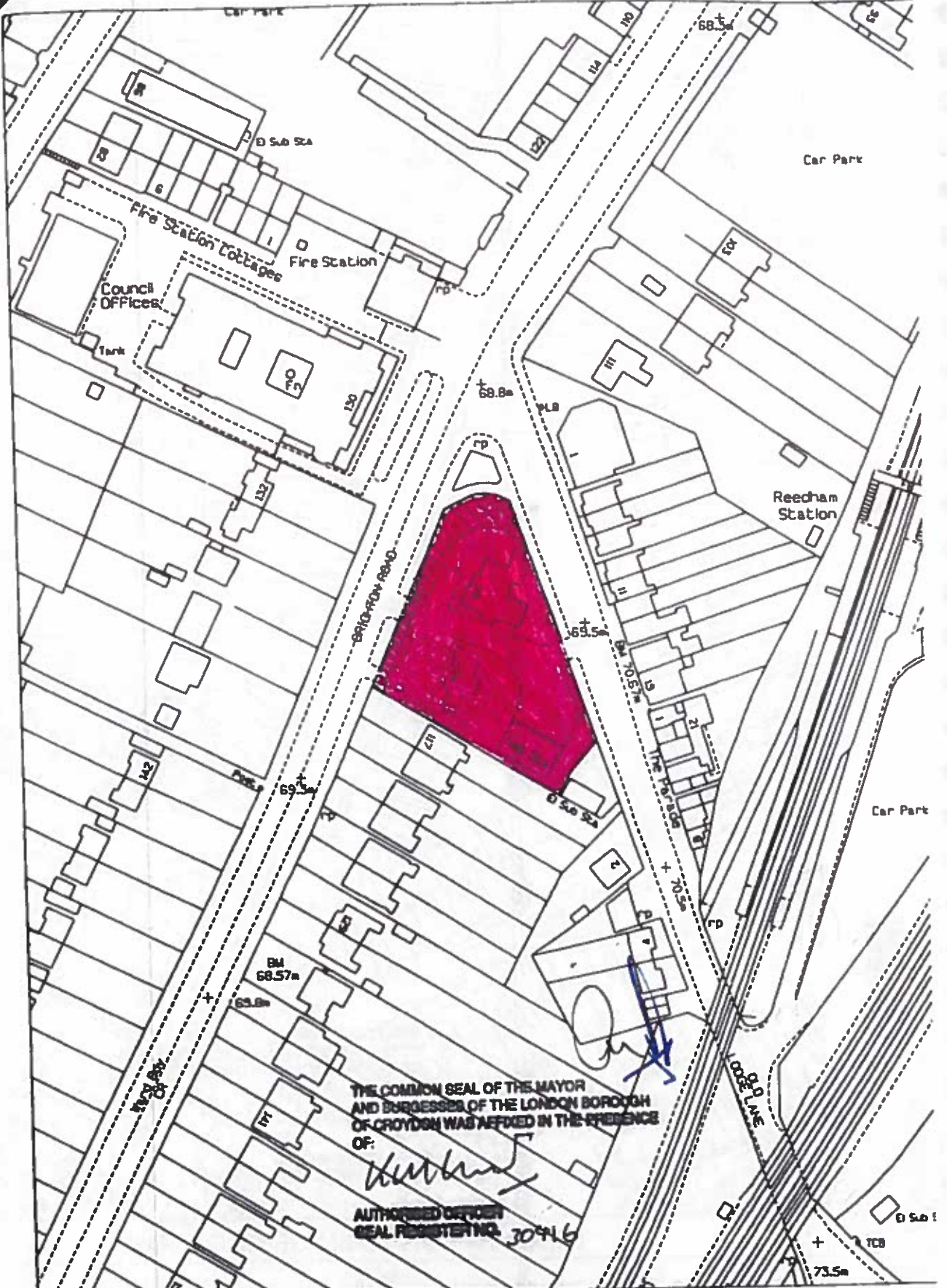


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R M BRAKES, FRICS
 Director of Estates and Valuation



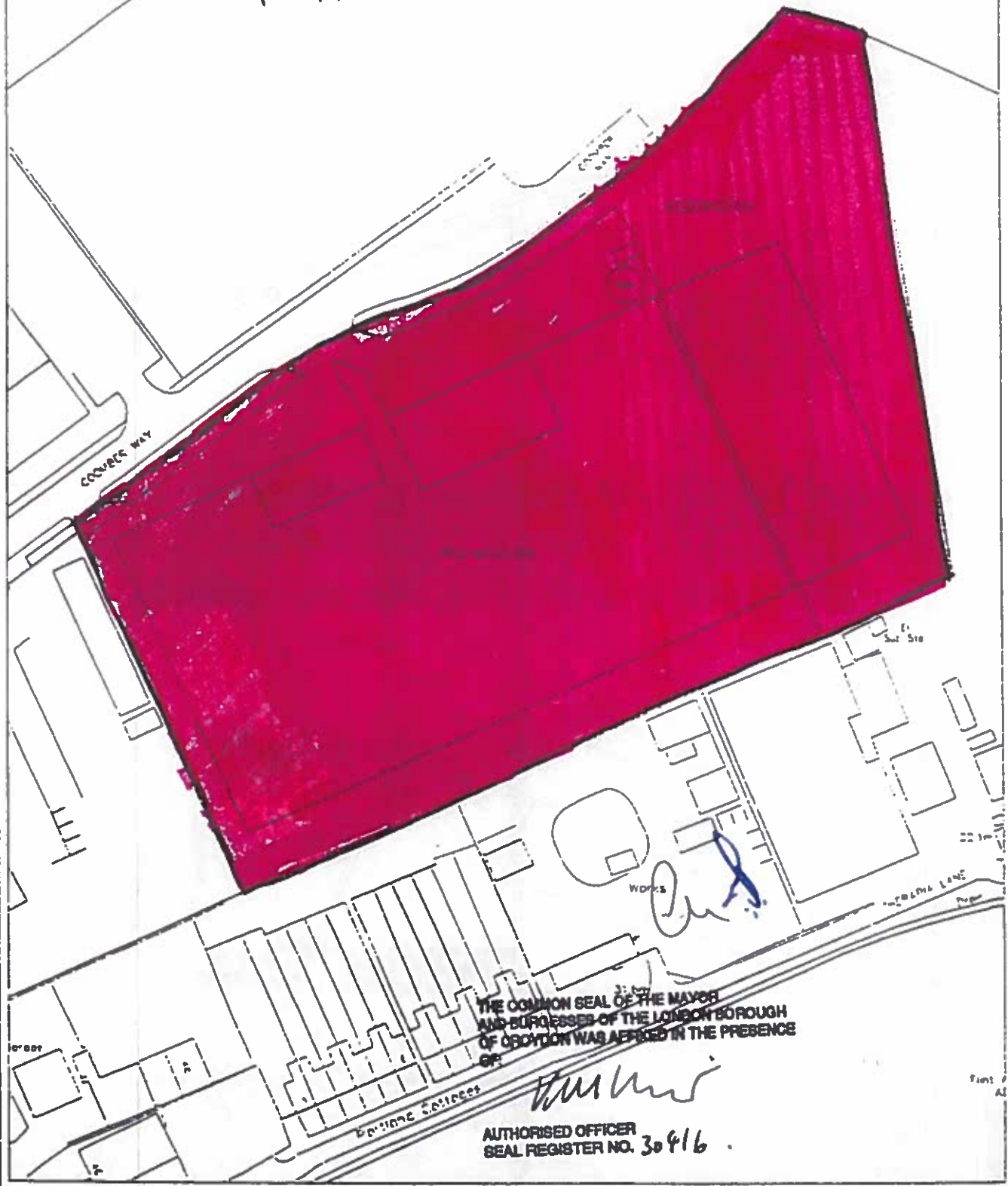
THE COMMON SEAL OF THE MAYOR
AND BURGESSES OF THE LONDON BOROUGH
OF CROYDON WAS AFFIXED IN THE PRESENCE
OF:

[Handwritten Signature]
AUTHORIZED OFFICER
SEAL REGISTER NO. 30916

LONDON BOROUGH OF CROYDON

TRANSFER		Scale : 1 : 1250
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13A



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AND BURGESSES OF THE LONDON BOROUGH
OF CROYDON WAS APPLIED IN THE PRESENCE
OF

[Signature]
AUTHORISED OFFICER
SEAL REGISTER NO. 30416

LONDON BOROUGH OF CROYDON

TRANSFER



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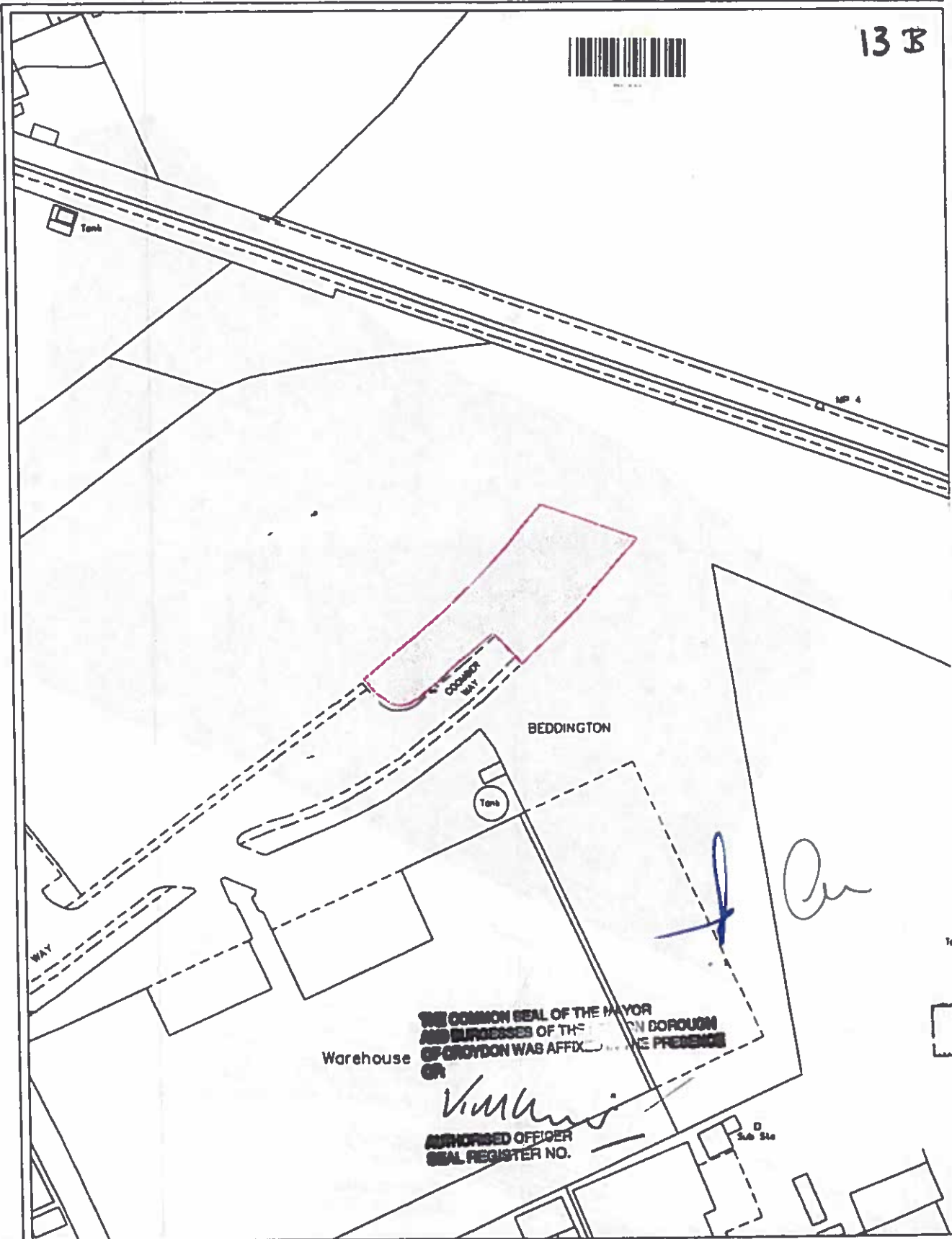
DATE : AUG. 1993

SCALE : 1/1250

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R. M. Erakes, FRICS
Director of Estates and Valuation





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 AND BURGESSES OF THE LONDON BOROUGH
 OF CROYDON WAS AFFIXED BY THE PRESENCE
 OF

V. M. M. M.
 AUTHORIZED OFFICER
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LONDON BOROUGH OF CROYDON

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R M Brakes
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LONDON BOROUGH OF CROYDON

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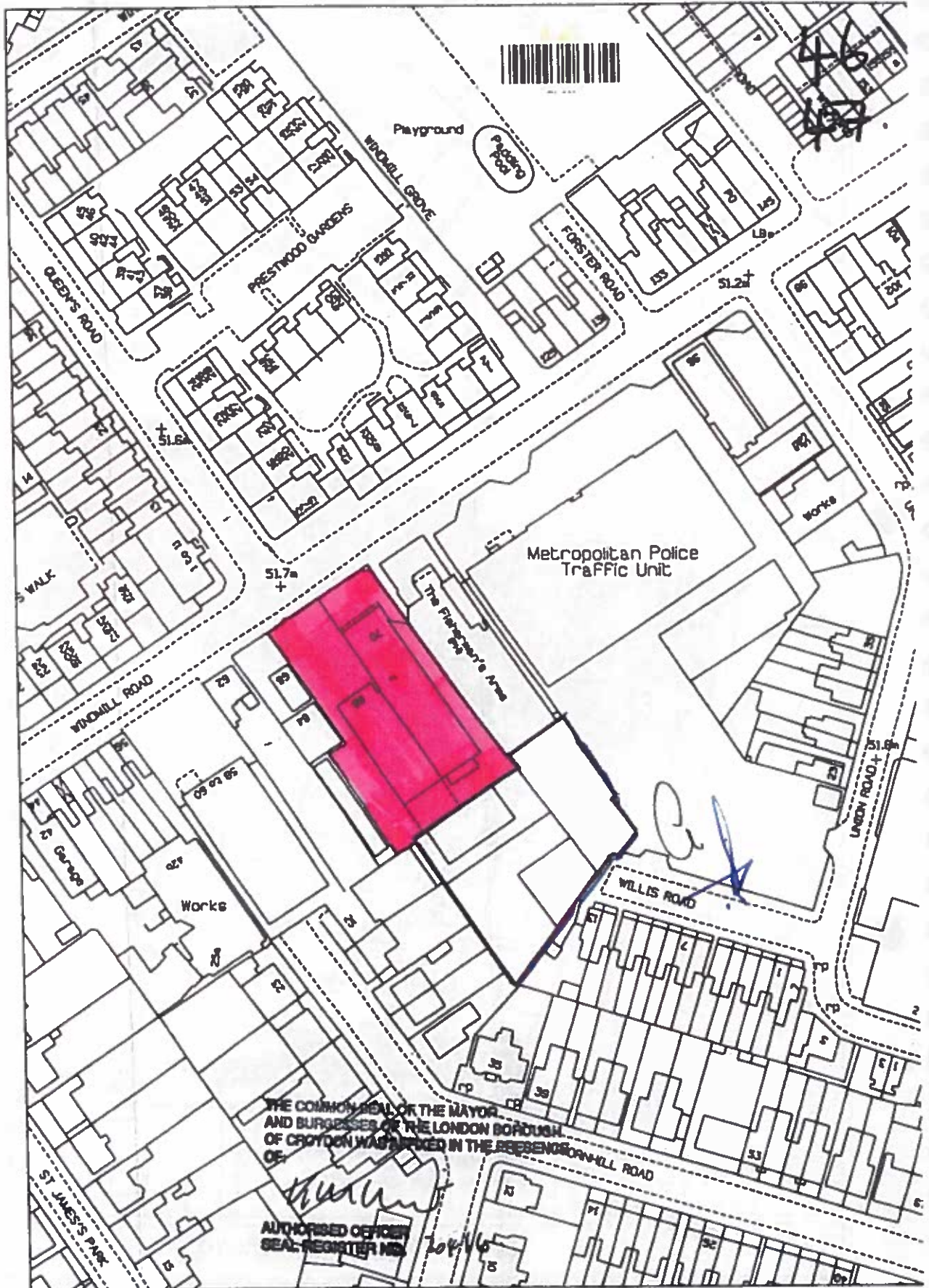
DATE : NOV. 1993

SCALE : 1/2500


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R M Brakes, FRICS
Director of Estates and Valuation

OK TDS
25.4



LONDON BOROUGH OF CROYDON

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		<p>R H BRAKES, FRICS Director of Estates and Valuation</p>	

H. M. LAND REGISTRY GENERAL MAP

SURREY SHEET XIV 6 SECTION AT

Scale 1/1250 Enlarged from 1/2500

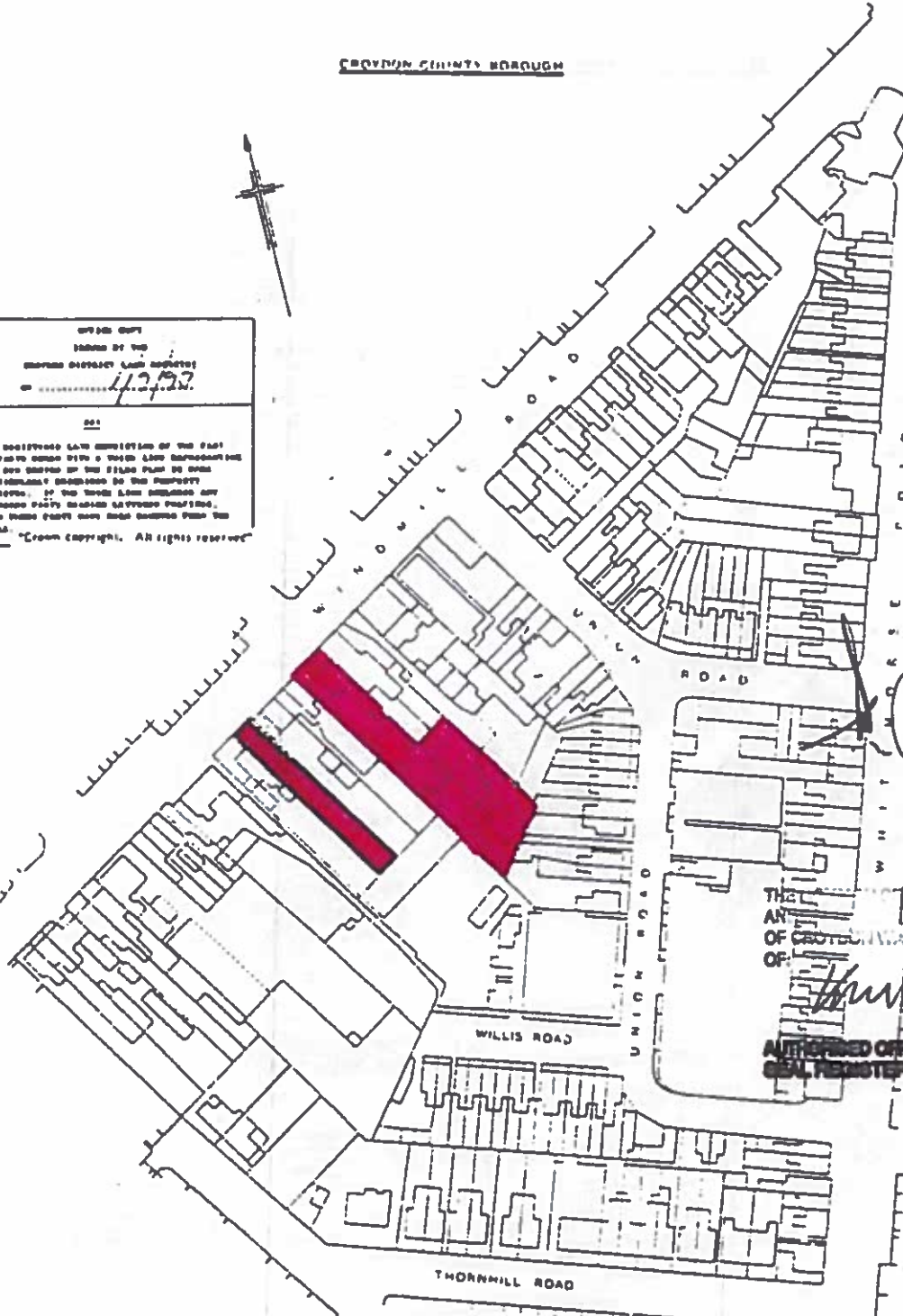


CROYDON COUNCIL BOROUGH



THIS PLAN IS
 MADE BY THE
 SURVEYOR GENERAL AND APPROVED
 BY THE COMMISSIONER OF HER MAJESTY'S TREASURY
 1/2/53

THE REGISTRAR HAS RECEIVED OF THE FACT
 AS SHOWN ABOVE WITH A VIEW TO REPRESENTING
 THE ACT DONE BY THE SURVEYOR OF THE
 DISTRICTS AND TO BE THE PROPERTY
 OF THE LAND AS SHOWN AND
 SHOWN BY THE SURVEYOR GENERAL
 AND THE FACTS AS SHOWN ABOVE
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THE
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 OF CROYDON WAS AFFIXED IN THE PRESENCE
 OF

[Signature]
 AUTHORIZED OFFICER
 SEAL REGISTER NO. 30816.



Filed Plan of Title No. [REDACTED]

No freehold title shown to area hatched green

Registered land
 SY38042, SY34878 and
 SY28870 (part)

H. M. LAND REGISTRY GENERAL MAP

SURREY SHEET XIV 6 SECTION AT

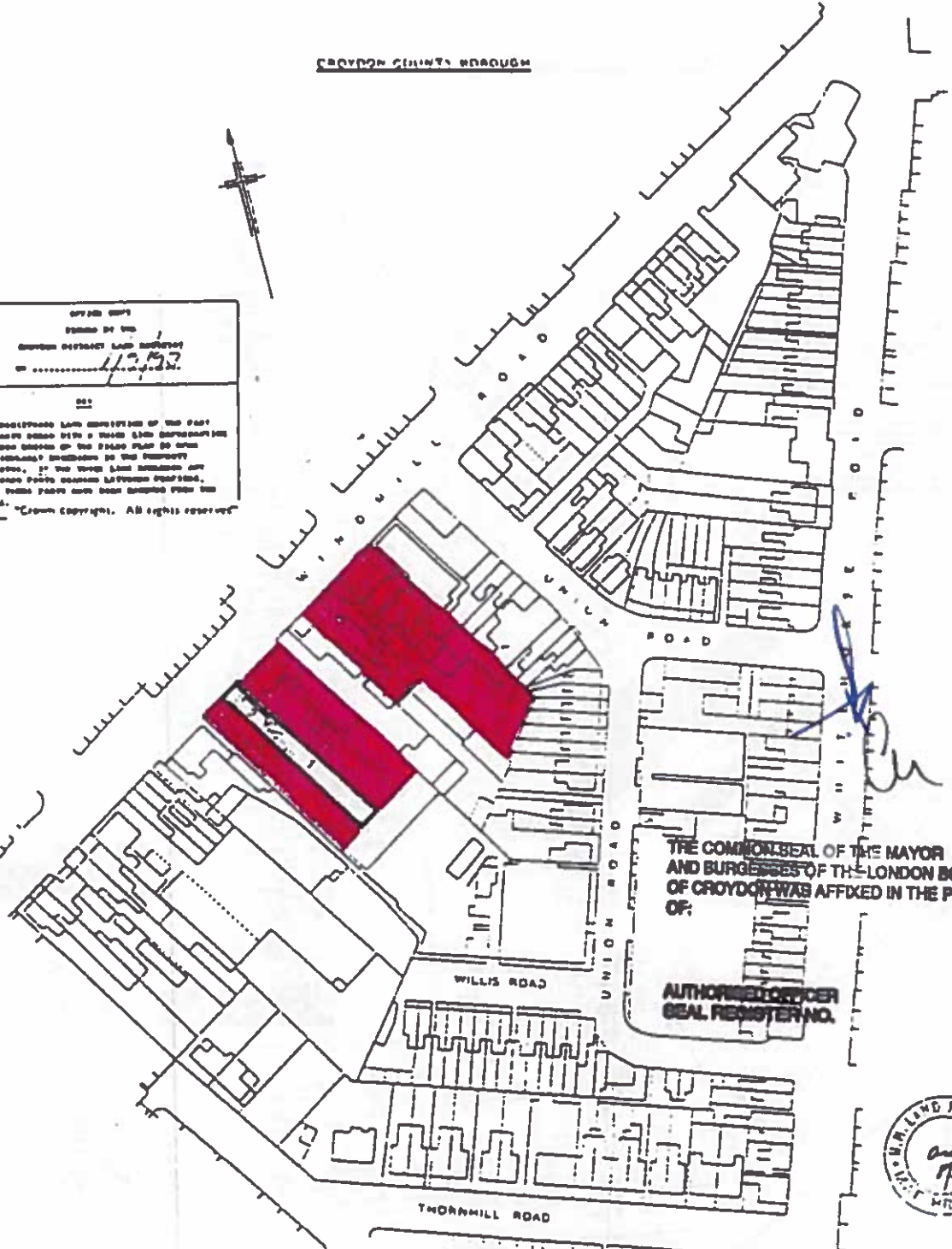
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CROYDON CHURCH PARISH BOROUGH

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FORWARDED BY THE
SURREY DISTRICT LAND REGISTRY
ON 1/12/52

ALL
THE UNREGISTERED LAND SHOWN ON THE PART
OF THIS MAP WITH A THICK LINE REPRESENTS
THE OLD BOUNDARIES OF THE PARISH PLAN OF 1844
AND THE UNREGISTERED BOUNDARIES OF THE PARISH
BOROUGH. IF THE TITLE LAND BOUNDARIES ARE
SHOWN WITH A THIN LINE BETWEEN PARISH
AND BOUNDARY THERE HAVE BEEN CHANGES SINCE THE
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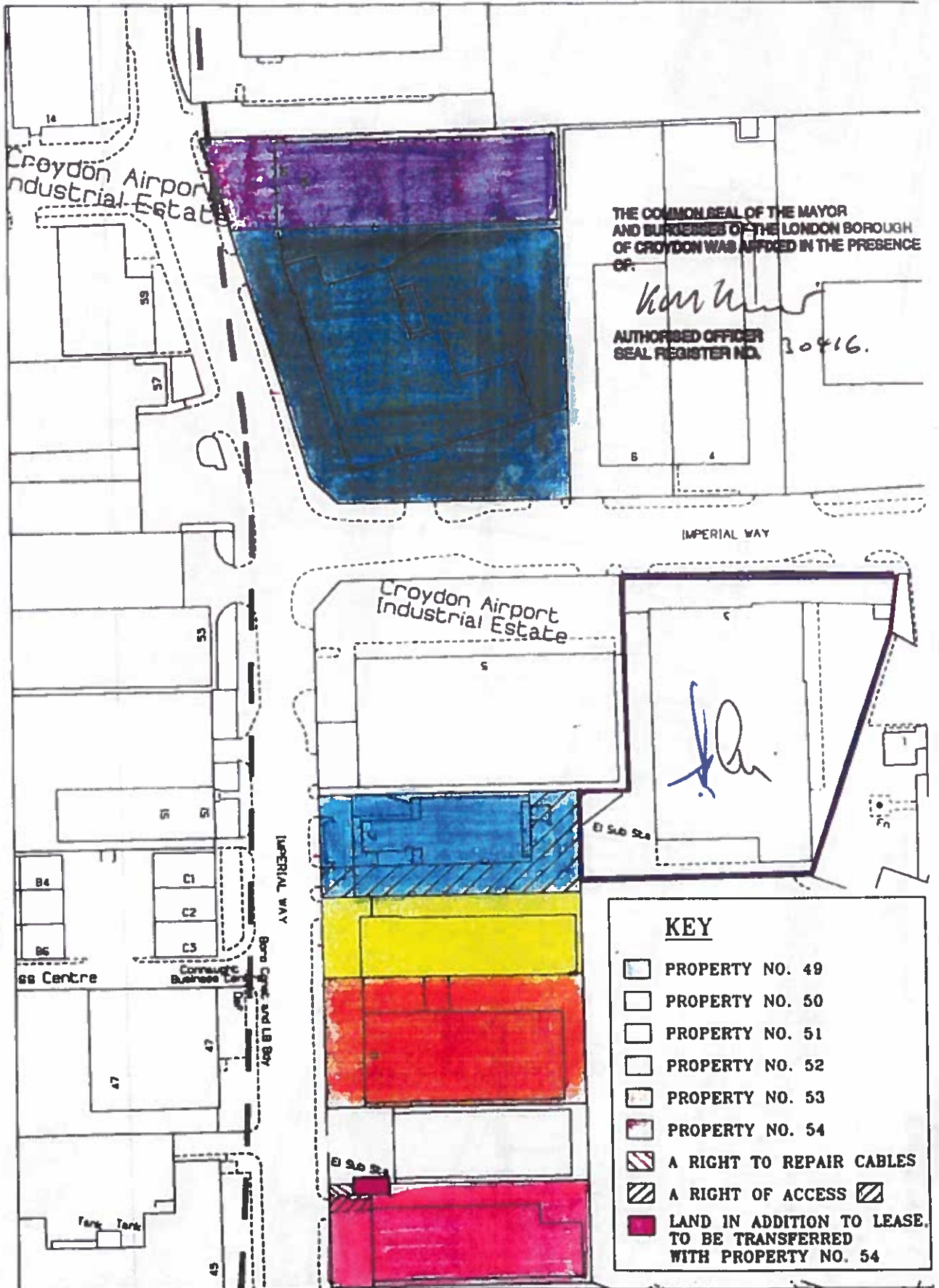
AUTHORISED OFFICER
LOCAL REGISTER NO.



Filed Plan of Title No.

No freehold title shown to area hatched green

80, 84, 86, 92 + 94 Windmill
Unregistered land
Ra



THE COMMON SEAL OF THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF CROYDON WAS AFFIXED IN THE PRESENCE OF:

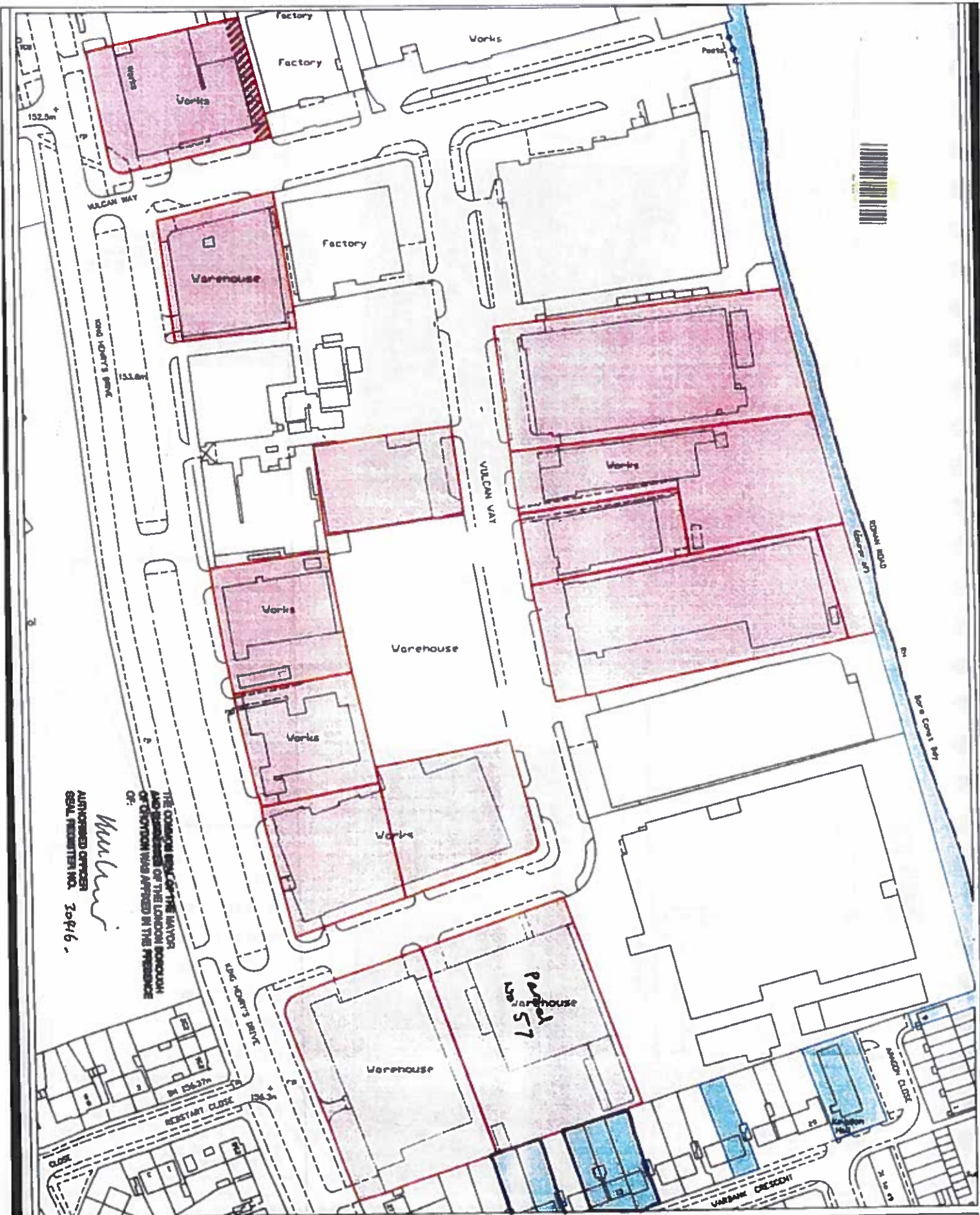
Kenneth...
 AUTHORIZED OFFICER
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LONDON BOROUGH OF CROYDON

TRANSFER Scale : 1 : 1250

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Date : 26-Jan-1994 Copy No. 4172614 A
R M BRAKES, FRICS
 Director of Estates and Valuation



AUTHORIZED OFFICER
 SEAL NUMBER NO. 30416
M. L. L.

THE COMMISSIONER OF THE MAJOR
 AND SUPERVISOR OF THE LONDON BOROUGH
 OF CROYDON HAS AFFIXED IN THE PRESENCE
 OF:

Part 57
 Warehouse

LONDON BOROUGH OF CROYDON

- PORTFOLIO PROPERTIES
- PORTFOLIO PROPERTY SUBJECT TO RIGHT OF WAY
- CORPORATION RETAINED LAND



TRANSFER



REF. NO. : 4203008 C

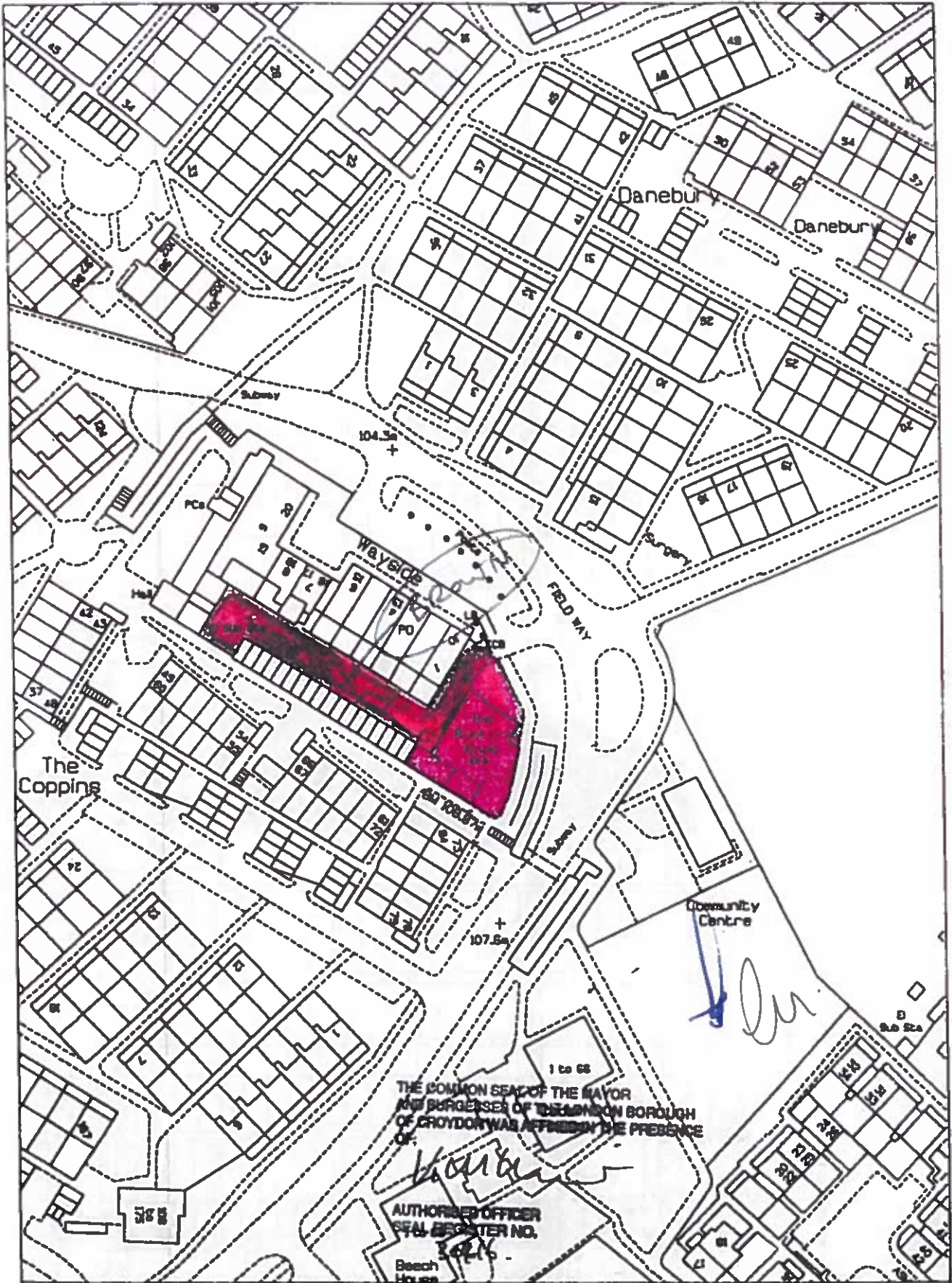
CAD NO. : CAD-0116

DATE : 18/04/94

SCALE : 1/1250


R M Brakes, FRICS
 Director of Estates and Valuation

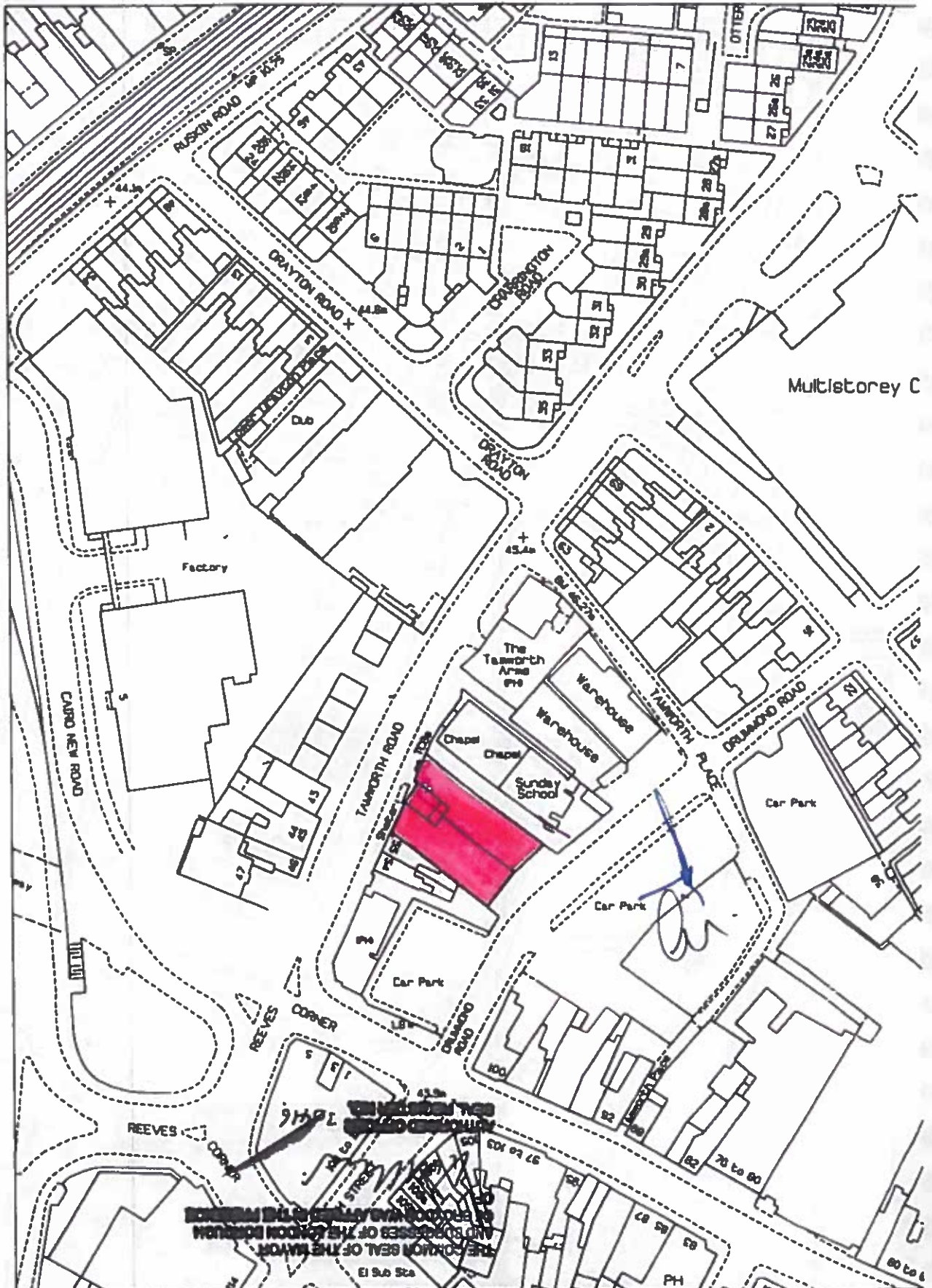
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LONDON BOROUGH OF CROYDON

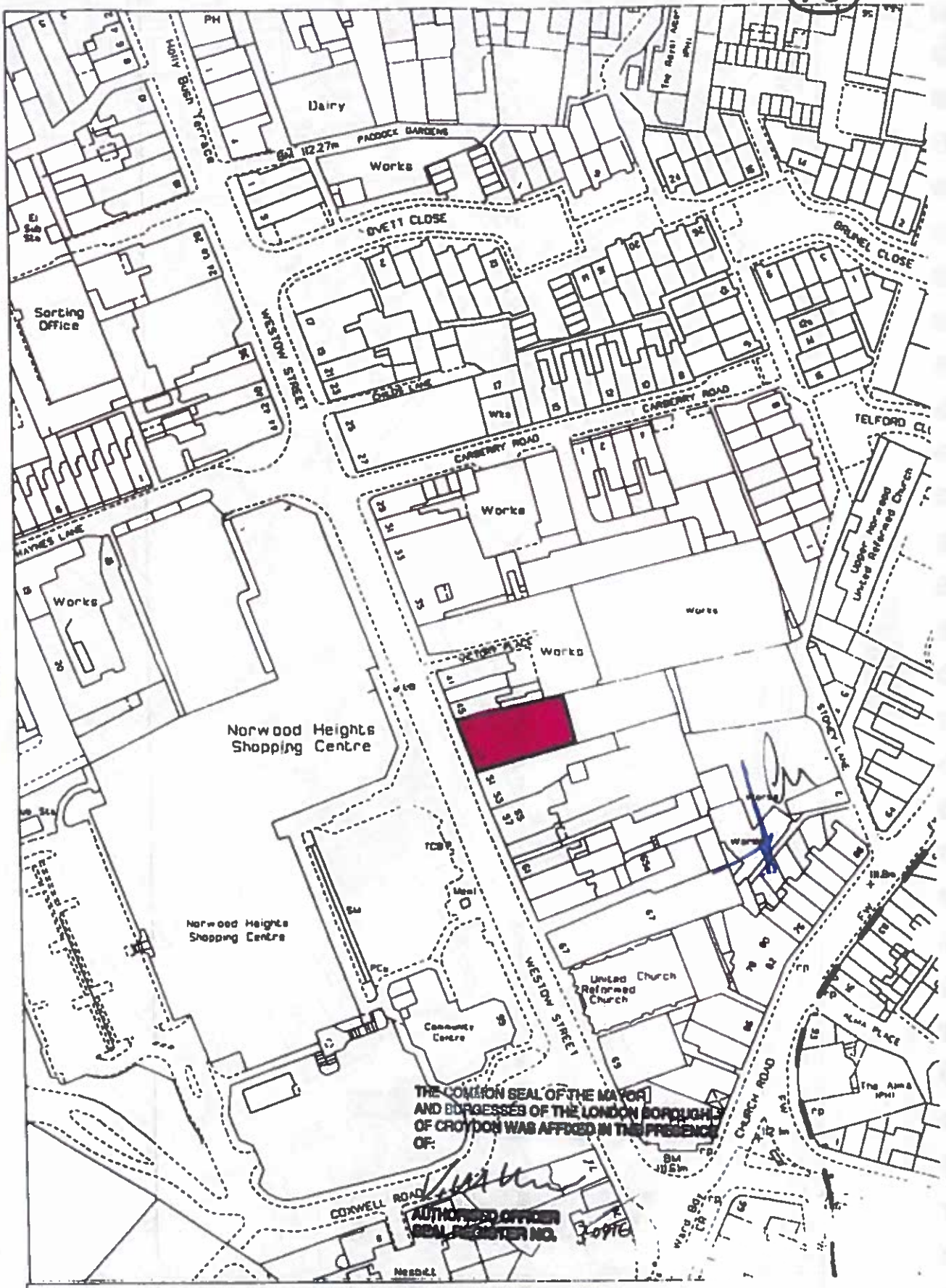
187

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SEAL REGISTER NO. 20776

LONDON BOROUGH OF CROYDON

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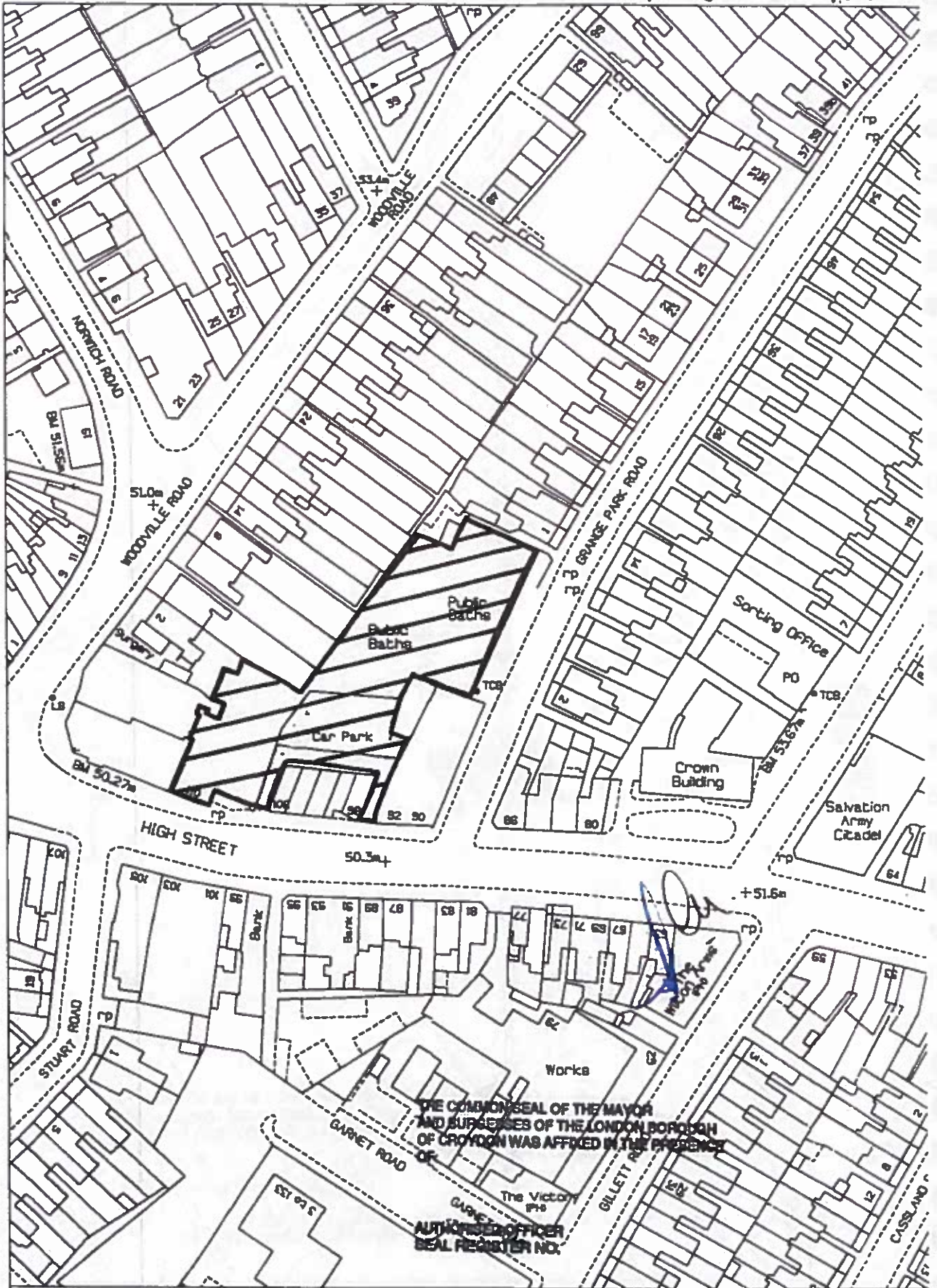


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 THE VICE-MAYOR
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 SEAL REGISTER NO. 28710

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SEAL REGISTER NO.

LONDON BOROUGH OF CROYDON

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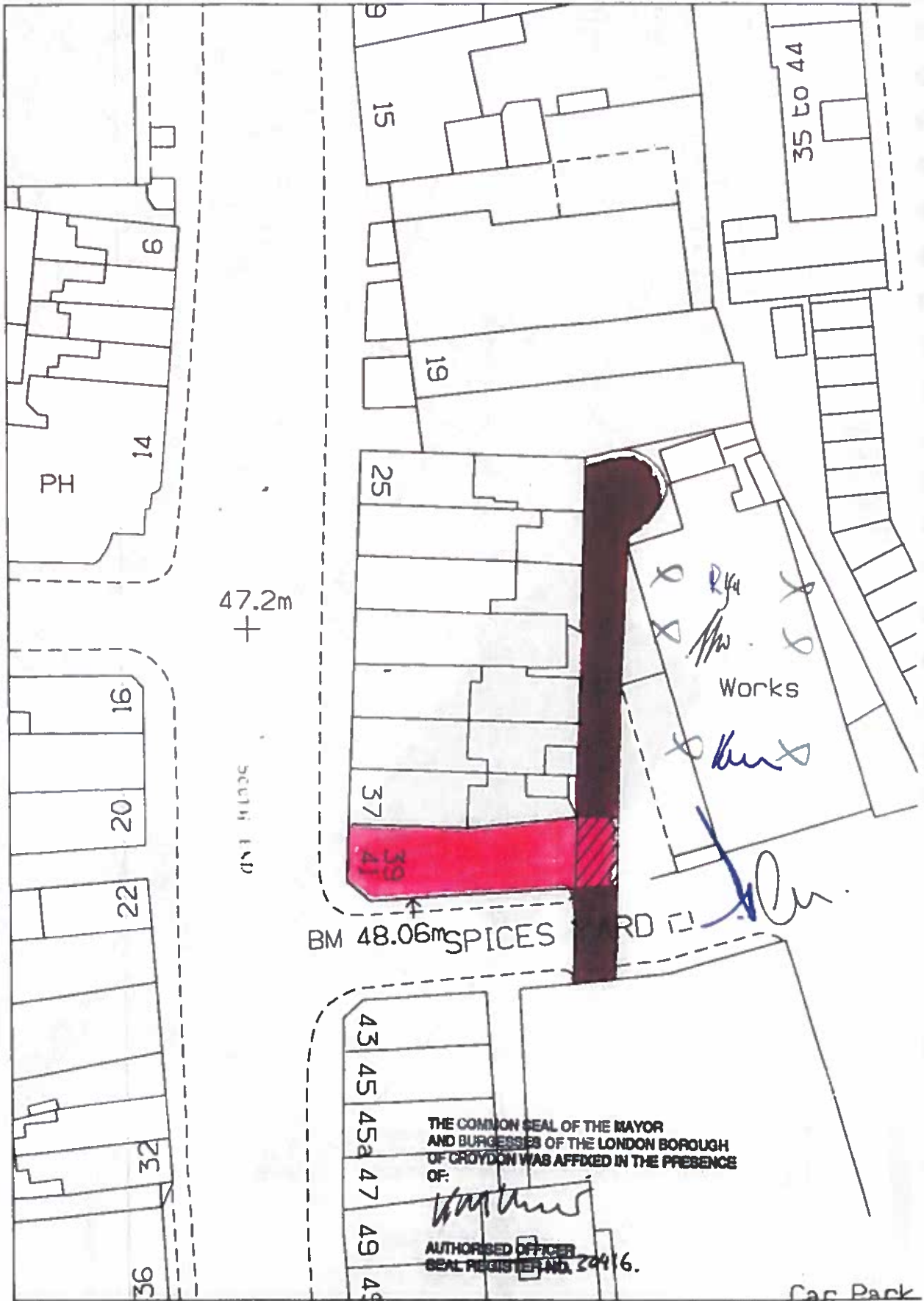
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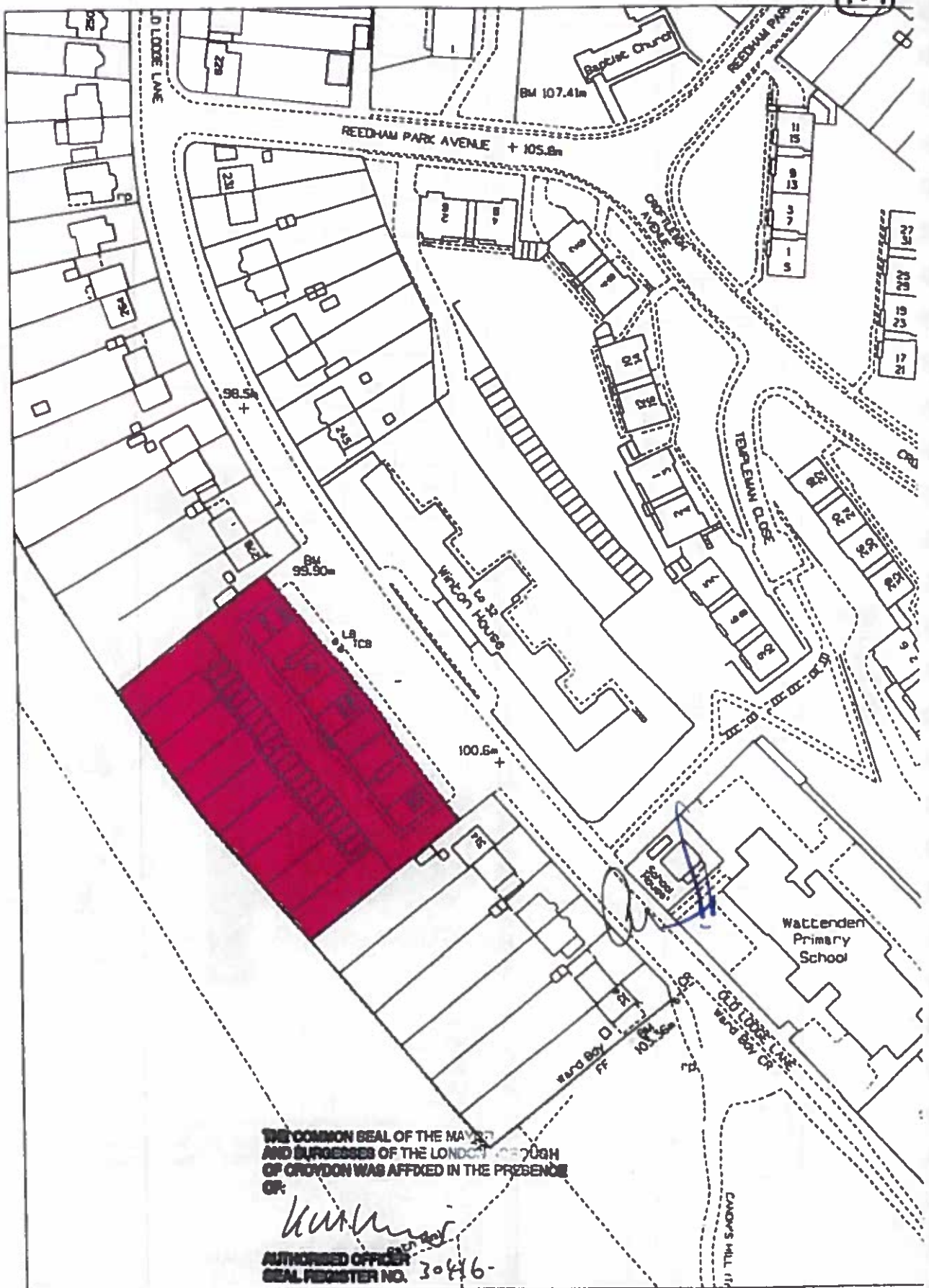
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Director of Estates and Valuation



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(139)



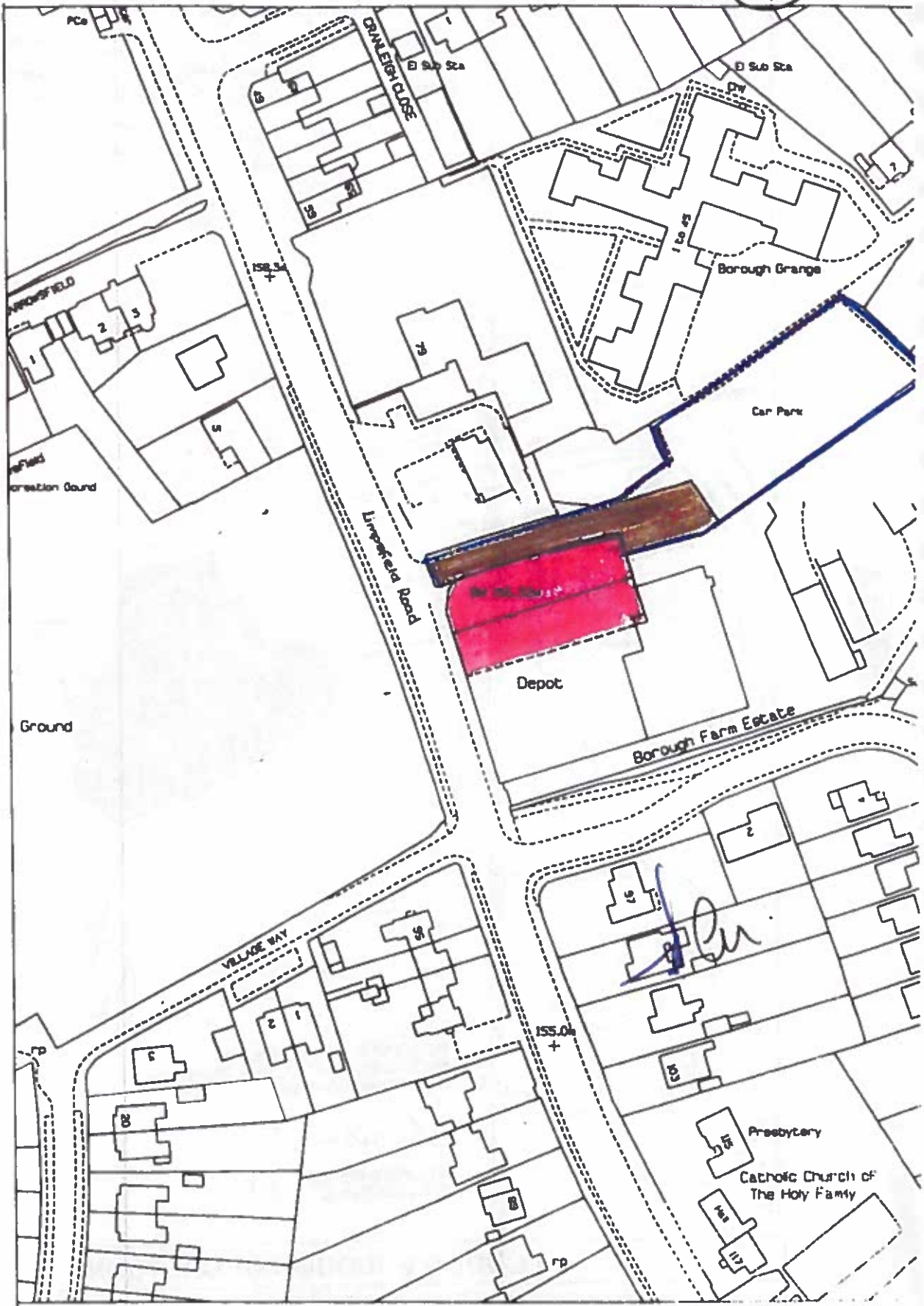
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LONDON BOROUGH OF CROYDON

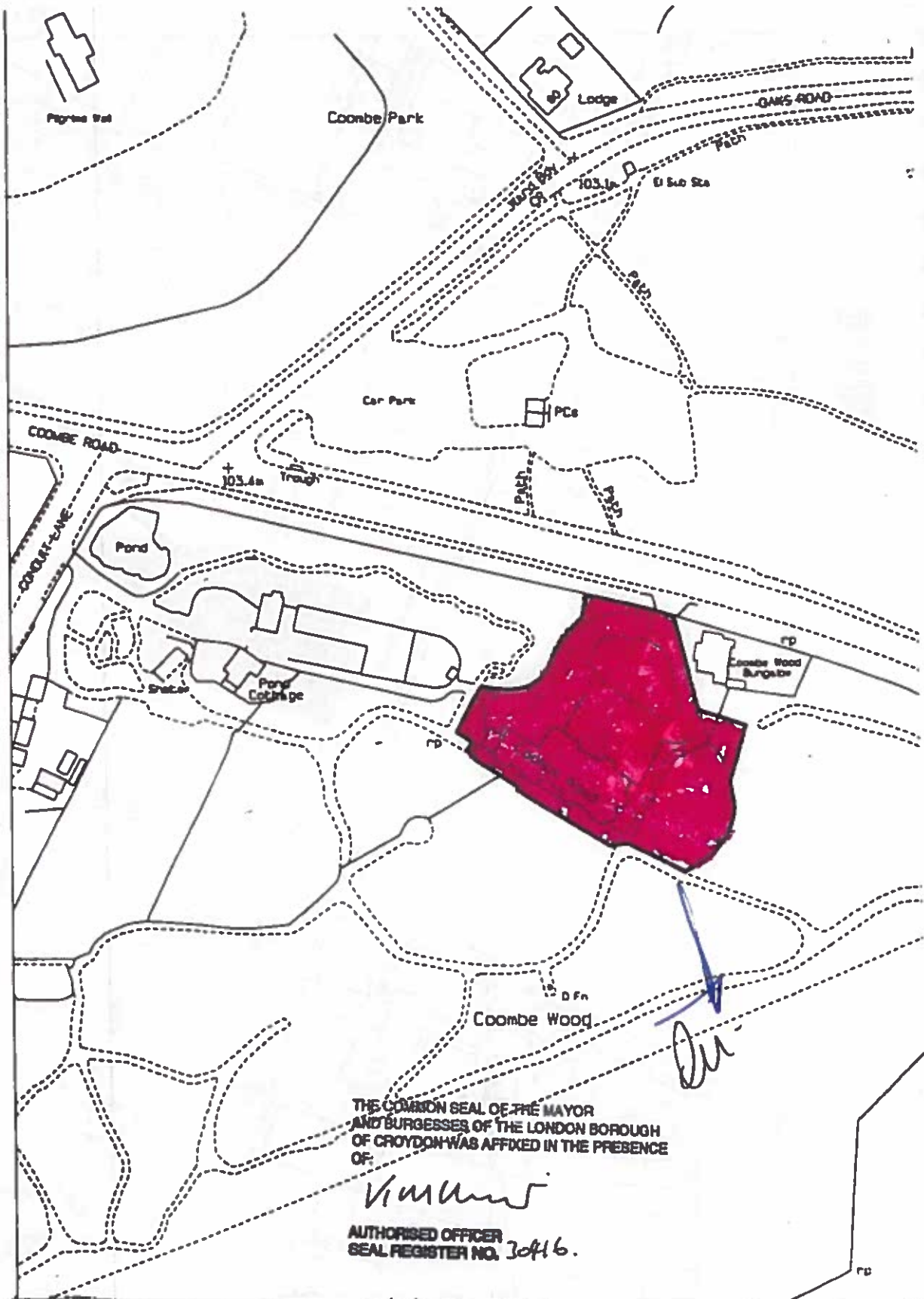
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V. M. M. M.


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SEAL REGISTER NO. 30416.

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160
TDS
25/14



LONDON BOROUGH OF CROYDON

161
 ✓ TDS
 25/14

TRANSFER



Scale : 1 : 1250

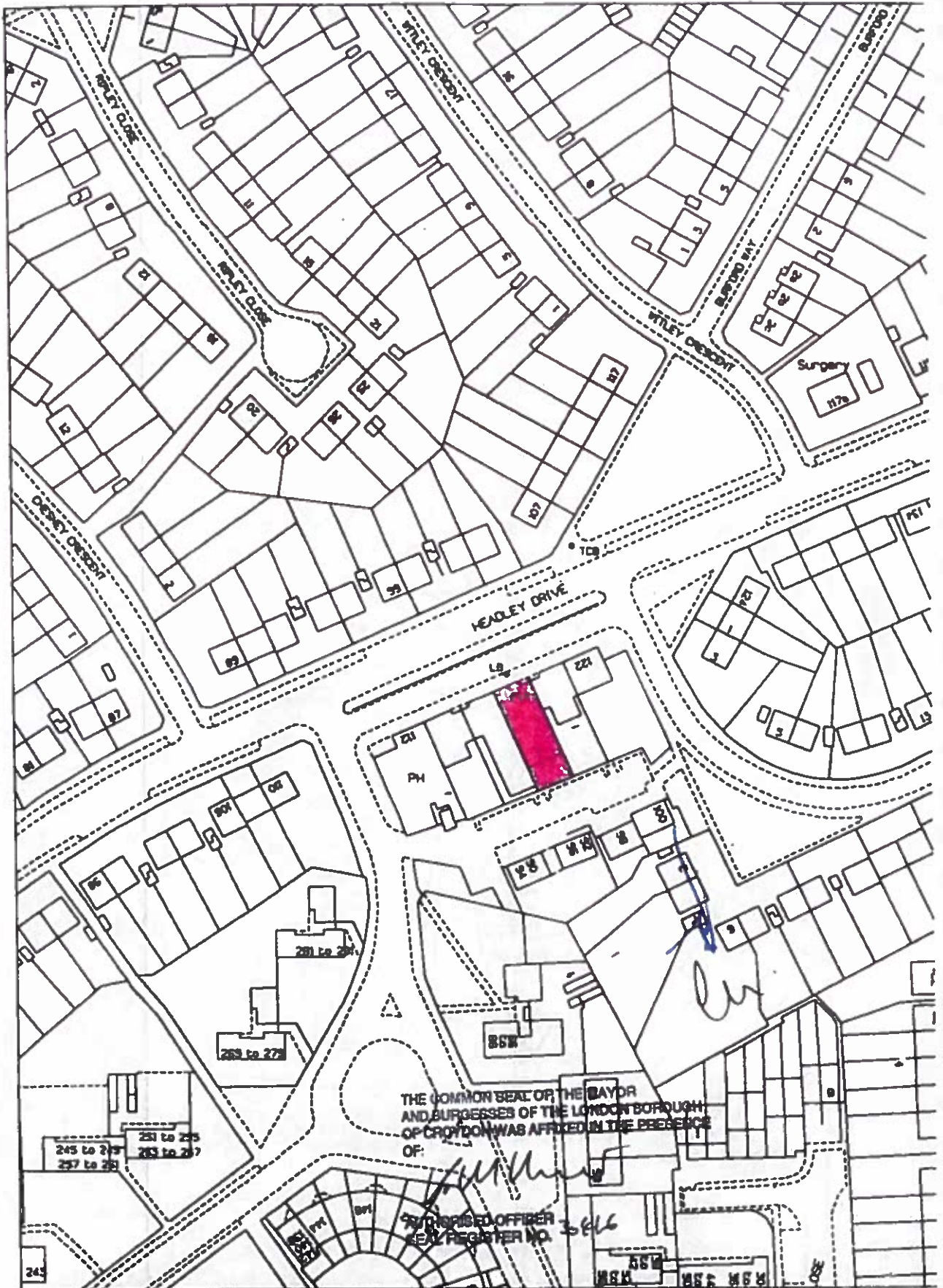
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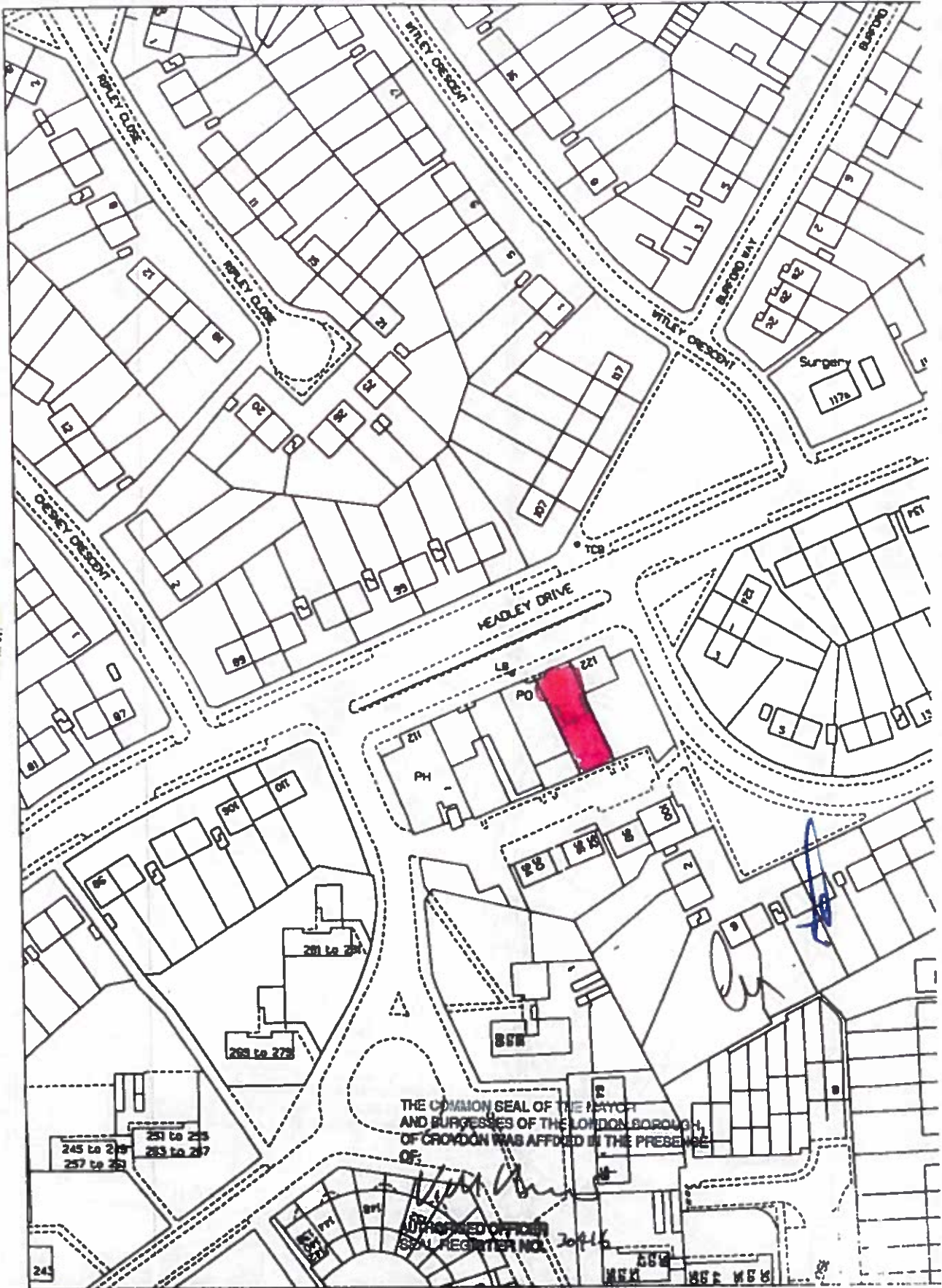
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LONDON BOROUGH OF CROYDON

163
10/25/4

TRANSFER 

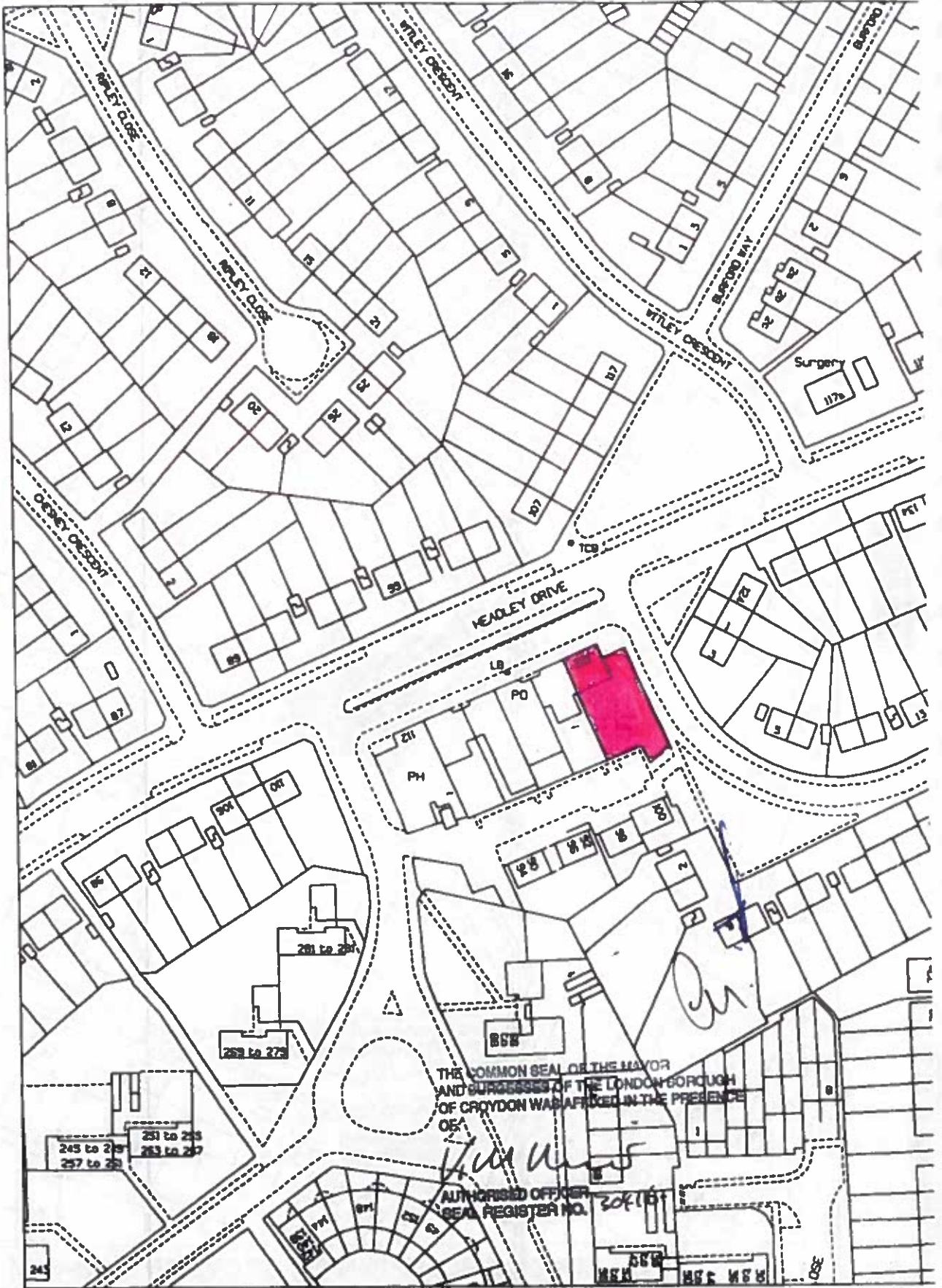
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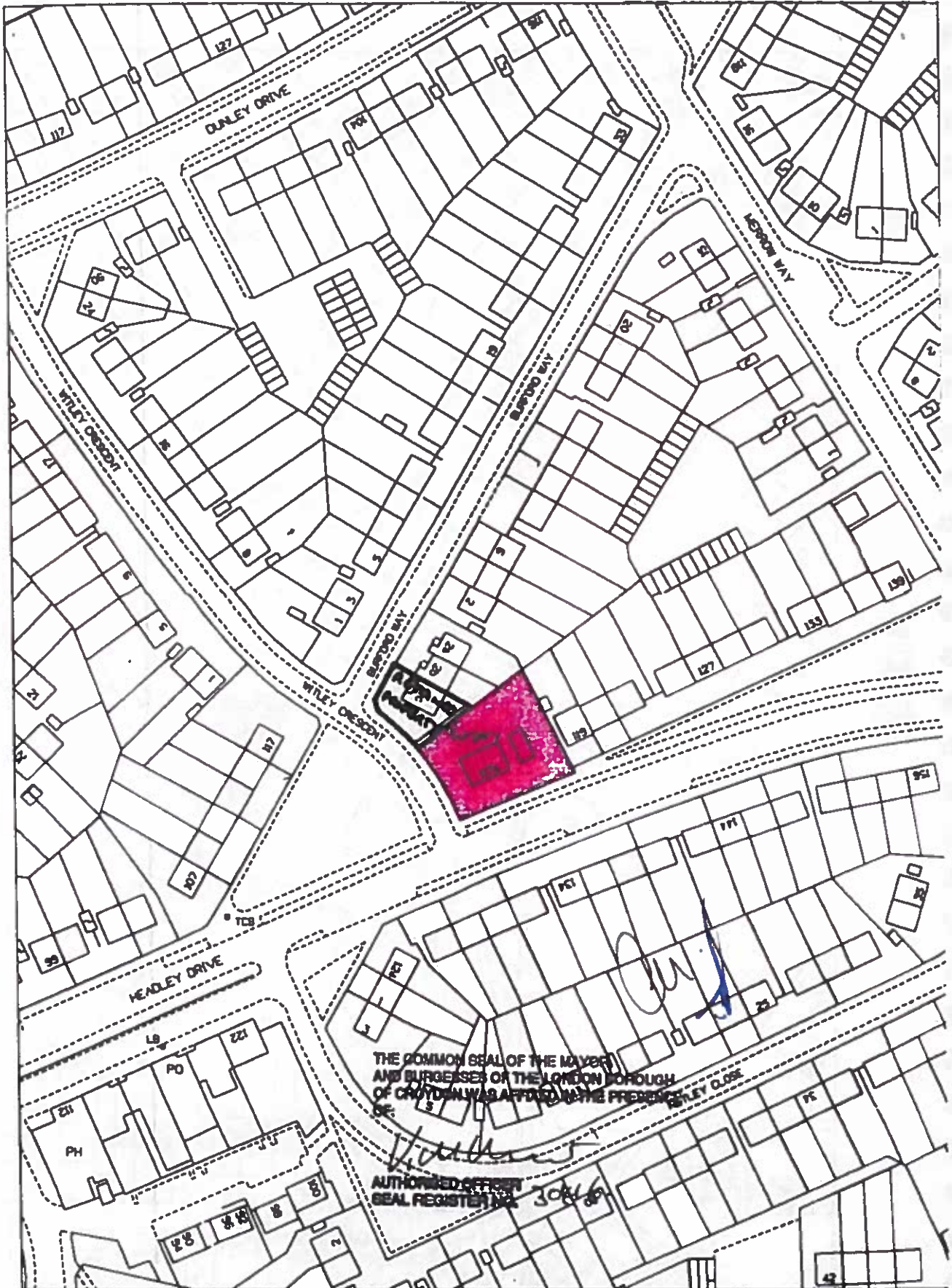
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 SEAL REGISTER NO. 304718


LONDON BOROUGH OF CROYDON

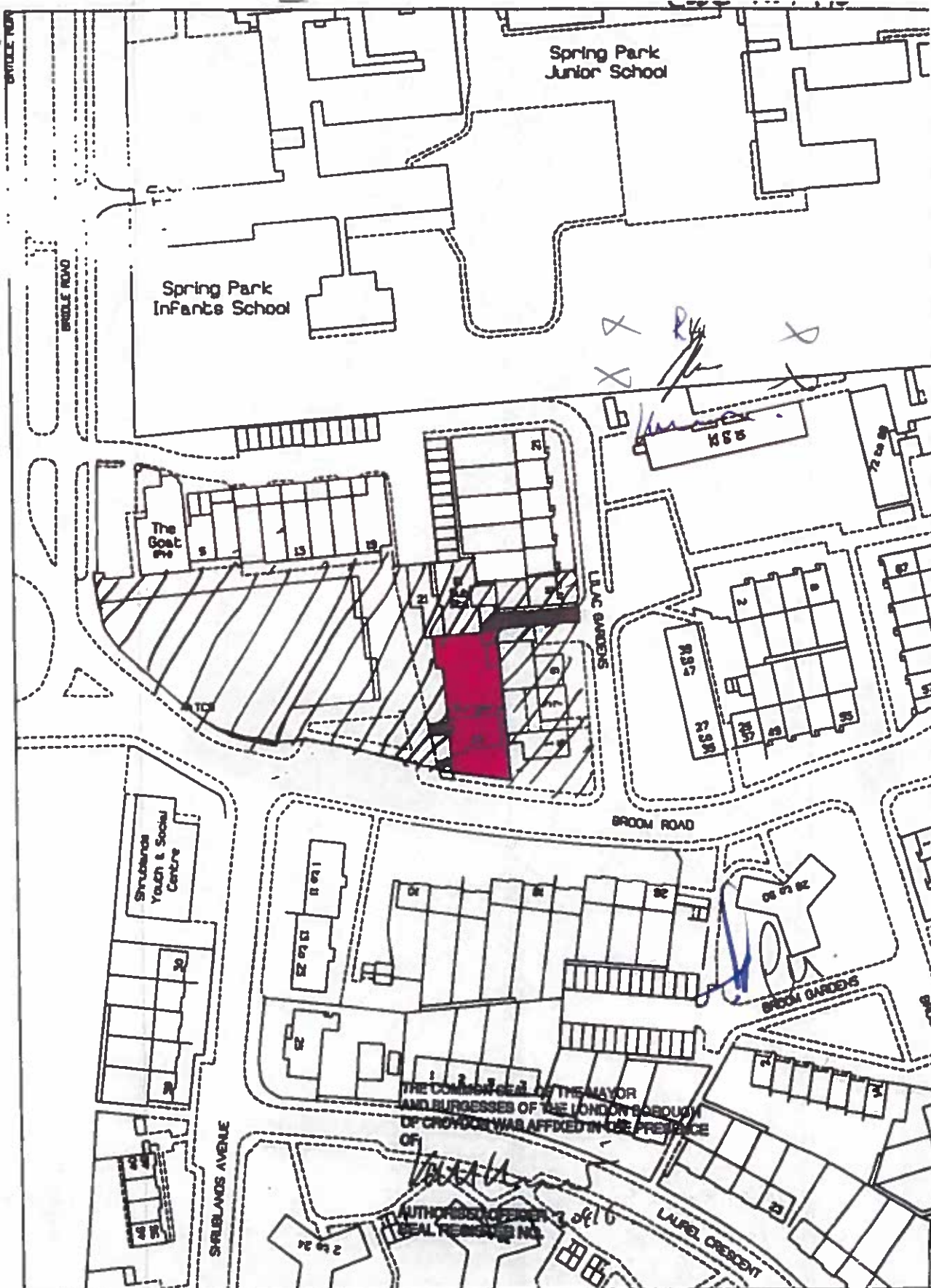
164
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LONDON BOROUGH OF CROYDON Approved 165

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LONDON BOROUGH OF CROYDON

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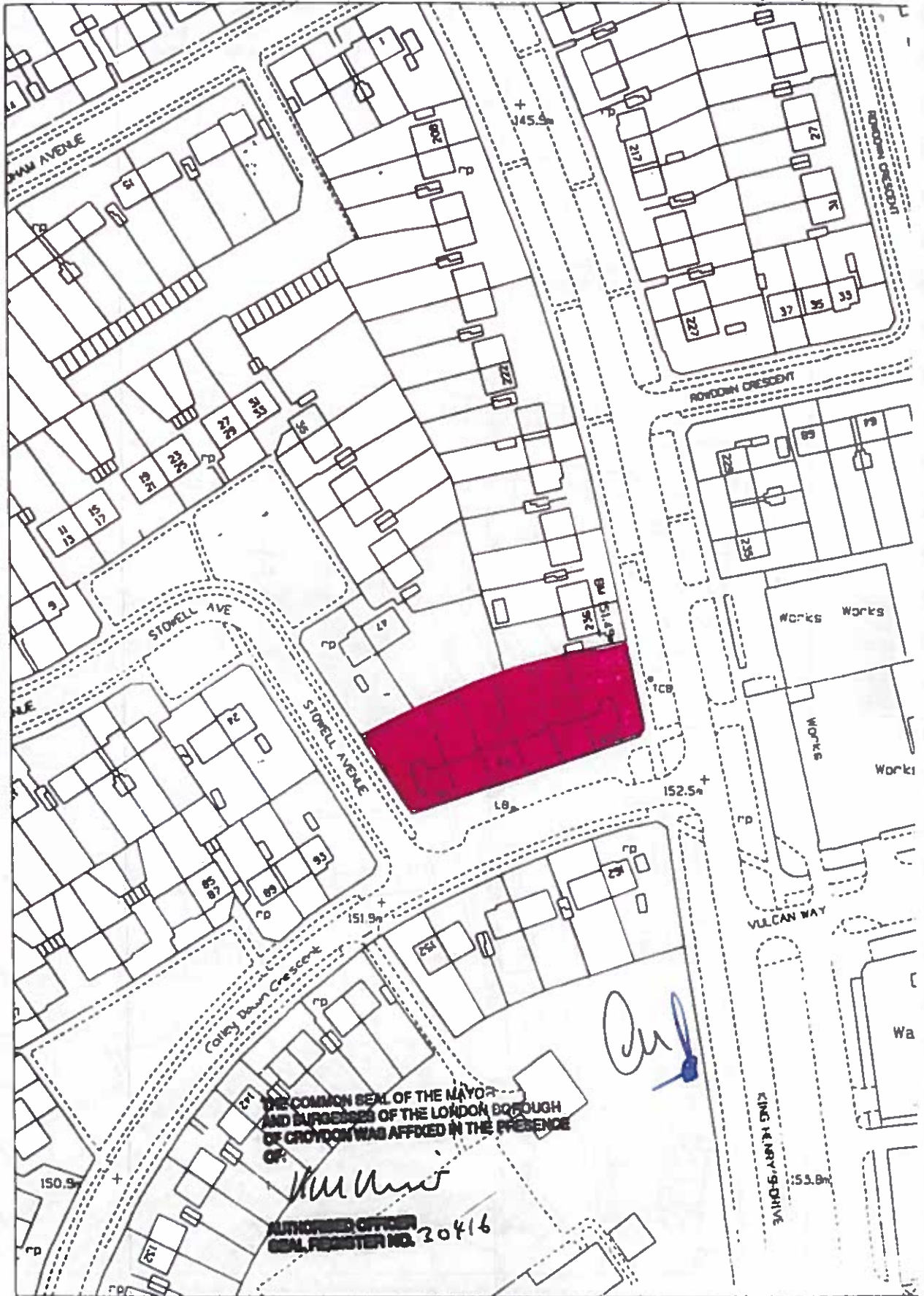
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 SEAL REGISTER NO. 20416

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LONDON BOROUGH OF CROYDON

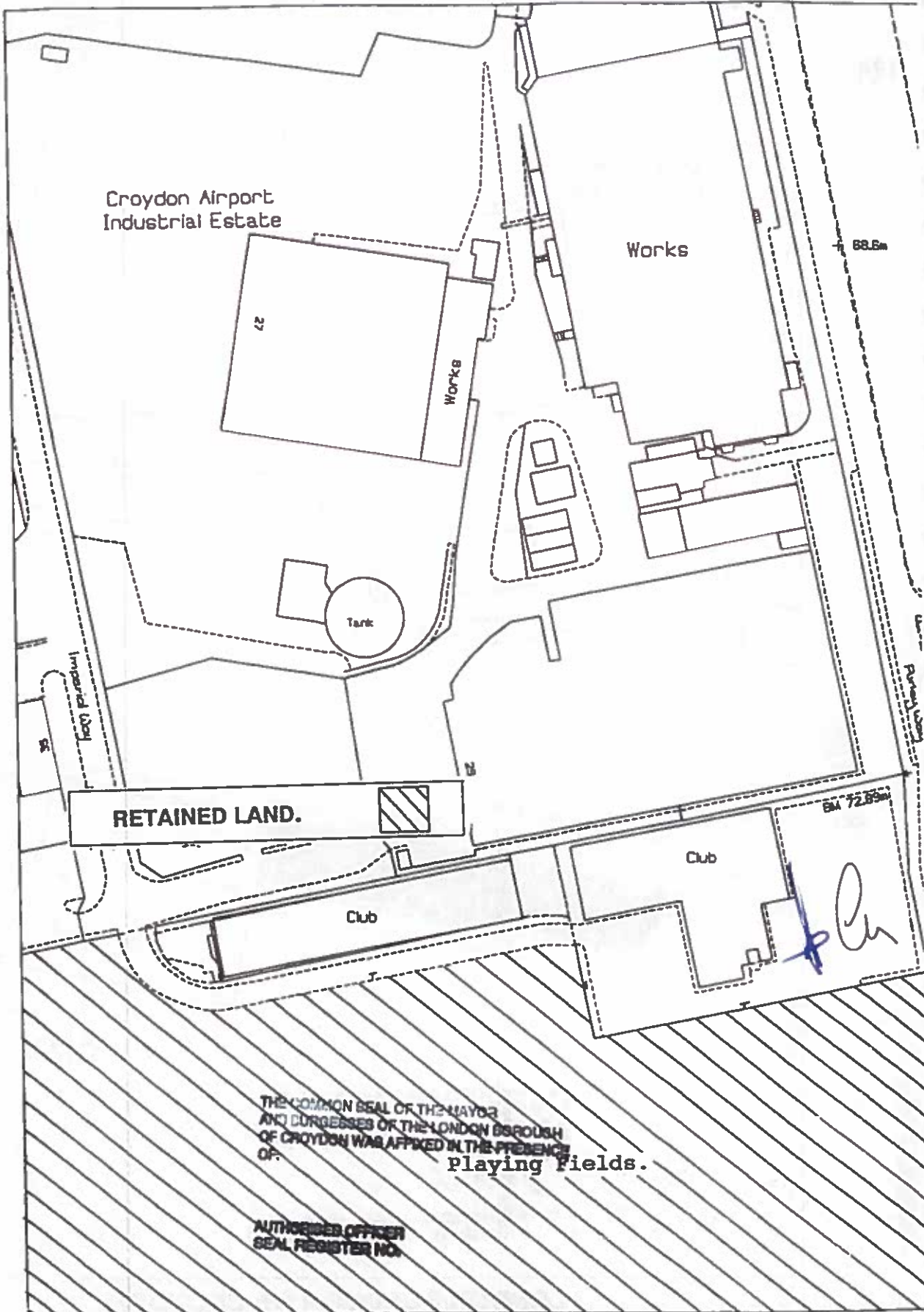
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LONDON BOROUGH OF CROYDON

194

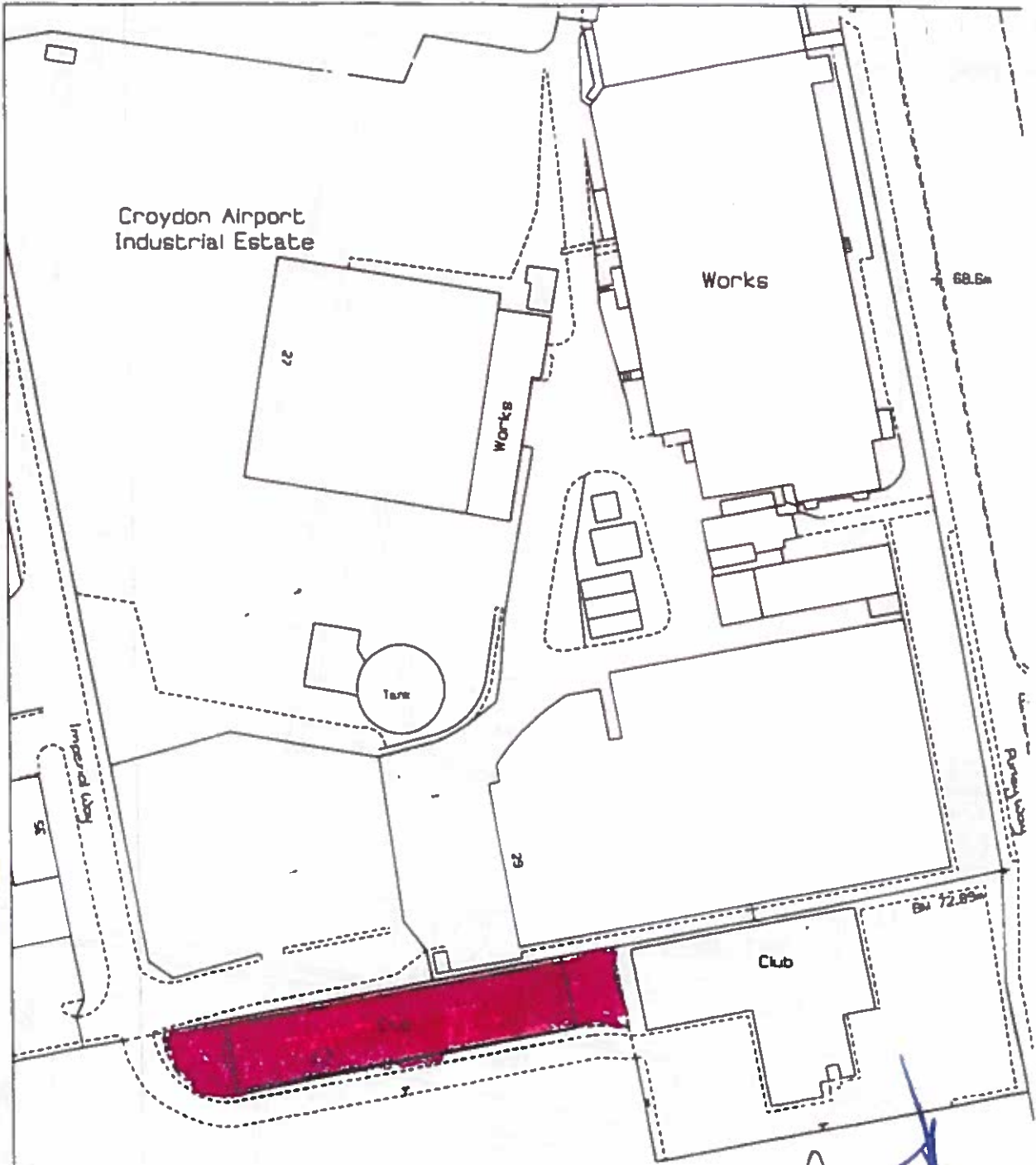
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199

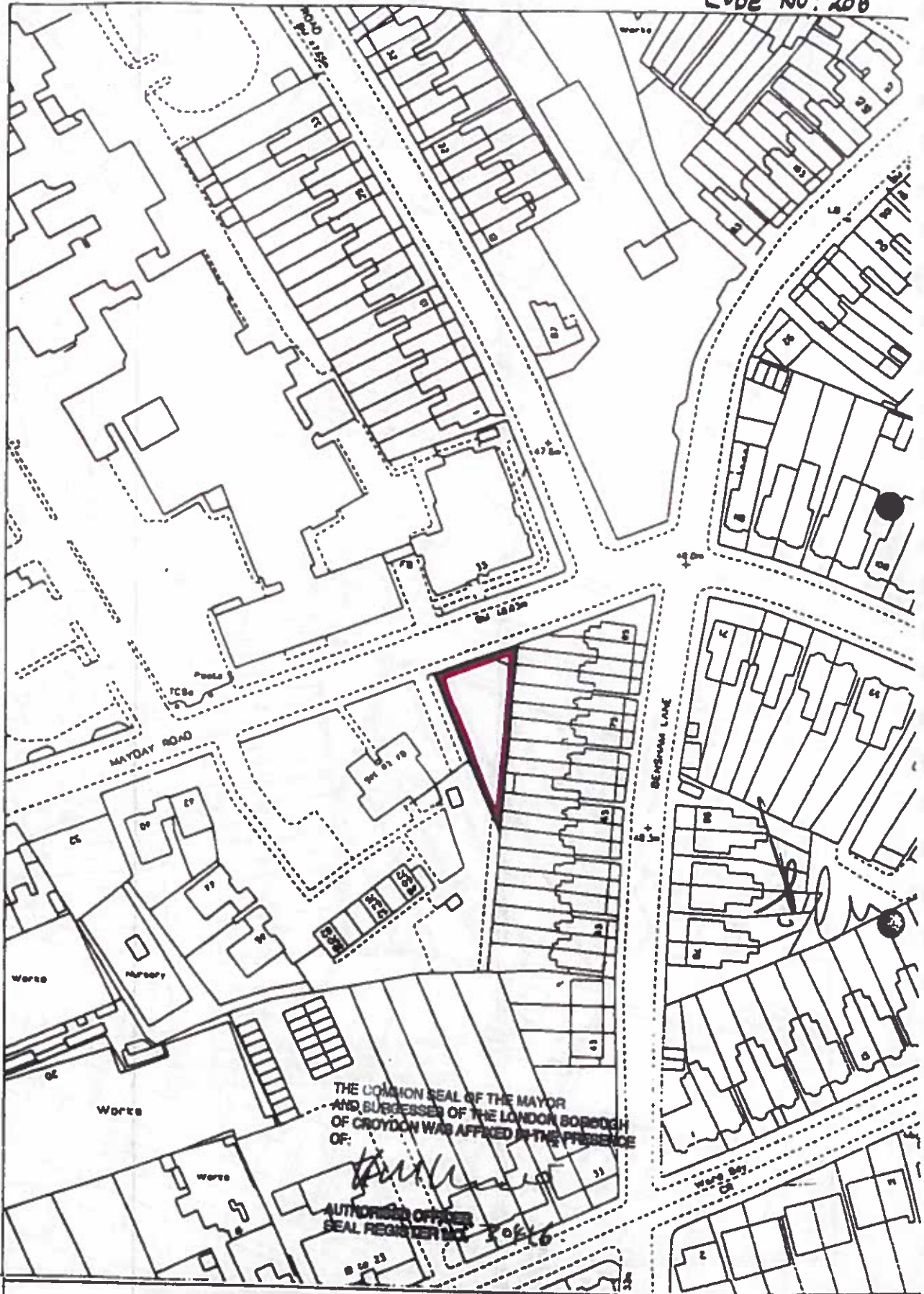


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William
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SC REGISTER NO. 30416.

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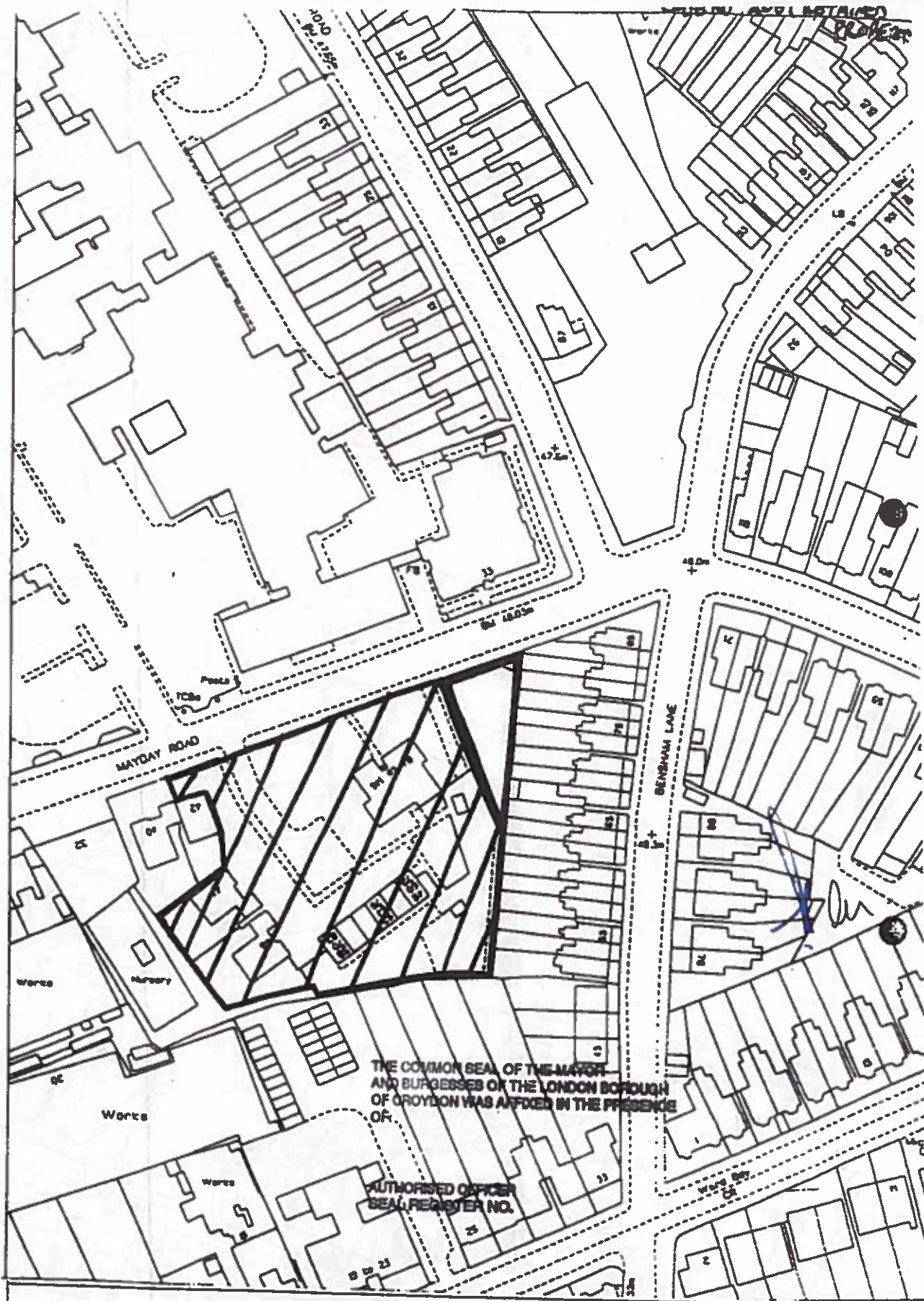


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AND BURGESS OF THE LONDON BOROUGH
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OF:

[Signature]
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SEAL REGISTER NO. 10616

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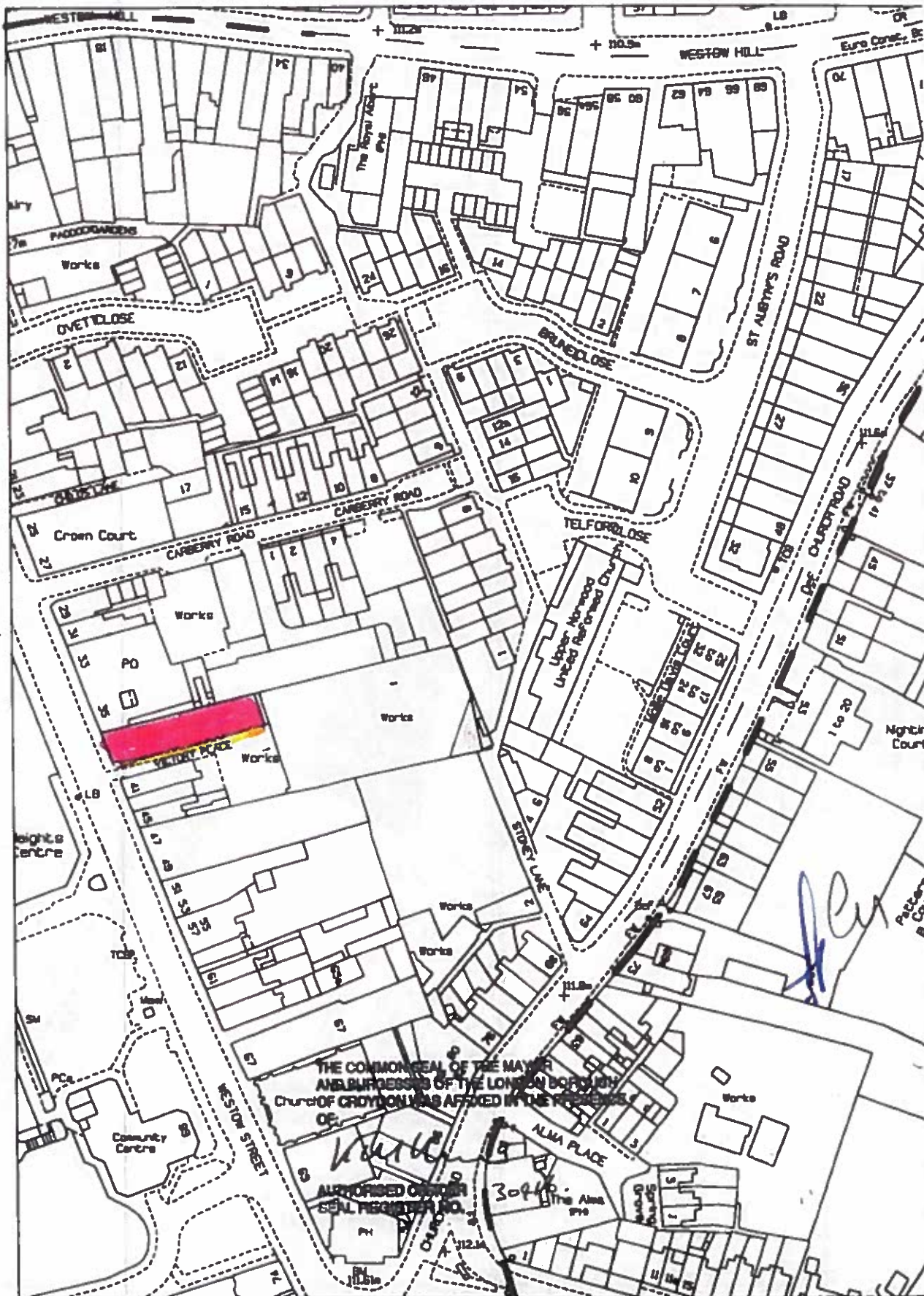


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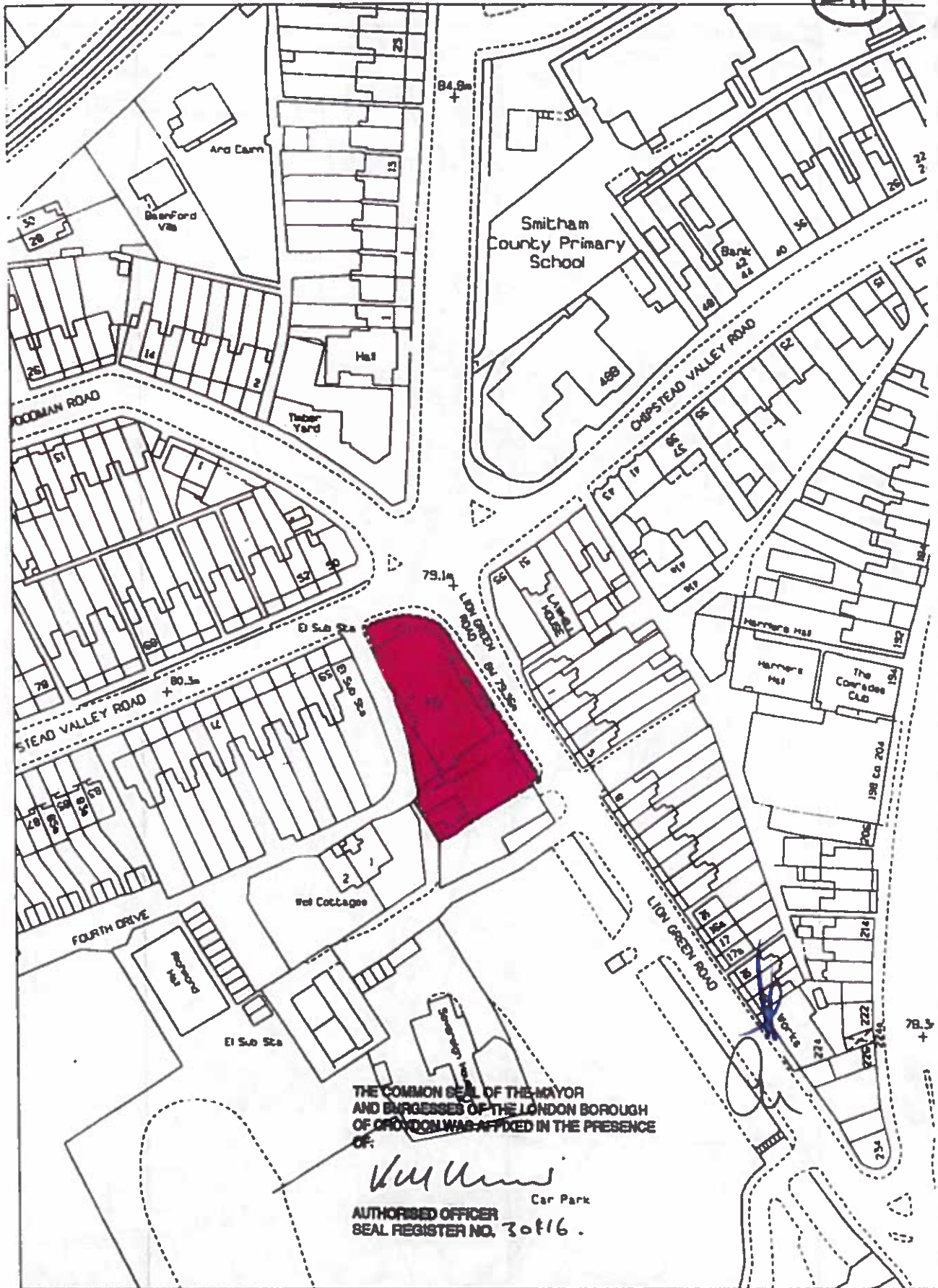
R M BRAKES, FRICS
 Director of Estates and Valuation




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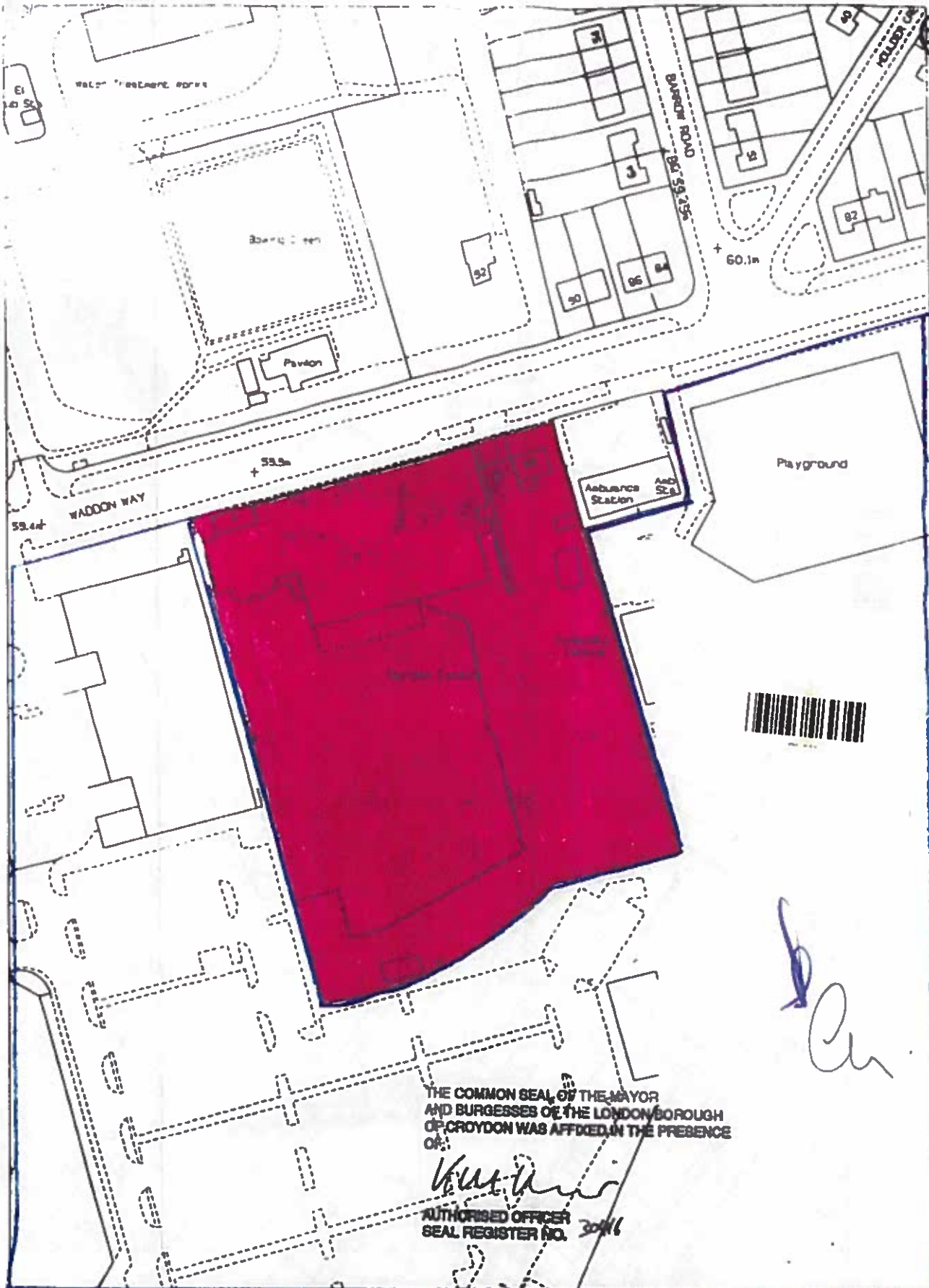
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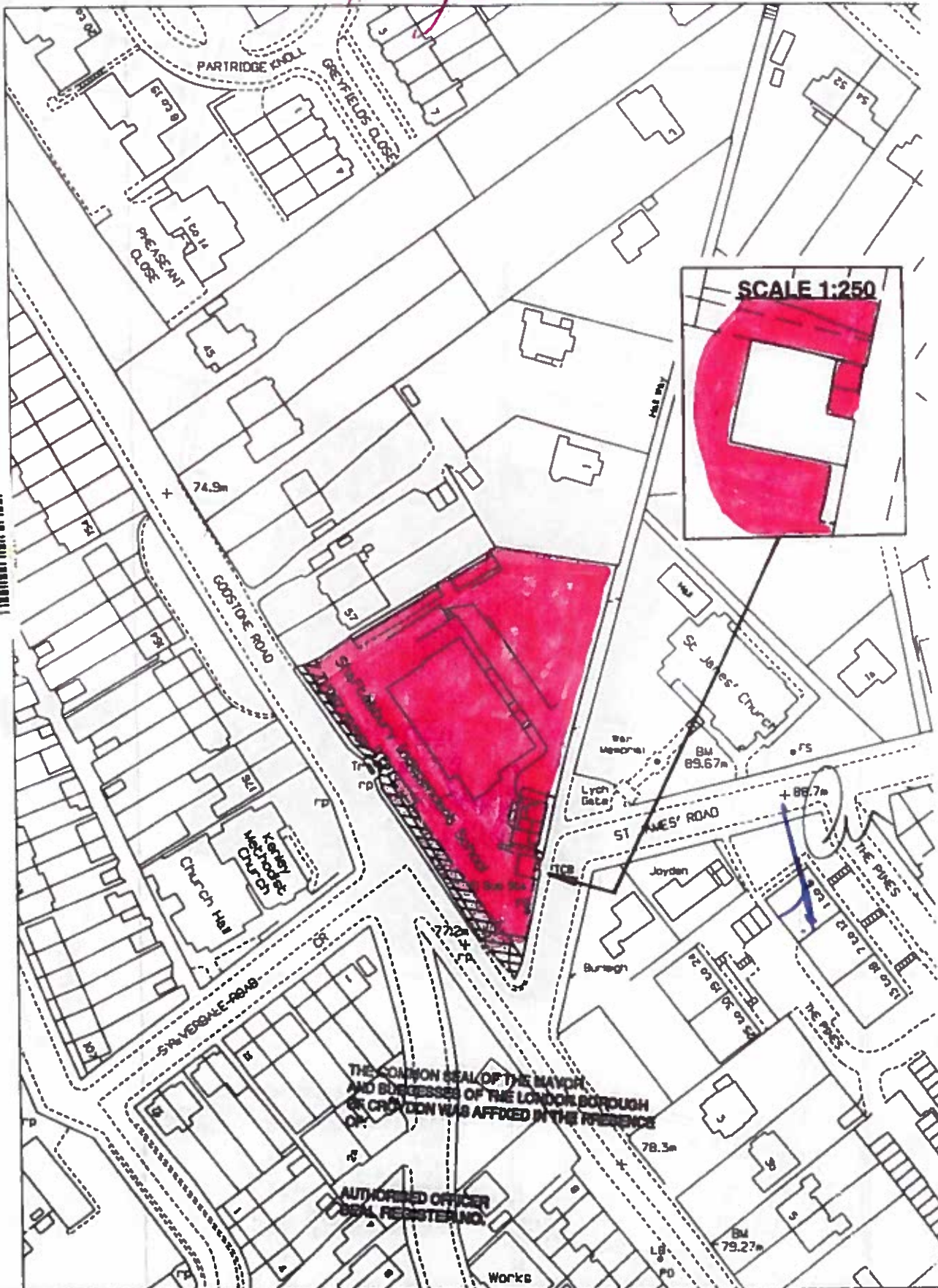
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OF:

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SEAL REGISTER NO. 30416

LONDON BOROUGH OF CROYDON

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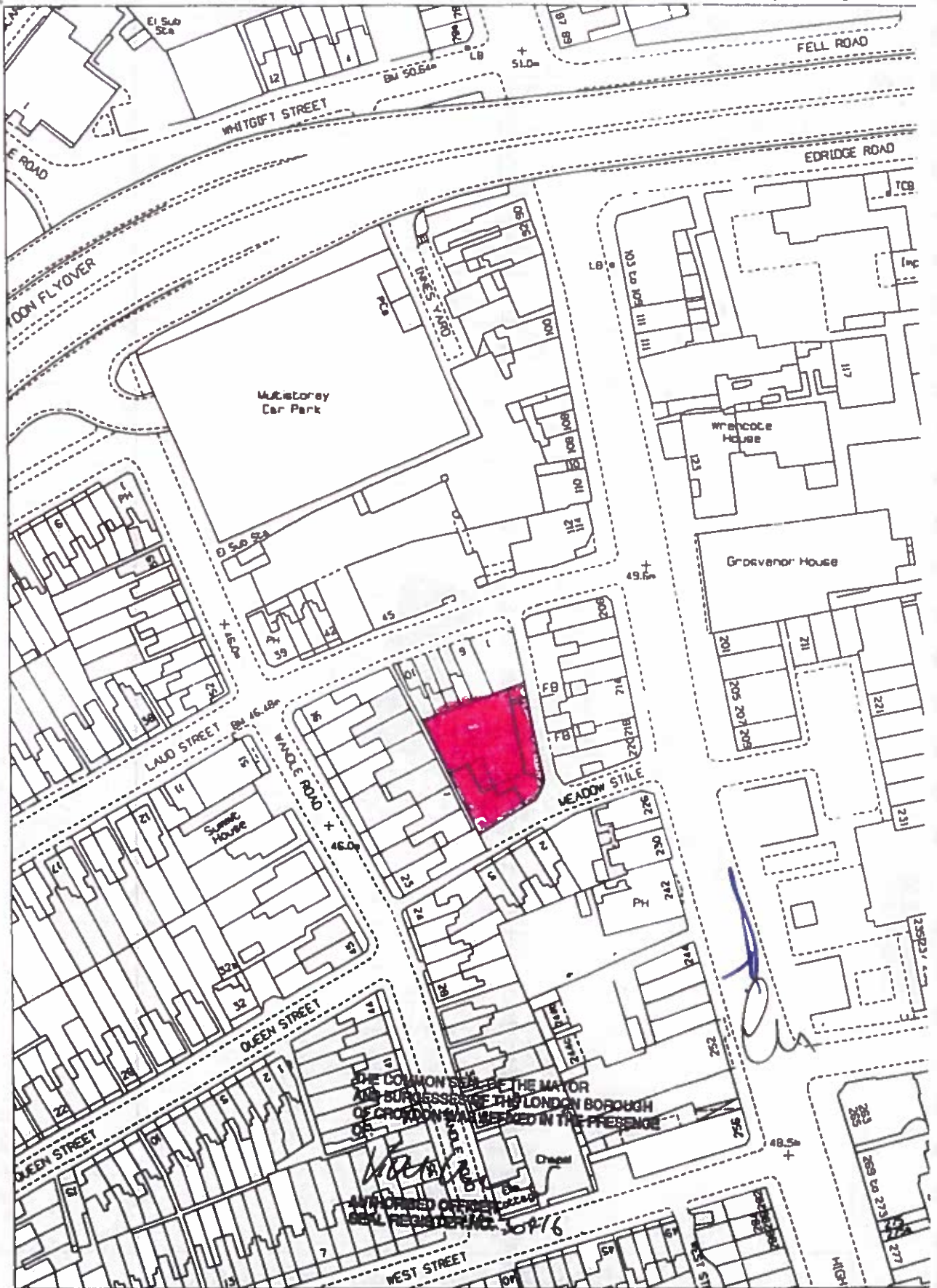
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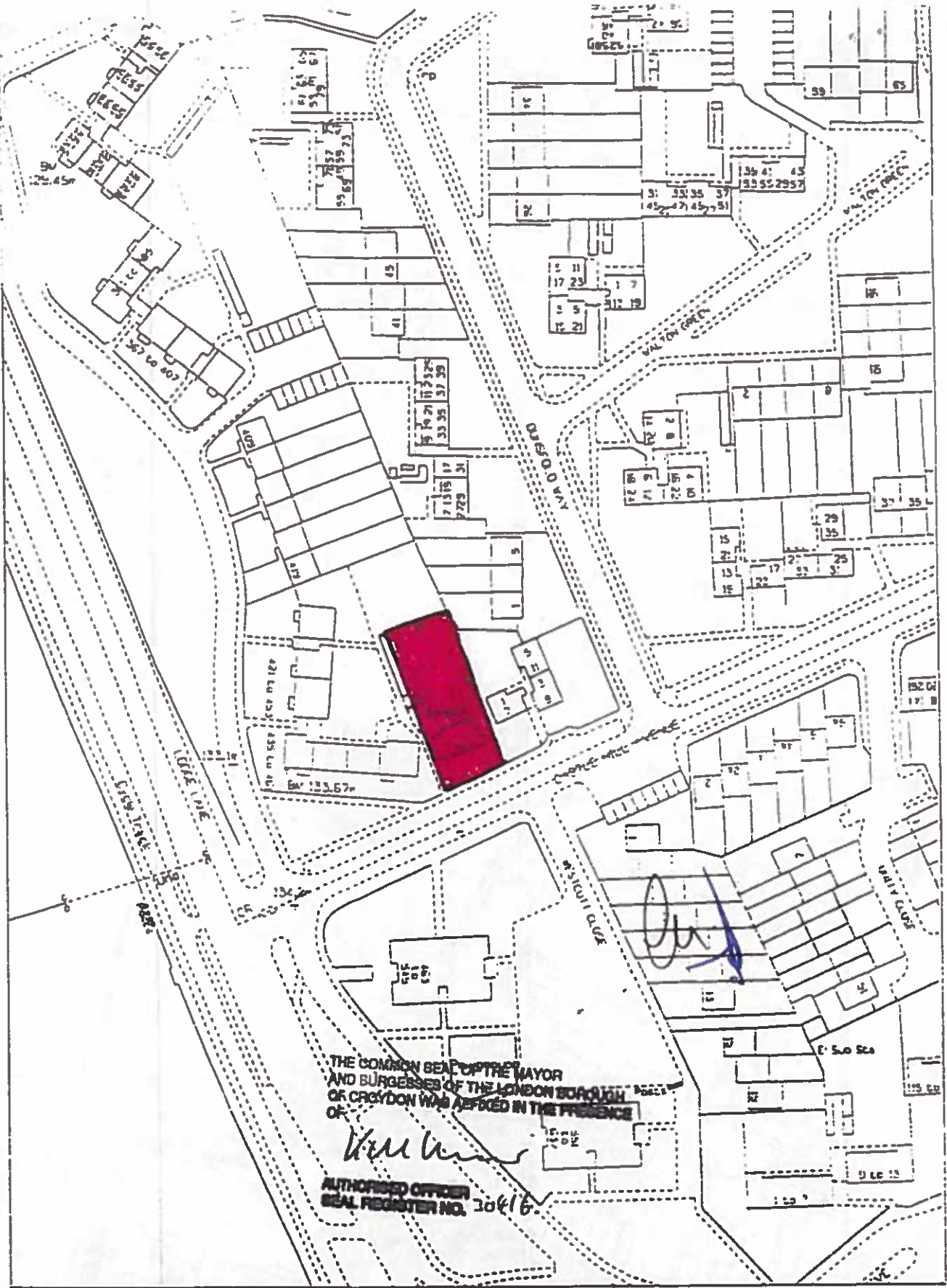
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 Director of Estates and Valuation

19




THE COMMON SEAL OF THE MAYOR
AND BURGESSES OF THE LONDON BOROUGH
OF CROYDON WAS AFFIXED IN THE PRESENCE
OF

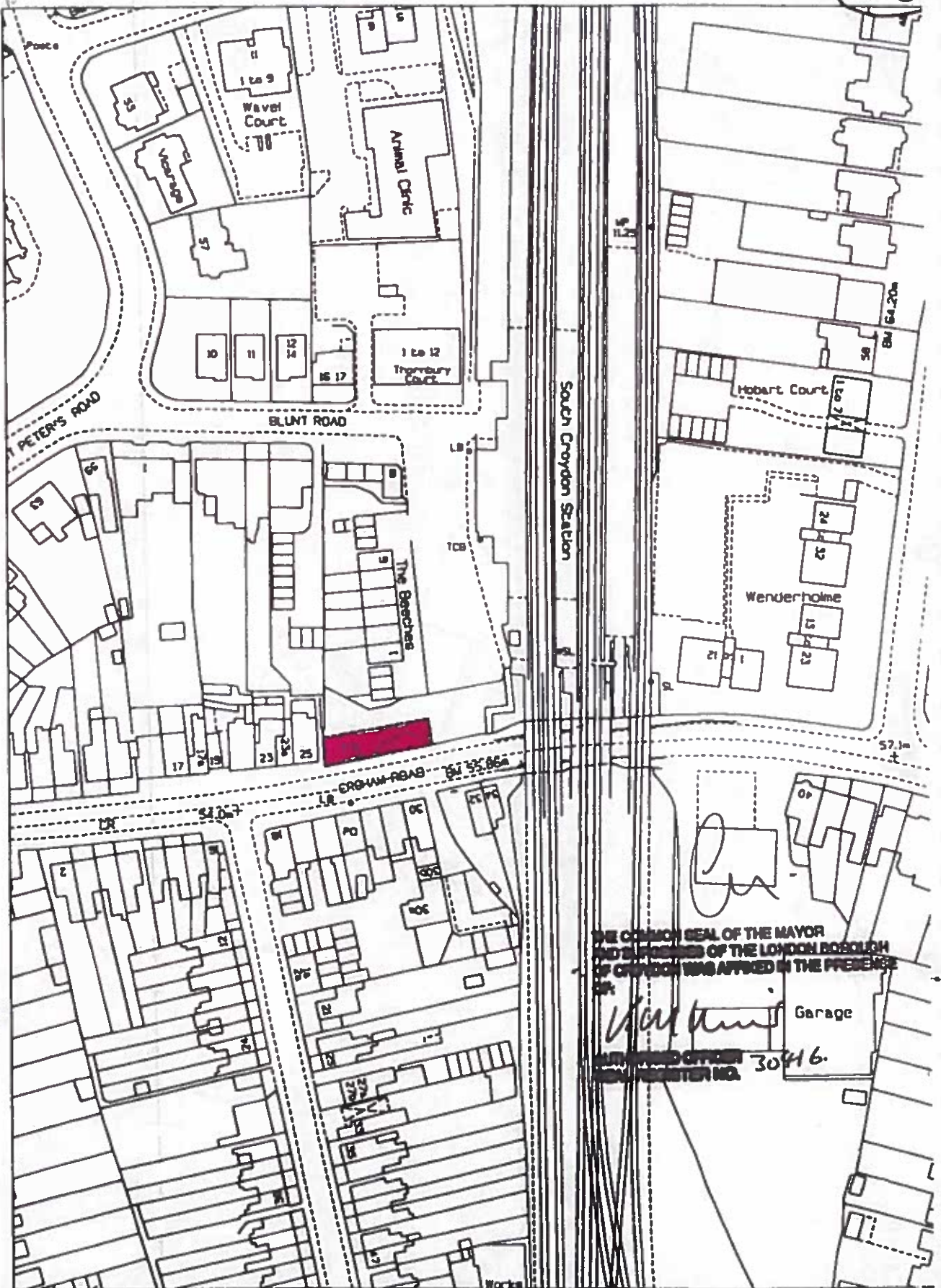
William [Signature]

AUTHORIZED OFFICER
SEAL REGISTER NO. 30416

LONDON BOROUGH OF CROYDON

<p>TRANSFER</p>		<p>Scale : 1 : 1250</p>	
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<p>This information is believed to be correct but the Council accept no responsibility in the event of error. Accuracy must be checked on site.</p>		<p>R M BRAKES, FRICS Director of Estates and Valuation</p>	

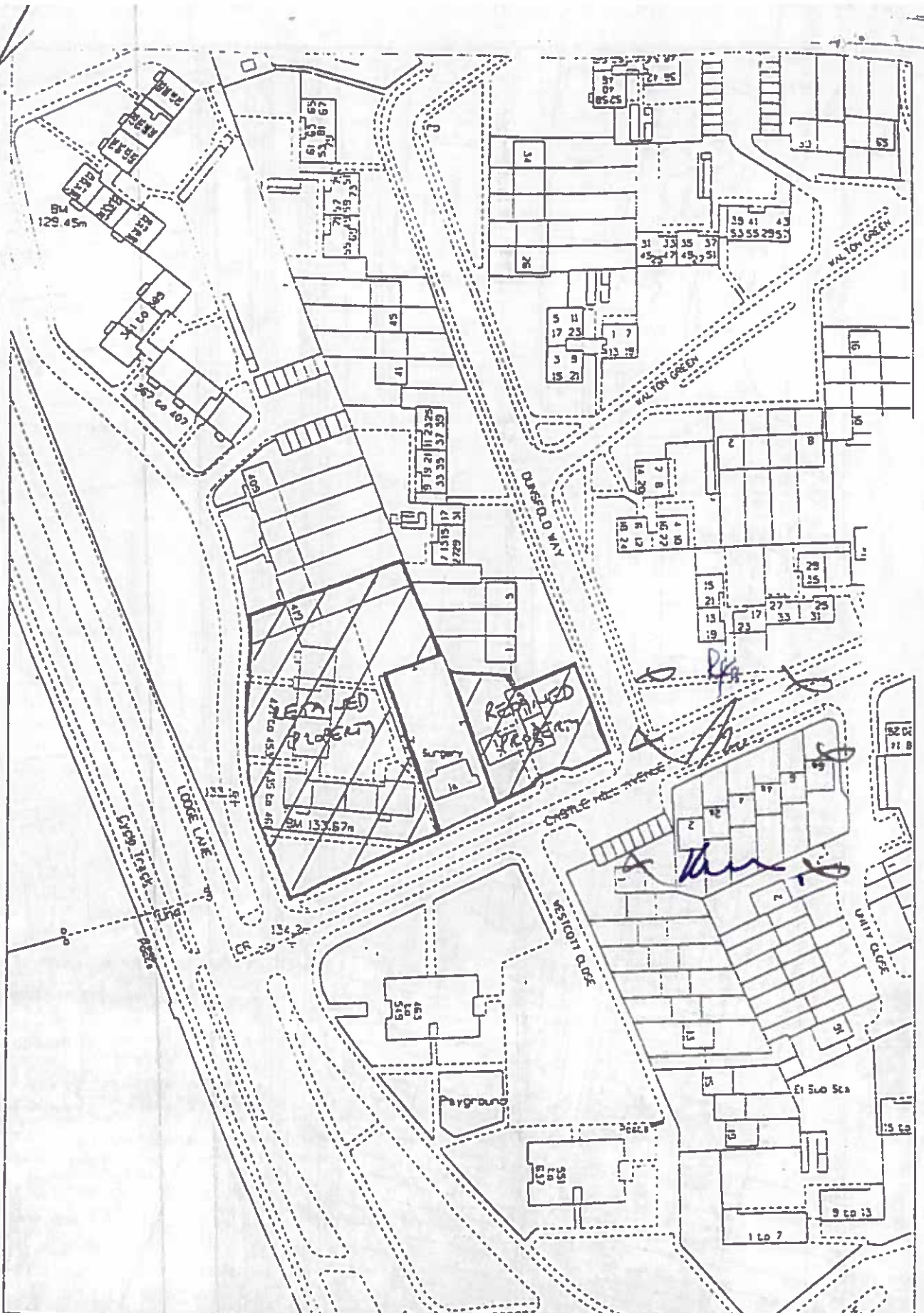
225



THE COMMON SEAL OF THE MAYOR
 AND BURGESSES OF THE LONDON BOROUGH
 OF CROYDON WAS APPLIED IN THE PRESENCE
 OF:
Mark King
 SURVEYOR GENERAL
 REGISTER NO. 30416.

LONDON BOROUGH OF CROYDON

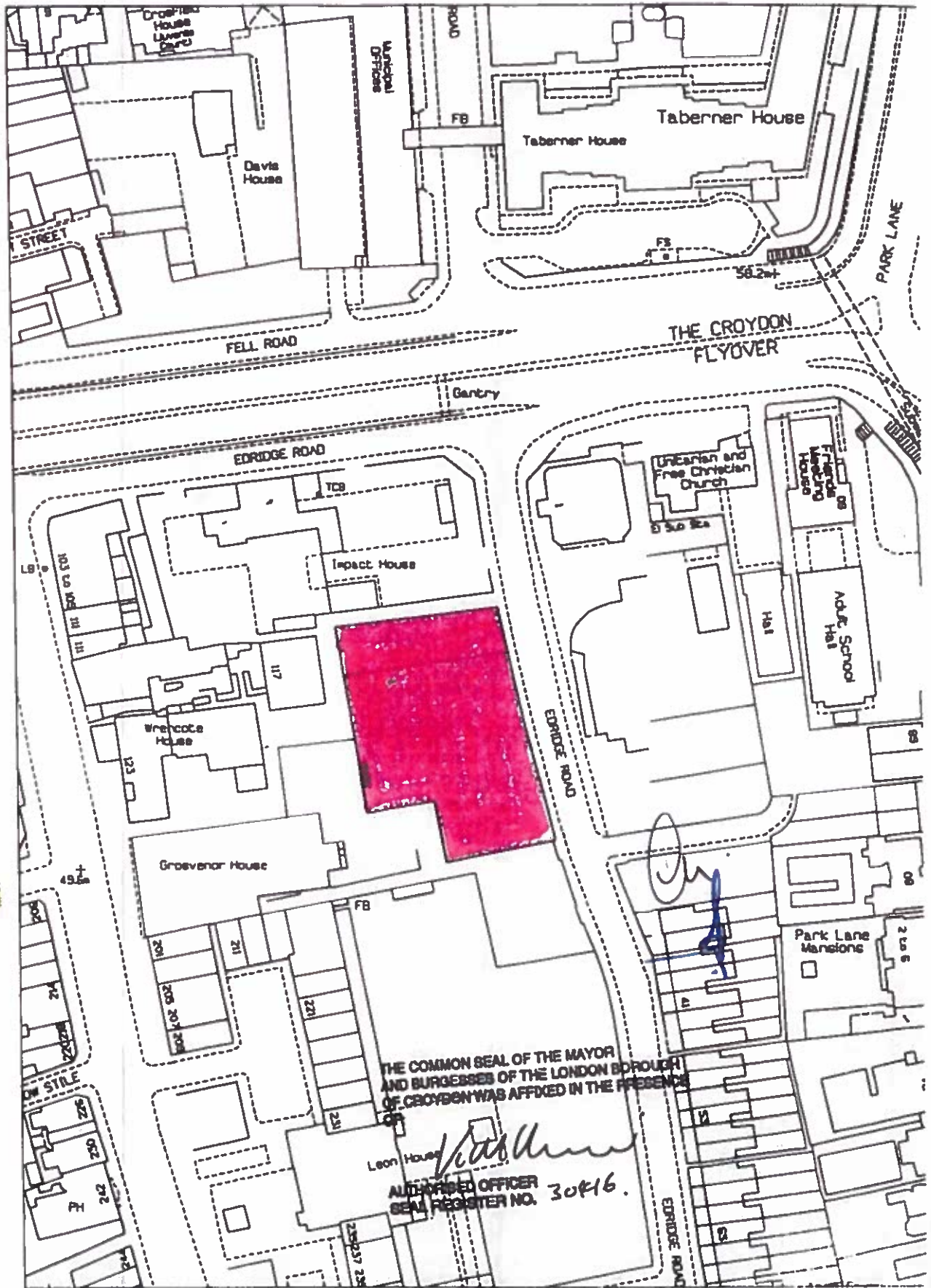
<p>TRANSFER</p>		<p>Scale : 1 : 1250</p>	
<p>Reproduced from the Ordnance Survey Map by the London Borough of Croydon Taberner House, Park Lane, Croydon with the sanction of the Controller of H. M. Stationary Office. Crown Copyright reserved. Licence No. LA 080347</p>		<p>Date : 11-Aug-1993</p>	<p>Copy No. 4003841</p>
<p>This information is believed to be correct but the Council accept no responsibility in the event of error. Accuracy must be checked on site.</p>		<p>R N BRAKES, FRICS Director of Estates and Valuation</p>	




LONDON BOROUGH OF CROYDON

<p>TRANSFER</p>		<p>Scale : 1 : 1250</p>	
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<p>This information is believed to be correct but the Council accept no responsibility in the event of error. Accuracy must be checked on site</p>		<p>R H BRAKES, FRICS Director of Estates and Valuation</p>	

CODE NO: 240



LONDON BOROUGH OF CROYDON

<p>TRANSFER</p>		<p>Scale : 1 : 1250</p>	
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<p>This information is believed to be correct but the Council accept no responsibility in the event of error. Accuracy must be checked on site.</p>		<p>R M BRAKES, FRICS Director of Estates and Valuation</p>	

The electronic official copy of the register follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.



Official copy of register of title

Title number SGL573066

Edition date 10.01.2014

This official copy shows the entries on the register of title on 25 JUN 2018 at 14:34:55.

This date must be quoted as the "search from date" in any official search application based on this copy.

The date at the beginning of an entry is the date on which the entry was made in the register.

Issued on 25 Jun 2018.

Under s.67 of the Land Registration Act 2002, this copy is admissible in evidence to the same extent as the original.

This title is dealt with by HM Land Registry, Croydon Office.

A: Property Register

This register describes the land and estate comprised in the title.

CROYDON

- 1 The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being 7 Altyre Road, Croydon (CR9 5AA).
- 2 (18.03.1997) The land edged and numbered in green on the title plan has been removed from this title and registered under the title number or numbers shown in green on the said plan.
- 3 (18.03.1997) The land has the benefit of the following rights reserved by the Deed of Transfer and surrender dated 10 January 1997 referred to in the Charges Register:-

"The Hotel Company for itself; its successors in title; and its mortgagees tenants and licensees EXCEPTS AND RESERVES for the duration of the Perpetuity Period the following rights and easements:-

4.3.1 the right to make connection with the Soakaway and any inspection chamber and use or increase the use of the same (provided such increase in use is within the capacity of the Soakaway and any inspection chamber) all costs and expenses in connection with the same to be borne by the Hotel Company;

4.3.2 to build on near or over the Soakaway and the inspection chamber any addition extension or redevelopment of The Hotel Company's building subject to all necessary planning consent and building regulation consent being first obtained

4.3.3. to divert replace or relay the Soakaway and the inspection chamber upon reasonable notice being given to the Council and subject to the Hotel Company bearing all costs and expenses in connection with the same;

4.3.4 the right upon reasonable notice to enter the Premises and the Yellow land to exercise any of the rights set out above subject to making good as soon as reasonably practicable at The Hotel Company's own cost any damage caused thereby;

4.3.5 the right at any time during the Perpetuity Period to rebuild alter to develop The Hotel Company's property provided that the Council shall be entitled compensation for any damage or disturbance caused by or suffered through any such rebuilding alteration or development."

A: Property Register continued

NOTE: The yellow land referred to above adjoins the Southern and Eastern boundaries of the land in this title.

- 4 (08.05.2003) The land has the benefit of the rights reserved by but is subject to the rights granted by a Transfer of the land edged and numbered SGL644518 in green on the filed plan dated 31 March 2003 made between (1) The Croydon Hotel & Leisure Company Limited (Transferors) and (2) Evazza Holdings Limited (Transferee):-

-NOTE: Copy filed. Original filed under SGL644518.

- 5 (28.01.2005) By a Deed dated 18 May 2004 made between (1) The Croydon Hotel and Leisure Company Limited and (2) Plumdean Limited Register the rights granted and reserved by the Transfer dated 31 March 2003 referred to above have been modified.

-NOTE: Copy filed under SGL644518.

- 6 (02.09.2008) The land has the benefit of the rights reserved by but is subject to the rights granted by a Transfer of the land edged and numbered SGL701598 in green on the title plan dated 15 July 2008 made between (1) The Croydon Hotel & Leisure Company Limited and (2) Plumdean Limited.

-NOTE: Copy filed under SGL701598.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

- 1 (14.06.2001) PROPRIETOR: THE CROYDON HOTEL & LEISURE COMPANY LIMITED (Co. Regn. No. 3760649) of The Croydon Park Hotel, 7 Altyre Road, Croydon, Surrey CR9 5AA.
- 2 (14.06.2001) The price stated to have been paid on 2 July 1999 was £19,500,000.
- 3 (14.06.2001) The Transfer to the proprietor contains a covenant to observe and perform the covenants referred to in the Charges Register and of indemnity in respect thereof.
- 4 (10.01.2014) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 9 December 2013 in favour of National Asset Loan Management Limited referred to in the Charges Register or their conveyancer.

C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 Two Conveyances together comprising the land tinted blue on the filed plan and other land dated 30 March 1896 and 5 November 1897 the first made between (1) Joseph Webster Prince and (2) John Bullers and second made between (1) Frederick Blackmore Etheridge and Jeffrey Edwards Michelmore and (2) the said John Bullers contain identical covenants details of which are set out in the schedule of restrictive covenants hereto.
- 2 A Conveyance of the land tinted pink on the filed plan dated 28 January 1898 made between (1) Frederick Blackmore Etheridge and Jeffrey Edwards Michelmore (Vendors) and (2) Frederick George Miller (Purchaser) contains covenants details of which are set out in the Schedule of restrictive covenants hereto.

C: Charges Register continued

- 3 A Conveyance of the land tinted brown on the filed plan dated 20 December 1899 made between (1) Edmund John Saunders (Vendor) (2) Mary Courtenay Wells and (3) Albert Edward Becheley Crundall (Purchaser) contains covenants details of which are set out in the schedule of restrictive covenants hereto.
- 4 A Conveyance of the land tinted yellow on the filed plan dated 12 November 1959 made between (1) The Church Commissioners for England (Commissioners) (2) Norman Neill Limited (Purchaser) and (3) Norman William Butler Neill and Barbara Mary Porter contains covenants details of which are set out in the schedule of restrictive covenants hereto.
- 5 (18.03.1997) The land is subject to the following rights granted by a Transfer of the land edged and numbered SGL591066 in green on the title plan dated 10 January 1997 made between (1) The Croydon Hotel & Leisure Company Limited (2) The Mayor and Burgesses of the London Borough of Croydon (3) Bargolane B.V. and (4) Banque Nationale De Paris PLC:-

"It is expressly agreed that the Council is hereby given:-

4.1.1. the right of access to the Hotel Company's Land for the purpose of inspecting repairing renewing and replacing all or any part of the retaining wall as is mentioned in Clause 11 of the Deed of Variation

4.1.2 the right to the drainage of surface water from the retaining wall to a soakaway or other means of drainage (hereinafter called "the Soakaway") on The Hotel Company's Land now constructed or to be constructed by The Hotel Company within 80 years from the date hereof ("the Perpetuity Period") and a right of access to The Hotel Company's Land (such right of access to exclude the Hotel and any extensions thereof) for the purpose of inspecting repairing renewing replacing all or any parts of the Soakaway and if required an inspection chamber (hereinafter called "Remedial Works")

PROVIDED THAT

(a) The Council shall from the date hereof for the Perpetuity Period maintain the Soakaway at the Council's own cost and expense;

(b) if within three months after service of a notice from The Hotel Company to the Council to conduct any Remedial Works to the Soakaway the Council shall have failed to commence and the proceeding expeditiously with the Remedial Works or if in the opinion of the surveyor appointed to act on behalf of The Hotel Company the Council is unlikely to have completed or has not completed the Remedial Works by the expiry of six months (or such shorter period in the case of emergency) after service of the notice The Hotel Company may effect the Remedial Works and the Council shall pay to The Hotel Company the proper and reasonable cost of doing so and all proper and reasonable expenses incurred (including, but not by way of limitation, solicitors costs and surveyors fees) within 28 days of written demand;

(c) prior to conducting Remedial Works the Council shall agree with The Hotel Company a programme or schedule of works and at the cost of the Council a schedule of condition shall be prepared which shall include in the Council's opinion all land and surrounding areas, drains roads, landscaping and the state and condition of the boundary or retaining wall adjacent to Fairfield Road (including the said wall's foundations and cladding (if any) which may be affected by the Remedial Works - and in the event of the programme or schedule of works not being agreed by the Council and The Hotel Company either the Council or The Hotel Company may at any time by written notice to the other require that the matter be referred to the determination of an independent surveyor to be agreed between the parties or failing any agreement to be chosen at the request of either party by the president or vice president for the time being of the Royal Institution of Chartered Surveyors and the reference to the said surveyor shall be deemed to be a submission to arbitration and subject to the provisions of the Arbitration Acts 1950 to 1996;

(d) save in cases of emergency Remedial Works shall only be conducted between the hours of 8 a.m and 6 p.m.;

C: Charges Register continued

(e) in conducting Remedial Works all plant machinery and equipment will be allowed access to The Hotel Company's Land via accessways first approved by The Hotel Company (such approval not to be unreasonably withheld or delayed) and the Remedial Works will be carried out in a manner so that access to and egress in from The Hotel Company's land is not impeded and with the minimum disturbance to The Hotel Company's guests visitors and staff and in such manner as not to interfere or damage The Hotel Company's business;

(f) at all times the Council shall ensure that all jack hammers, air compressors and other plant machinery and equipment used for the Remedial Works shall have the maximum sound proofing insulation reasonably available to the Council whilst in use and shall maintain all necessary public liability and other insurances;

PROVIDED FURTHER

(a) following the Remedial Works the Council shall procure that The Hotel Company's land is reinstated as soon as reasonably practicable to the reasonable satisfaction of The Hotel Company; and

(b) The Council shall at all times indemnify The Hotel Company and its successors in title against all costs claims expenses liability damages or claims in respect of the Soakaway and any Remedial Works.

4.1.3 The right of support for the said retaining wall and the foundations thereof from The Hotel Company's land."

NOTE: The Hotel Company's land referred to above is the land remaining in this title.

6 (13.06.2006) The land is subject to the lease set out in the schedule of leases hereto.

7 (02.09.2008) By a Deed dated 15 July 2008 made between (1) Kasterlee UK Limited (2) The Croydon Hotel & Leisure Company Limited and (3) Kasterlee Limited the terms of the lease dated 7 April 2006 referred to in the schedule of leases hereto were varied.

NOTE 1: The proprietor of the registered charge dated 20 April 2006 referred to above was not a party to the deed nor was evidence of its consent to the deed produced to the registrar.

-NOTE 2: Copy Deed filed under SGL674556.

8 (10.01.2014) REGISTERED CHARGE contained in a Debenture dated 9 December 2013.

9 (10.01.2014) Proprietor: NATIONAL ASSET LOAN MANAGEMENT LIMITED (incorporated in The Republic of Ireland) of Treasury Building, Grand Canal Street, Dublin 2, Ireland.

10 (10.01.2014) The proprietor of the Charge dated 9 December 2013 referred to above is under an obligation to make further advances. These advances will have priority to the extent afforded by section 49(3) Land Registration Act 2002.

Schedule of restrictive covenants

1 The following are details of the covenants contained in the Conveyances dated 30 March 1896 and 5 November 1897 referred to in the Charges Register:-

"AND the said John Bullers doth hereby for himself his heirs executors administrators and assigns covenants with the said Joseph Webster Prince his heirs and assigns that he the said John Bullers his heirs and assigns will forthwith make and forever afterwards maintain at his and their own expense a good close boundary fence not less than six feet high on the the sides of the land marked T on the said plan AND also that he and they will not make any bricks or tiles on the property nor burn any clay or lime thereon. And also that he and they will not remove any chalk earth clay gravel or sand from the property except what may be removed in excavating for foundations And also that he and

Schedule of restrictive covenants continued

they will not do or permit or suffer to be done on the property anything which shall be or become a nuisance or annoyance to the said Joseph Webster Prince his heirs or assigns or the owners or occupiers for the time being of any adjoining or neighbouring property And also that he and they will not use the property or any part thereof as a way to any adjoining land And also that he and they will not erect on the said piece of land more than one detached private messuage or dwellinghouse with necessary outbuildings and offices such messuage or dwellinghouse to be of not less value than Six hundred pounds prime cost excluding from the prime cost the cost or value of the site and of internal fittings and fixtures usually known as Tenants' fixtures And also that the situation of the said mesuage or dwellinghouse and the outbuildings and offices shall be subject to the approval of the said Joseph Webster Prince his heirs and assigns or his or their Surveyor And also that no trade or manufacture shall be carried on upon the property nor shall any stabling be erected on the property nor shall any buildings or erections be put up nearer to Hazeldean Road than the Building Line shown on the said plan And also that until Hazeldean Road and the sewers and drains therein shall be adopted by the Corporation of Croydon the said John Bullers his heirs and assigns will contribute his and their fair proportion towards the expense of maintaining and repairing the same road sewers and drains such proportion to be fixed and settled by the Surveyor for the time being on the said Joseph Webster Prince his heirs or assigns.

NOTE: The T marks referred to above are now internal and the building line referred to above is set back 15 feet from road frontage.

- 2 The following are details of the covenants contained in the Conveyance dated 28 January 1898 referred to in the Charges Register:-

COVENANT by the Purchaser for himself and his assigns with the Vendors and their assigns that he the Purchaser and his assigns would forthwith make and for ever afterwards maintain at his and their own expense a good close boundary fence not less than six feet high on the boundary of the close boundary fence not less than six feet high on the boundary of the land marked 'T' on the said plan That he and they would not make any bricks or tiles on the property nor burn any clay or lime thereon.

NOT to remove any chalk earth clay gravel or sand from the property except what might be removed in excavating for foundations.

NOT to do or permit or suffer to be done on the property anything which should be or become a nuisance or annoyance to the Vendors or their assigns or the owners or occupiers for the time of any adjoining property.

NOT to use the property or any part thereof as a road or way to any adjoining land.

NOT to erect on the said piece of land more than one detached private messuage or dwellinghouse with the necessary outbuildings and offices such messages or dwellinghouses to be of not less value than £400 prime cost excluding from the prime cost the value of the site and of internal fixtures and fittings usually known as tenants fixtures And that the situation of such messuage or dwellinghouse and outbuildings and offices should be subject to the approval of the Vendors and their assigns or their surveyor.

THAT no trade or manufacture should be carried on upon the property nor should any stabling be erected on the property nor should any buildings or erections be put up nearer to Hazledean Road than the building line shewn on the said plan.

NOTE 1: The 'T' mark referred to above is now internal

NOTE 2: The building line referred to above is shown by a blue broken line on the filed plan.

- 3 The following are details of the covenants contained in the Conveyance dated 20 December 1899 referred to in the Charges Register:-

"AND the said Purchaser hereby covenants and agrees with the said

Schedule of restrictive covenants continued

Vendor that he will observe and perform the aforesaid conditions and stipulations and indemnify the Vendor therefrom

THE FIRST SCHEDULE above referred to

1. The Purchaser shall at all times hereafter maintain the fences at the rear and on the Eastern boundary of the said premises
2. Not to make any bricks or tiles on the property nor put in any clay or lime thereon
3. Not to remove any chalk earth clay gravel or sand except what may be removed in excavating for foundations
4. Not to do or permit or suffer to be done on the land anything which shall be or become a nuisance or annoyance to the Vendors or the owners or occupiers for the time being of any adjoining or neighbouring property
5. Not to use the said land as a road or way to any adjoining land
6. Not to erect on the land more than one detached private messuage or dwellinghouse with the necessary outbuildings and offices such messuage or dwellinghouse to be of not less value than six hundred pounds prime cost excluding from the prime cost the cost or value of the site and of internal fittings and fixtures usually known as tenants fixtures
7. That the situation of the said messuage or dwellinghouse and outbuildings and offices shall be subject to the approval of the Vendor and his Surveyor.
8. No trade or manufacture shall be carried on upon the property nor shall any stabling be erected upon the property nor shall any buildings or erections be put up nearer than sixteen feet to the road other than boundary fences not exceeding six feet in height.

4 The following are details of the covenants contained in the Conveyance dated 12 November 1959 referred to in the Charges Register:-

"THE Purchaser to the intent that the covenants hereinafter contained shall bind the said property into whosoever hands the same may come for the benefit of adjoining and neighbouring lands belonging to the Commissioners or any part or parts thereof hereby for itself and its successors in title covenant with the Commissioners that it will perform and observe the stipulations and restrictions set out in the Third Schedule hereunder written.

THE THIRD SCHEDULE hereinbefore referred to

1. THAT the Purchaser shall not be entitled to the benefit of any covenant or reservation in any Conveyances or Leases made or granted by the Commissioners of lands and premises adjoining opposite or near to the said property enabling the Commissioners to deal as they may think fit with adjoining or neighbouring lands without regard to the light and air enjoyed by the owner lessee tenant or occupier of the land comprised in the said Conveyances or Leases not the benefit of any restrictive covenant stipulation or condition or any other covenant reservation right condition or obligation contained in any Conveyances or Leases made or granted by the Commissioners of the said lands and premises adjoining opposite or near to the said property or elsewhere in the Parish of Croydon or adjoining or adjacent Parishes except insofar only as the benefit of such Leases had been hereinbefore assigned to the Purchaser
2. THAT if at any time hereafter during the lives of the issue now living of His late Majesty King Edward VII and the last survivor of them and Twenty-one years after the death of such last survivor a Petrol Filling Station is opened upon the property hereby conveyed of any part thereof the Purchaser will within one year of the date of such opening (the said date to be decided in case of dispute by the Commissioners' Surveyors for the time being) effectively close up the existing opening into Addiscombe Grove at the point marked "A" in the said plan annexed hereto with a good and substantial wall or fence to

Schedule of restrictive covenants continued

the reasonable satisfaction of the Commissioners' Surveyors for the time being and will not thenceforth use or permit the private road or passage between the points marked "A" and "B" on the the said plan to be used as a road or passage giving access and egress for vehicular traffic to an from Addiscombe Grove aforesaid Except that a gateway may be incorporated in such wall or fence for the sole purpose of pedestrian traffic giving access to and egress fro Addiscombe Grove aforesaid

3. THAT the private road or passage between the points marked "C" and "D" in the said plan annexed hereto giving access to and egress from Fairfield Road shall not at any time hereafter be used or suffered to be used for the passage of any motor vehicle whatsoever save and except private vehicles wich may use the same for purposes of access and egress to and from any lock-up or other garage or garages erected or to be erected on the land hereby conveyed or any part thereof for the garaging of such private vehicles but not for purposes connected in any other way with any motor garage business which may be carried on upon the said property hereby conveyed.

NOTE: The points marked A B C and D referred to above are reproduced on the filed plan.

Schedule of notices of leases

1	13.06.2006	Croydon Park Hotel, 7 Altyre Road	07.04.2006 25 years from 7.7.2006	SGL674556
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NOTE 1: The lease dated 7 April 2006 referred to above has been determined as to the part edged and numbered SGL701598 in green on the title plan.

NOTE 2: See entry in the Charges Register relating to a Deed of Variation dated 15 July 2008.

End of register

The electronic official copy of the register follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.



Official copy of register of title

Title number SGL674556

Edition date 19.09.2016

This official copy shows the entries on the register of title on 25 JUN 2018 at 14:32:18.

This date must be quoted as the "search from date" in any official search application based on this copy.

The date at the beginning of an entry is the date on which the entry was made in the register.

Issued on 25 Jun 2018.

Under s.67 of the Land Registration Act 2002, this copy is admissible in evidence to the same extent as the original.

This title is dealt with by HM Land Registry, Croydon Office.

A: Property Register

This register describes the land and estate comprised in the title. Except as mentioned below, the title includes any legal easements granted by the registered lease but is subject to any rights that it reserves, so far as those easements and rights exist and benefit or affect the registered land.

CROYDON

- 1 (13.06.2006) The Leasehold land shown edged with red on the plan of the above Title filed at the Registry and being Croydon Park Hotel, 7 Altyre Road, Croydon (CR9 5AA).
- 2 (13.06.2006) Short particulars of the lease(s) (or under-lease(s)) under which the land is held:
 Date : 7 April 2006
 Term : 25 years from 7 April 2006
 Parties : (1) The Croydon Hotel & Leisure Company Limited
 (2) Kasterlee UK Limited
- 3 (13.06.2006) There are excepted from the effect of registration all estates, rights, interests, powers and remedies arising upon, or by reason of, any dealing made in breach of the prohibition or restriction against dealings therewith inter vivos contained in the Lease.
- 4 (13.06.2006) The land has the benefit of the following rights reserved by the Deed of Transfer and surrender dated 10 January 1997 referred to in the Charges Register:-

 "The Hotel Company for itself; its successors in title; and its mortgagees tenants and licensees EXCEPTS AND RESERVES for the duration of the Perpetuity Period the following rights and easements:-

 4.3.1 the right to make connection with the Soakaway and any inspection chamber and use or increase the use of the same (provided such increase in use is within the capacity of the Soakaway and any inspection chamber) all costs and expenses in connection with the same to be borne by the Hotel Company;

 4.3.2 to build on near or over the Soakaway and the inspection chamber any addition extension or redevelopment of The Hotel Company's building subject to all necessary planning consent and building regulation consent being first obtained

 4.3.3. to divert replace or relay the Soakaway and the inspection

A: Property Register continued

chamber upon reasonable notice being given to the Council and subject to the Hotel Company bearing all costs and expenses in connection with the same;

4.3.4 the right upon reasonable notice to enter the Premises and the Yellow land to exercise any of the rights set out above subject to making good as soon as reasonably practicable at The Hotel Company's own cost any damage caused thereby;

4.3.5 the right at any time during the Perpetuity Period to rebuild alter to develop The Hotel Company's property provided that the Council shall be entitled compensation for any damage or disturbance caused by or suffered through any such rebuilding alteration or development."

NOTE: The yellow land referred to above adjoins the Southern and Eastern boundaries of the land in this title.

- 5 (13.06.2006) The land has the benefit of the rights reserved by but is subject to the rights granted by a Transfer of the land edged and numbered 1 and 2 in blue on the title plan dated 31 March 2003 made between (1) The Croydon Hotel & Leisure Company Limited (Transferors) and (2) Evazza Holdings Limited (Transferee):-

-NOTE: Original filed under SGL644518.

- 6 (13.06.2006) By a Deed dated 18 May 2004 made between (1) The Croydon Hotel and Leisure Company Limited and (2) Plumdean Limited Register the rights granted and reserved by the Transfer dated 31 March 2003 referred to above have been modified.

-NOTE: Copy filed under SGL644518.

- 7 (13.06.2006) The landlord's title is registered.

- 8 Unless otherwise mentioned the title includes any legal easements granted by the registered lease(s) but is subject to any rights that it reserves, so far as those easements and rights exist and benefit or affect the registered land.

- 9 (02.09.2008) As to the part edged and lettered X in green on the title plan Lease determined. Register closed

- 10 (02.09.2008) By a Deed dated 15 July 2008 made between (1) Kasterlee UK Limited (2) The Croydon Hotel & Leisure Company Limited and (3) Kasterlee Limited the terms of the registered lease were varied.

NOTE 1: The proprietor of the registered charge dated 20 April 2006 of the landlords title number SGL573066 was not a party to the deed nor was evidence of its consent to the deed produced to the registrar.

-NOTE 2: Copy Deed filed.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

- 1 (13.06.2006) PROPRIETOR: KASTERLEE UK LIMITED (Co. Regn. No. 569910) of Croydon Park Hotel, 7 Altyre Road, Croydon CR9 5AA.
- 2 (19.09.2016) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 6 May 2016 in favour of The Governor and Company of the Bank of Ireland referred to in the Charges Register or their conveyancer.

C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 (13.06.2006) Two Conveyances together comprising the freehold estate in the land tinted blue on the title plan and other land dated 30 March 1896 and 5 November 1897 the first made between (1) Joseph Webster Prince and (2) John Bullers and second made between (1) Frederick Blackmore Etheridge and Jeffrey Edwards Michelmore and (2) the said John Bullers contain identical covenants details of which are set out in the schedule of restrictive covenants hereto.
- 2 (13.06.2006) A Conveyance of the freehold estate in the land tinted pink on the title plan dated 28 January 1898 made between (1) Frederick Blackmore Etheridge and Jeffrey Edwards Michelmore (Vendors) and (2) Frederick George Miller (Purchaser) contains covenants details of which are set out in the Schedule of restrictive covenants hereto.
- 3 (13.06.2006) A Conveyance of the freehold estate in the land tinted brown on the title plan dated 20 December 1899 made between (1) Edmund John Saunders (Vendor) (2) Mary Courtenay Wells and (3) Albert Edward Becheley Crundall (Purchaser) contains covenants details of which are set out in the schedule of restrictive covenants hereto.
- 4 (13.06.2006) A Conveyance of the freehold estate in the land tinted yellow on the title plan dated 12 November 1959 made between (1) The Church Commissioners for England (Commissioners) (2) Norman Neill Limited (Purchaser) and (3) Norman William Butler Neill and Barbara Mary Porter contains covenants details of which are set out in the schedule of restrictive covenants hereto.
- 5 (13.06.2006) The land is subject to the following rights granted by a Transfer of the land edged and numbered 3 in blue on the title plan dated 10 January 1997 made between (1) The Croydon Hotel & Leisure Company Limited (2) The Mayor and Burgesses of the London Borough of Croydon (3) Bargolane B.V. and (4) Banque Nationale De Paris PLC:-

"It is expressly agreed that the Council is hereby given:-

4.1.1. the right of access to the Hotel Company's Land for the purpose of inspecting repairing renewing and replacing all or any part of the retaining wall as is mentioned in Clause 11 of the Deed of Variation

4.1.2 the right to the drainage of surface water from the retaining wall to a soakaway or other means of drainage (hereinafter called "the Soakaway") on The Hotel Company's Land now constructed or to be constructed by The Hotel Company within 80 years from the date hereof ("the Perpetuity Period") and a right of access to The Hotel Company's Land (such right of access to exclude the Hotel and any extensions thereof) for the purpose of inspecting repairing renewing replacing all or any parts of the Soakaway and if required an inspection chamber (hereinafter called "Remedial Works")

PROVIDED THAT

(a) The Council shall from the date hereof for the Perpetuity Period maintain the Soakaway at the Council's own cost and expense;

(b) if within three months after service of a notice from The Hotel Company to the Council to conduct any Remedial Works to the Soakaway the Council shall have failed to commence and the proceeding expeditiously with the Remedial Works or if in the opinion of the surveyor appointed to act on behalf of The Hotel Company the Council is unlikely to have completed or has not completed the Remedial Works by the expiry of six months (or such shorter period in the case of emergency) after service of the notice The Hotel Company may effect the Remedial Works and the Council shall pay to The Hotel Company the proper and reasonable cost of doing so and all proper and reasonable expenses incurred (including, but not by way of limitation, solicitors costs and surveyors fees) within 28 days of written demand;

(c) prior to conducting Remedial Works the Council shall agree with The Hotel Company a programme or schedule of works and at the cost of the Council a schedule of condition shall be prepared which shall include in the Council's opinion all land and surrounding areas, drains roads,

C: Charges Register continued

landscaping and the state and condition of the boundary or retaining wall adjacent to Fairfield Road (including the said wall's foundations and cladding (if any) which may be affected by the Remedial Works - and in the event of the programme or schedule of works not being agreed by the Council and The Hotel Company either the Council or The Hotel Company may at any time by written notice to the other require that the matter be referred to the determination of an independent surveyor to be agreed between the parties or failing any agreement to be chosen at the request of either party by the president or vice president for the time being of the Royal Institution of Chartered Surveyors and the reference to the said surveyor shall be deemed to be a submission to arbitration and subject to the provisions of the Arbitration Acts 1950 to 1996;

(d) save in cases of emergency Remedial Works shall only be conducted between the hours of 8 a.m and 6 p.m.;

(e) in conducting Remedial Works all plant machinery and equipment will be allowed access to The Hotel Company's Land via accessways first approved by The Hotel Company (such approval not to be unreasonably withheld or delayed) and the Remedial Works will be carried out in a manner so that access to and egress in from The Hotel Company's land is not impeded and with the minimum disturbance to The Hotel Company's guests visitors and staff and in such manner as not to interfere or damage The Hotel Company's business;

(f) at all times the Council shall ensure that all jack hammers, air compressors and other plant machinery and equipment used for the Remedial Works shall have the maximum sound proofing insulation reasonably available to the Council whilst in use and shall maintain all necessary public liability and other insurances;

PROVIDED FURTHER

(a) following the Remedial Works the Council shall procure that The Hotel Company's land is reinstated as soon as reasonably practicable to the reasonable satisfaction of The Hotel Company; and

(b) The Council shall at all times indemnify The Hotel Company and its successors in title against all costs claims expenses liability damages or claims in respect of the Soakaway and any Remedial Works.

4.1.3 The right of support for the said retaining wall and the foundations thereof from The Hotel Company's land."

NOTE: The Hotel Company's land referred to above is the land remaining in this title.

6 (19.09.2016) REGISTERED CHARGE contained in a Deed of Accession and Charge dated 6 May 2016.

-NOTE: Copy Principal Deed filed.

7 (19.09.2016) Proprietor: THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND (incorporated in Ireland) (UK Regn. No. FC007248) of Corporate Banking, Bow Bells House, 1 Bread Street, London EC4M 9BE.

8 (19.09.2016) The proprietor of the Charge dated 6 May 2016 referred to above is under an obligation to make further advances. These advances will have priority to the extent afforded by section 49(3) Land Registration Act 2002.

Schedule of restrictive covenants

1 The following are details of the covenants contained in the Conveyances dated 30 March 1896 and 5 November 1897 referred to in the Charges Register:-

"AND the said John Bullers doth hereby for himself his heirs executors administrators and assigns covenants with the said Joseph Webster Prince his heirs and assigns that he the said John Bullers his heirs and assigns will forthwith make and forever afterwards maintain at his

Schedule of restrictive covenants continued

and their own expense a good close boundary fence not less than six feet high on the the sides of the land marked T on the said plan AND also that he and they will not make any bricks or tiles on the property nor burn any clay or lime thereon. And also that he and they will not remove any chalk earth clay gravel or sand from the property except what may be removed in excavating for foundations And also that he and they will not do or permit or suffer to be done on the property anything which shall be or become a nuisance or annoyance to the said Joseph Webster Prince his heirs or assigns or the owners or occupiers for the time being of any adjoining or neighbouring property And also that he and they will not use the property or any part thereof as a way to any adjoining land And also that he and they will not erect on the said piece of land more than one detached private messuage or dwellinghouse with necessary outbuildings and offices such messuage or dwellinghouse to be of not less value than Six hundred pounds prime cost excluding from the prime cost the cost or value of the site and of internal fittings and fixtures usually known as Tenants' fixtures And also that the situation of the said messuage or dwellinghouse and the outbuildings and offices shall be subject to the approval of the said Joseph Webster Prince his heirs and assigns or his or their Surveyor And also that no trade or manufacture shall be carried on upon the property nor shall any stabling be erected on the property nor shall any buildings or erections be put up nearer to Hazeldean Road than the Building Line shown on the said plan And also that until Hazeldean Road and the sewers and drains therein shall be adopted by the Corporation of Croydon the said John Bullers his heirs and assigns will contribute his and their fair proportion towards the expense of maintaining and repairing the same road sewers and drains such proportion to be fixed and settled by the Surveyor for the time being on the said Joseph Webster Prince his heirs or assigns.

NOTE: The T marks referred to above are now internal and the building line referred to above is set back 15 feet from road frontage.

2 The following are details of the covenants contained in the Conveyance dated 28 January 1898 referred to in the Charges Register:-

COVENANT by the Purchaser for himself and his assigns with the Vendors and their assigns that he the Purchaser and his assigns would forthwith make and for ever afterwards maintain at his and their own expense a good close boundary fence not less than six feet high on the boundary of the close boundary fence not less than six feet high on the boundary of the land marked 'T' on the said plan That he and they would not make any bricks or tiles on the property nor burn any clay or lime thereon.

NOT to remove any chalk earth clay gravel or sand from the property except what might be removed in excavating for foundations.

NOT to do or permit or suffer to be done on the property anything which should be or become a nuisance or annoyance to the Vendors or their assigns or the owners or occupiers for the time of any adjoining property.

NOT to use the property or any part thereof as a road or way to any adjoining land.

NOT to erect on the said piece of land more than one detached private messuage or dwellinghouse with the necessary outbuildings and offices such messuages or dwellinghouses to be of not less value than £400 prime cost excluding from the prime cost the value of the site and of internal fixtures and fittings usually known as tenants fixtures And that the situation of such messuage or dwellinghouse and outbuildings and offices should be subject to the approval of the Vendors and their assigns or their surveyor.

THAT no trade or manufacture should be carried on upon the property nor should any stabling be erected on the property nor should any buildings or erections be put up nearer to Hazledean Road than the building line shewn on the said plan.

NOTE 1: The 'T' mark referred to above is now internal

NOTE 2: The building line referred to above is shown by a blue broken

Schedule of restrictive covenants continued

line on the title plan.

- 3 The following are details of the covenants contained in the Conveyance dated 20 December 1899 referred to in the Charges Register:-

"AND the said Purchaser hereby covenants and agrees with the said Vendor that he will observe and perform the aforesaid conditions and stipulations and indemnify the Vendor therefrom

THE FIRST SCHEDULE above referred to

1. The Purchaser shall at all times hereafter maintain the fences at the rear and on the Eastern boundary of the said premises
2. Not to make any bricks or tiles on the property nor put in any clay or lime thereon
3. Not to remove any chalk earth clay gravel or sand except what may be removed in excavating for foundations
4. Not to do or permit or suffer to be done on the land anything which shall be or become a nuisance or annoyance to the Vendors or the owners or occupiers for the time being of any adjoining or neighbouring property
5. Not to use the said land as a road or way to any adjoining land
6. Not to erect on the land more than one detached private messuage or dwellinghouse with the necessary outbuildings and offices such messuage or dwellinghouse to be of not less value than six hundred pounds prime cost excluding from the prime cost the cost or value of the site and of internal fittings and fixtures usually known as tenants fixtures
7. That the situation of the said messuage or dwellinghouse and outbuildings and offices shall be subject to the approval of the Vendor and his Surveyor.
8. No trade or manufacture shall be carried on upon the property nor shall any stabling be erected upon the property nor shall any buildings or erections be put up nearer than sixteen feet to the road other than boundary fences not exceeding six feet in height.

- 4 The following are details of the covenants contained in the Conveyance dated 12 November 1959 referred to in the Charges Register:-

"THE Purchaser to the intent that the covenants hereinafter contained shall bind the said property into whosoever hands the same may come for the benefit of adjoining and neighbouring lands belonging to the Commissioners or any part or parts thereof hereby for itself and its successors in title covenant with the Commissioners that it will perform and observe the stipulations and restrictions set out in the Third Schedule hereunder written.

THE THIRD SCHEDULE hereinbefore referred to

1. THAT the Purchaser shall not be entitled to the benefit of any covenant or reservation in any Conveyances or Leases made or granted by the Commissioners of lands and premises adjoining opposite or near to the said property enabling the Commissioners to deal as they may think fit with adjoining or neighbouring lands without regard to the light and air enjoyed by the owner lessee tenant or occupier of the land comprised in the said Conveyances or Leases not the benefit of any restrictive covenant stipulation or condition or any other covenant reservation right condition or obligation contained in any Conveyances or Leases made or granted by the Commissioners of the said lands and premises adjoining opposite or near to the said property or elsewhere in the Parish of Croydon or adjoining or adjacent Parishes except insofar only as the benefit of such Leases had been hereinbefore assigned to the Purchaser
2. THAT if at any time hereafter during the lives of the issue now living of His late Majesty King Edward VII and the last survivor of them and Twenty-one years after the death of such last survivor a

Schedule of restrictive covenants continued

Petrol Filling Station is opened upon the property hereby conveyed of any part thereof the Purchaser will within one year of the date of such opening (the said date to be decided in case of dispute by the Commissioners' Surveyors for the time being) effectively close up the existing opening into Addiscombe Grove at the point marked "A" in the said plan annexed hereto with a good and substantial wall or fence to the reasonable satisfaction of the Commissioners' Surveyors for the time being and will not thenceforth use or permit the private road or passage between the points marked "A" and "B" on the the said plan to be used as a road or passage giving access and egress for vehicular traffic to an from Addiscombe Grove aforesaid Except that a gateway may be incorporated in such wall or fence for the sole purpose of pedestrian traffic giving access to and egress fro Addiscombe Grove aforesaid

3. THAT the private road or passage between the points marked "C" and "D" in the said plan annexed hereto giving access to and egress from Fairfield Road shall not at any time hereafter be used or suffered to be used for the passage of any motor vehicle whatsoever save and except private vehicles wich may use the same for purposes of access and egress to and from any lock-up or other garage or garages erected or to be erected on the land hereby conveyed or any part thereof for the garaging of such private vehicles but not for purposes connected in any other way with any motor garage business which may be carried on upon the said property hereby conveyed.

NOTE: The points marked A B C and D referred to above are reproduced on the title plan.

End of register

Kasterlee UK Limited

Directors' report and
financial statements

Year ended 31 December 2016

Registered number: 05699110

THURSDAY



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COMPANIES HOUSE

Kasterlee UK Limited

Directors' report and financial statements

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Kasterlee UK Limited

Directors and other information

Directors

Dermot Crowley (appointed 11 March 2016)
Patrick McCann (appointed 11 March 2016)
Seán McKeon (appointed 11 March 2016)
Stephen McNally (appointed 11 March 2016)

Secretary

Seán McKeon (appointed 11 March 2016)

Registered office

Clayton Hotel Cardiff
St. Mary's Street
Cardiff
Wales
CF10 1GD

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers

Bank of Ireland UK
1 Donegall Square South
Belfast
BT1 5LR

Solicitors

A & L Goodbody
IFSC
North Wall Quay
Dublin 1

Registered number

05699110

Kasterlee UK Limited

Strategic report

The directors present their strategic report and audited financial statements for the year ended 31 December 2016.

The principal activity of the company is the operation of Croydon Park Hotel, Croydon, UK. The company was purchased by Dalata Hotel Group plc during the year and is a wholly owned subsidiary of Cavemford Designated Activity Company, a company incorporated in the Republic of Ireland. The ultimate parent of the group is Dalata Hotel Group plc ("the Group"), a company listed on the London Stock Exchange and Irish Stock Exchange.

Business review

The company recorded a loss after tax in the year ended 31 December 2016 of £294,000 (2015: loss of £1,000) after acquisition costs amounting to £118,048 (2015: £Nil).

Financial risks and uncertainties

The main risk to the company is a fall in demand for hotel room rentals caused by any one of a number of different factors or a combination of them. These include: weakness in domestic economic activity impacting UK and Northern Irish consumer and business spending; weakness in the economies of inbound tourism markets, principally the Republic of Ireland, mainland Europe and North America; adverse movement in GBP/EUR and GBP/USD exchange rates impacting on the competitiveness of the United Kingdom as a tourist and business travel destination; and international geo-political events having a negative impact on international travel.

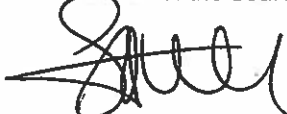
The directors continually monitor the business and the business environment in order to identify threats to the business and mitigate risk where possible.

In monitoring the company's performance, the directors and management have regard to a range of key performance indicators, including:

- Revenue per Available Room ("RevPAR") which combines two key sub-measures: Occupancy percentage and Average Daily Rate per room sold ("ADR");
- Direct operating costs: cost of sales, payroll and other direct cost ratios; and
- Indirect operating costs and overhead expenses.

Management set targets for each of these measures and monitor them on a weekly and monthly basis as part of the budgeting and management accounting process.

On behalf of the board



Seán McKeon
Director



Dermot Crowley
Director

29 May 2017

Kasterlee UK Limited

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2016. The principal activity of the company is the operation of the Croydon Park Hotel, Croydon, UK.

Following the disposal of the entire issued share capital by Chesway Limited on 11 March 2016 in connection with the acquisition of the company by Dalata Hotel Group plc during the year, the company is now a wholly owned subsidiary of Cavernford Designated Activity Company, a company incorporated in the Republic of Ireland. The ultimate parent of the group is Dalata Hotel Group plc ("the Group"), a company listed on the London Stock Exchange and Irish Stock Exchange.

Results and dividends

The results for the year ended 31 December 2016 have been presented on page 8. The directors do not propose the payment of a dividend (2015: £Nil).

Directors and secretary and their interests

The names of the persons who were directors during the year are set out below. Except where indicated, they served as directors for the entire year:

- Mr Frankie Whelehan (resigned 11 March 2016);
- Ms Josephine Whelehan (resigned 11 March 2016);
- Mr Dermot Crowley (appointed 11 March 2016);
- Mr Pat McCann (appointed 11 March 2016);
- Mr Stephen McNally (appointed 11 March 2016); and
- Mr Seán McKeon (appointed 11 March 2016).

On 11 March 2016, Antoinette Lambe resigned as company secretary and Seán McKeon was appointed as company secretary.

The directors who held office at 31 December 2016 had no disclosable interest in shares, in debentures or loan stock in the company or group companies.

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year (2015: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant post balance sheet events affecting the financial position of the company which could require an adjustment to or a disclosure thereon in these financial statements.

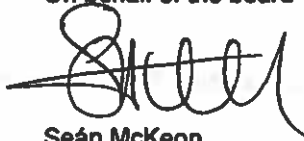
Kasterlee UK Limited

Directors' report (continued)

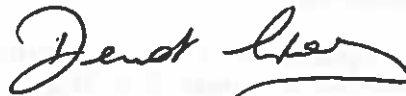
Auditor

During the year, Barnes Roffe LLP resigned as the company's auditor. KPMG, Chartered Accountants, were appointed auditor during the year in accordance with Section 487 of the Companies Act 2006 and will continue in office.

On behalf of the board



Seán McKeon
Director



Dermot Crowley
Director

29 May 2017

Kasterlee UK Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

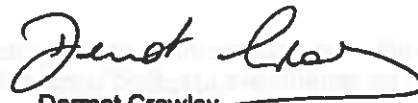
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board


Sean McKeon
Director


Dermot Crowley
Director

29 May 2017



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Kasterlee UK Limited

We have audited the financial statements of Kasterlee UK Limited for the year ended 31 December 2016 set out on pages 8 to 19 which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

We have nothing to report in respect of the above responsibilities.



Basis of our report, responsibilities and restrictions on use

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sean O'Keefe

Sean O'Keefe
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

29 May 2017

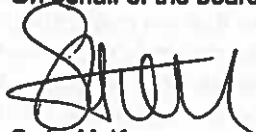
Kasterlee UK Limited

Statement of profit and loss and other comprehensive income for the year ended 31 December 2016

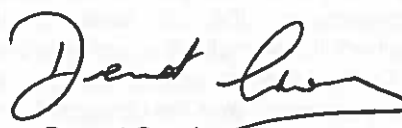
	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Turnover	2	6,679	6,701
Cost of sales		(2,676)	(2,395)
Gross profit		4,003	4,306
Administration expenses	5	(4,271)	(4,281)
Operating (loss)/profit	3	(268)	25
Tax charge on (loss)/profit for the year	6	(26)	(26)
Loss for the financial year		(294)	(1)

There were no other gains or losses in the year or in the preceding year and the loss for the year is equal to the total comprehensive loss for the year.

On behalf of the board



Sean McKeon
Director



Dermot Crowley
Director

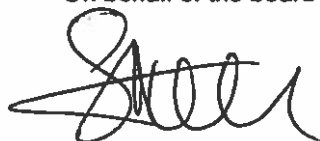
29 May 2017

Kasterlee UK Limited

Balance sheet as at 31 December 2016

	Note	31 December 2016 £'000	31 December 2015 £'000
Fixed assets			
Tangible fixed assets	7	473	619
Current assets			
Stock	8	26	24
Trade and other debtors	9	1,317	426
Cash at bank and in hand	10	214	224
		<u>1,557</u>	<u>674</u>
Creditors: amounts falling due within one year	11	(1,816)	(811)
		<u>(259)</u>	<u>(137)</u>
Net current liabilities			
		<u>214</u>	<u>482</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year			
Deferred tax liability	12	(74)	(48)
		<u>140</u>	<u>434</u>
Net assets			
Capital and reserves			
Share capital	13	-	-
Retained earnings		140	434
		<u>140</u>	<u>434</u>
Shareholders' funds			
		<u>140</u>	<u>434</u>

On behalf of the board



Seán McKeon
Director



Dermot Crowley
Director

29 May 2017

Kasterlee UK Limited

Statement of changes in equity for the year ended 31 December 2016

	Attributable to equity holders of the company		
	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2015	-	435	435
Total comprehensive income for the year			
Loss for the year	-	(1)	(1)
At 31 December 2015	-	434	434
Total comprehensive income for the year			
Loss for the year	-	(294)	(294)
At 31 December 2016	-	140	140

Kasterlee UK Limited

Notes

forming part of the financial statements

1 Accounting policies

Kasterlee UK Limited is a company incorporated and domiciled in the United Kingdom. The financial statements of the company for the year ended 31 December 2016 are comprised of the company's statement of profit and loss and other comprehensive income, balance sheet, statement of changes in equity and the related notes.

(a) Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act, 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied FRS 101 for the first time. In the transition to FRS 101 from FRS 102 the company has made no measurement or recognition adjustments.

The company's parent undertaking, Dalata Hotel Group plc includes the company in its consolidated financial statements. The consolidated financial statements of Dalata Hotel Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, and tangible fixed assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Dalata Hotel Group plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis. The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Kasterlee UK Limited

Notes (continued)

1 Accounting policies (continued)

(b) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods if the revision affects both current and future periods.

(c) Turnover

Turnover is derived from hotel operations and includes the rental of rooms, food and beverage sales, spa sales, leisure centre membership and other leisure centre sales. Turnover is recognised when rooms are occupied and food and beverages are sold. Leisure centre turnover is recognised over the life of the membership. Turnover represents sales (excluding VAT and similar taxes) of goods and services net of discounts provided in the normal course of business and is recognised when services have been rendered.

(d) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Kasterlee UK Limited

Notes (continued)

1 Significant accounting policies (continued)

(e) Foreign currency

Transactions in currencies other than the functional currency of the entity are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the respective functional currency at the relevant rates of exchange ruling at the balance sheet date.

(f) Tangible fixed assets

Fixtures, fittings and equipment are stated at cost, less accumulated depreciation and any impairment provision.

Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment unless it is acquired as part of a business combination under FRS 101, where the deemed cost is its acquisition date fair value.

Depreciation is charged through profit or loss on the cost or valuation less residual value on a straight-line basis over the estimated useful lives of the assets which are:

Fixtures, fittings and equipment	5 – 10 years
----------------------------------	--------------

Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Fixtures, fittings and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying values exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the greater of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(g) Stock

Stock is stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

(h) Trade and other debtors

Trade and other debtors are stated at their amortised cost less any allowance for doubtful amounts which also equates to their fair value owing to the short term nature of the assets. An allowance is made when collection of the full amount is no longer considered probable.

(i) Trade and other creditors

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Cash at bank and in hand

Cash at bank and in hand comprise cash balances.

Kasterlee UK Limited

Notes (continued)

1 Significant accounting policies (continued)

(k) Provisions and contingent liabilities

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

(l) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(m) Employee benefits

Obligations for contributions to defined contribution pension schemes are recognised as an expense in the statement of profit and loss as services from employees are received. Under such schemes, the company has no obligation to make further contributions to these schemes beyond the contracted amount. Prepaid contributions are recognised as an asset to the extent that the employee service has not yet been received.

2 Turnover

All of the company's turnover arises from hotel activities in the United Kingdom. All of the company's assets and liabilities are located in the United Kingdom.

3 Statutory and other information

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
The operating loss is stated after charging:		
Auditor's remuneration, including expenses	8	9
Depreciation of tangible fixed assets	189	193
	<hr/>	<hr/>

The directors did not receive any remuneration for their services to the company during the year or previous year.

Kasterlee UK Limited

Notes (continued)

4 Staff numbers and costs

The average number of persons (full-time equivalents) employed by the company (including directors), analysed by category, was as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Administration	8	10
Other	92	110
	<u>100</u>	<u>120</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Wages and salaries	1,894	1,726
Social welfare costs	133	122
Pension costs	14	13
	<u>2,041</u>	<u>1,861</u>

5 Administration expenses

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Other hotel expenses	2,239	2,263
Operating lease charge	1,725	1,725
Acquisition-related costs	118	-
Depreciation of tangible fixed assets	189	193
Impairment of loan with previous group company	-	100
	<u>4,271</u>	<u>4,281</u>

Acquisition-related costs incurred during 2016 included costs associated with the acquisition of the company by Dalata Hotel Group plc.

In the prior year, prior to acquisition of the company by Dalata Hotel Group plc, a loan receivable from a previous group company was impaired in full resulting in a charge to the profit and loss of £0.1m.

Kasterlee UK Limited

Notes (continued)

6 Income tax	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
<i>Current tax</i>		
UK corporation tax charge	-	28
Deferred tax charge/(credit) (note 12)	26	(2)
	<hr/>	<hr/>
Total tax charge	26	26
	<hr/> <hr/>	<hr/> <hr/>

The tax assessed for each year differs from the standard rate of income tax in the UK for that period.

The differences are explained below:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
(Loss)/profit before income tax	(268)	25
	<hr/>	<hr/>
Tax on loss at standard UK income tax rate of 20% (2015: 20%)	(54)	5
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	21
Permanent ineligible depreciation	54	-
Adjustments to tax charge in respect of prior periods	-	13
Timing difference leading to an increase/(decrease) in taxation	26	(13)
	<hr/>	<hr/>
Total tax charge	26	26
	<hr/> <hr/>	<hr/> <hr/>

Kasterlee UK Limited

Notes (continued)

7 Tangible fixed assets	Fixtures, fittings and equipment £'000	Total £'000
Cost		
At 1 January 2016	2,315	2,315
Additions	43	43
	<hr/>	<hr/>
At 31 December 2016	2,358	2,358
	<hr/>	<hr/>
Accumulated depreciation		
At 1 January 2016	1,696	1,696
Charge for the year	189	189
	<hr/>	<hr/>
At 31 December 2016	1,885	1,885
	<hr/>	<hr/>
Net book value		
At 31 December 2016	473	473
	<hr/>	<hr/>
At 31 December 2015	619	619
	<hr/>	<hr/>
8 Stock	31 December 2016 £'000	31 December 2015 £'000
Goods for resale	26	24
	<hr/>	<hr/>
	26	24
	<hr/>	<hr/>
9 Trade and other debtors	31 December 2016 £'000	31 December 2015 £'000
Trade debtors	134	317
Prepayments	522	109
Accrued income	61	-
Amounts due from group undertaking	600	-
	<hr/>	<hr/>
	1,317	426
	<hr/>	<hr/>

The amounts due from group undertaking are non-interest bearing and are repayable on demand.

Kasterlee UK Limited

Notes (continued)

10 Cash at bank and in hand	31 December 2016 £'000	31 December 2015 £'000
Cash at bank and in hand	214	224
<hr/>		
11 Trade and other creditors	31 December 2016 £'000	31 December 2015 £'000
Trade creditors	728	225
Accrued liabilities	345	311
Deferred income	52	-
VAT payable	211	-
PAYE/PRSI payable	44	247
Corporation tax payable	13	28
Amounts due to group undertaking	423	-
	<hr/>	<hr/>
	1,816	811
	<hr/>	<hr/>

The amounts due to group undertaking are non-interest bearing and are repayable on demand.

12 Deferred tax liability	31 December 2016 £'000	31 December 2015 £'000
At beginning of year	(48)	(50)
(Charge)/credit for the year – to profit or loss (note 6)	(26)	2
	<hr/>	<hr/>
Net liability	(74)	(48)
	<hr/>	<hr/>

The deferred tax liability has arisen in relation to timing differences between the tax written down value of assets and their net book value and has been recognised in full.

There are no unprovided deferred tax liabilities or unrecognised deferred tax assets at 31 December 2016.

13 Share capital	31 December 2016 £	31 December 2015 £
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

All shares allotted rank pari passu to each other in all respects.

Kasterlee UK Limited

Notes (continued)

14 Commitments

Operating lease commitments

Non-cancellable operating lease rentals are payable as set out below. These amounts represent the minimum future lease payments, in aggregate, that the company is required to make under existing lease agreements.

	2016 £'000	2015 £'000
Less than one year	1,725	1,725
Between one and five years	6,900	6,900
After five years	15,969	17,694
	<hr/>	<hr/>
	24,594	26,319
	<hr/>	<hr/>

15 Related party transactions

The company had no related party transactions during the year which would require disclosure under FRS 101.

16 Ultimate parent undertakings

Following the disposal of the entire issued share capital by Chesway Limited (11 March 2016), the company is now a wholly owned subsidiary of Cavernford Designated Activity Company, a company incorporated in the Republic of Ireland. Chesway Limited was previously the company's immediate parent undertaking until this date.

The ultimate parent company from 11 March 2016 is Dalata Hotel Group plc, a company incorporated in the Republic of Ireland. Dalata Hotel Group plc prepares consolidated financial statements which include Kasterlee UK Limited. Copies of the consolidated financial statements of Dalata Hotel Group plc are available from the Companies Registration Office, Parnell House, 14 Parnell Square Dublin 1.

17 Post balance sheet events

There have been no significant post balance sheet events affecting the financial position of the company which would require an adjustment to or a disclosure thereon in these financial statements.

18 Approval of financial statements

The board of directors approved these financial statements on 29 May 2017.

Mathematical Induction

Section 1.1

Exercise 1

Prove that $1 + 2 + \dots + n = \frac{n(n+1)}{2}$

Let $P(n)$ be the statement $1 + 2 + \dots + n = \frac{n(n+1)}{2}$

Base case: $P(1)$ is true because $1 = \frac{1(1+1)}{2}$



Inductive step: Assume $P(k)$ is true, then $P(k+1)$ is true.

Conclusion: $P(n)$ is true for all $n \in \mathbb{N}$

Let $P(n)$ be the statement $1^2 + 2^2 + \dots + n^2 = \frac{n(n+1)(2n+1)}{6}$

Base case: $P(1)$ is true because $1^2 = \frac{1(1+1)(2(1)+1)}{6}$

Inductive step: Assume $P(k)$ is true, then $P(k+1)$ is true.

Let $P(n)$ be the statement $1 + 3 + 5 + \dots + (2n-1) = n^2$

Base case: $P(1)$ is true because $1 = 1^2$

Inductive step: Assume $P(k)$ is true, then $P(k+1)$ is true.

Conclusion: $P(n)$ is true for all $n \in \mathbb{N}$

Let $P(n)$ be the statement $1 + 2 + \dots + n = \frac{n(n+1)}{2}$

CPI

THE CROYDON PARK HOTEL

LONG INCOME HOTEL OPPORTUNITY WITH EXCITING
FUTURE ASSET MANAGEMENT POTENTIAL

INVESTMENT HIGHLIGHTS

- ◆ Rare opportunity to purchase a prime hotel, situated in the heart of Croydon's Commercial District.
- ◆ Exceptional growth prospects - Croydon is set to benefit from £5.25 billion capital expenditure.
- ◆ Croydon is considered one of the fastest growing markets in the UK and is well on its way to becoming one of London's iconic commercial centres and London's 'Third City'.
- ◆ Freehold Hotel set on a substantial c. 1.54 acre site.
- ◆ Large full service four-star hotel, extending to c.137,000 sq ft and benefiting from 211 bedrooms, ample parking, food, beverage and leisure facilities.
- ◆ Securely let to Kasterlee UK Limited for a term expiring April 2031 (c.13 years unexpired).
- ◆ Current passing rent of £1,725,000 per annum, equivalent to £8,175 per key.
- ◆ Opportunity to benefit from rental growth at the time of the next rent review in 2021.
- ◆ Asset management opportunities including; exciting hotel branding potential, the extension of the hotel or a change of use to residential and significantly increasing the massing on the site (subject to obtaining planning and all other consents).
- ◆ Offers in excess of **£25,000,000 (TWENTY-FIVE MILLION POUNDS)**, subject to contract and exclusive of VAT, are sought for our client's Freehold interest. This reflects an **attractive NIY of 6.5%** and pricing equivalent to £118,500 per key, assuming full costs of 6.80%. The value per key is extremely attractive relative to Vacant Possession and well below construction costs if newly delivered.



LOCATION

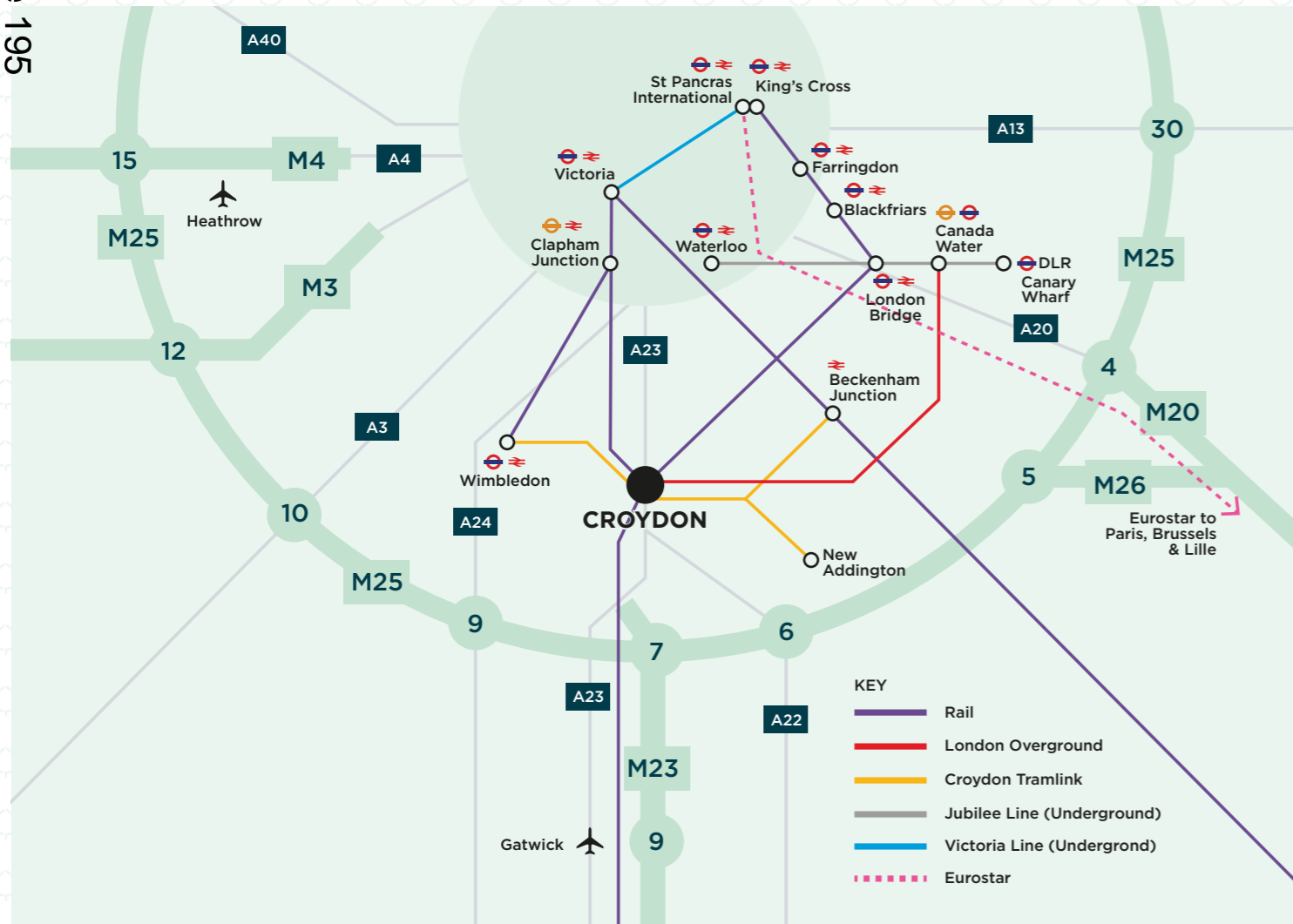
Excellent Central Location in Proximity to Key Transport Hubs and Commercial Centre

Located less than 12 miles from Central London, Croydon Park Hotel's excellent position allows easy access into the capital and to the M25 and M23, which are only ten miles from the hotel.

Strategically positioned in proximity to East Croydon (300m) and West Croydon (1,200m) railway stations where there is a frequent service to London Bridge and King's Cross St Pancras International as well as the London Underground Network. East Croydon Railway station is the second busiest station interchange in the UK and generated passenger traffic of 23 million in 2017. The capital's tram network is an important transport mode in Croydon, providing regular services from Beckenham to Wimbledon generating 28 million passenger traffic a year.

Croydon Park Hotel is located 20 miles from Gatwick Airport, the UK's second largest airport serving 228 destinations worldwide. It attracts over 45 million passengers per annum, and can be accessed via train from East Croydon station.

DESTINATION	TRAVEL TIME (Direct Service from East Croydon)
Clapham Junction Station	9 minutes
London Bridge Station	13 minutes
Gatwick Airport	15 minutes
London Victoria Station	15 minutes
St Pancras International	30 minutes





CGI of Westfield Shopping Centre

COMMERCE

Croydon represents the largest office market in the South-East outside of Central London, with many blue-chip corporations locating their headquarters in the CBD; Croydon Park Hotel is located in the heart of this hub. Prime rents remain extremely attractive compared to Central London, which helps retain and attract a range of organisations from sectors including banking, insurance, legal, food and beverage and telecommunications.

Over the past 5 years, Croydon has seen office take up of c. 1m sq ft with notable deals being HMRC's 180,000 sq ft tenancy at Ruskin Square and Regus UK's 118,000 sq ft occupation at 2 Lansdowne Road. Other occupiers include: Siemens, Green Energy Network, the Ministry of Justice and EDF Energy.

The vacancy rate in Croydon has fallen to a record low of 3.2% as of April 2018, one of the lowest vacancy rates in London and less than half of the national average. The expectation is that the vacancy rate will remain low, as there continues to be considerable demand for office space in the Croydon area.

Croydon represents significant value and growth potential with rents increasing c. 40% since 2014, currently at c. £34.00 psf; comparing very favourably with Wimbledon (£49.50 psf), Hammersmith (£59.00 psf), Chiswick (£56.00 psf), the City (£68.50 psf) and the West End (£103.50 psf).

CULTURE & AMENITIES

Outside of London's West End, Croydon is currently London's second largest retail hub, producing £1.9bn annual expenditure. This is set to grow exponentially thanks to Westfield's impending opening with Croydon set to become Europe's largest retail destination in 2022. The Croydon Park Hotel is less than 10 minutes' walk from the new shopping centre. This is in addition to many other ongoing redevelopment initiatives further enhancing the commercial centre.



CROYDON REGENERATION: LONDON'S THIRD CITY

The Croydon Vision 2020 is one of the most vigorous urban regeneration plans in the UK. With a scheduled £5.25 billion in development projects, Croydon will be positioned as “London’s Third City” being the commercial, leisure, living, retail and cultural hub of South London and South East England.

The London Borough of Croydon has seen the largest number of planning permissions for tall-buildings in Greater London, with 50% of those entering planning in 2016 gaining permission.

Croydon is set to be London’s biggest growth centre in the next five years with approximately

£5.25 billion in development projects taking place helping it become one of the biggest mixed-use urban revitalization programs in Europe.

Significant developments set to transform Croydon within half a mile of Croydon Park Hotel are presented below:



WESTFIELD & HAMMERSON 800 m from Croydon Park Hotel



Croydon will welcome London’s third Westfield which will be at the heart of the borough’s transformative regeneration plan. Croydon’s two main shopping centers, Whitgift and Centrale, will be redeveloped and repositioned into a world class retail and leisure destination. The £1.4bn development project comprises over 1.5 million sq ft of retail and leisure space creating over 7,000 new jobs, a new car park and nearly 1,000 new homes. Work is set to begin on the scheme in 2019 and scheduled to open in 2022.

ONE LANSDOWNE 800 m from Croydon Park Hotel



Set to be south London’s most iconic landmark, the architectural centerpiece of Croydon and the UK’s second tallest tower at 288m tall. One Lansdowne comprises two towers of 68 and 41 storeys linked by an 11-storey podium structure. The development comprises 317,000 sq ft of office space, 28,000 sq ft of retail space, nearly 800 apartments and a public viewing gallery offering panoramic views across the Greater London.

FAIRFIELD MASTER PLAN 450 m from Croydon Park Hotel

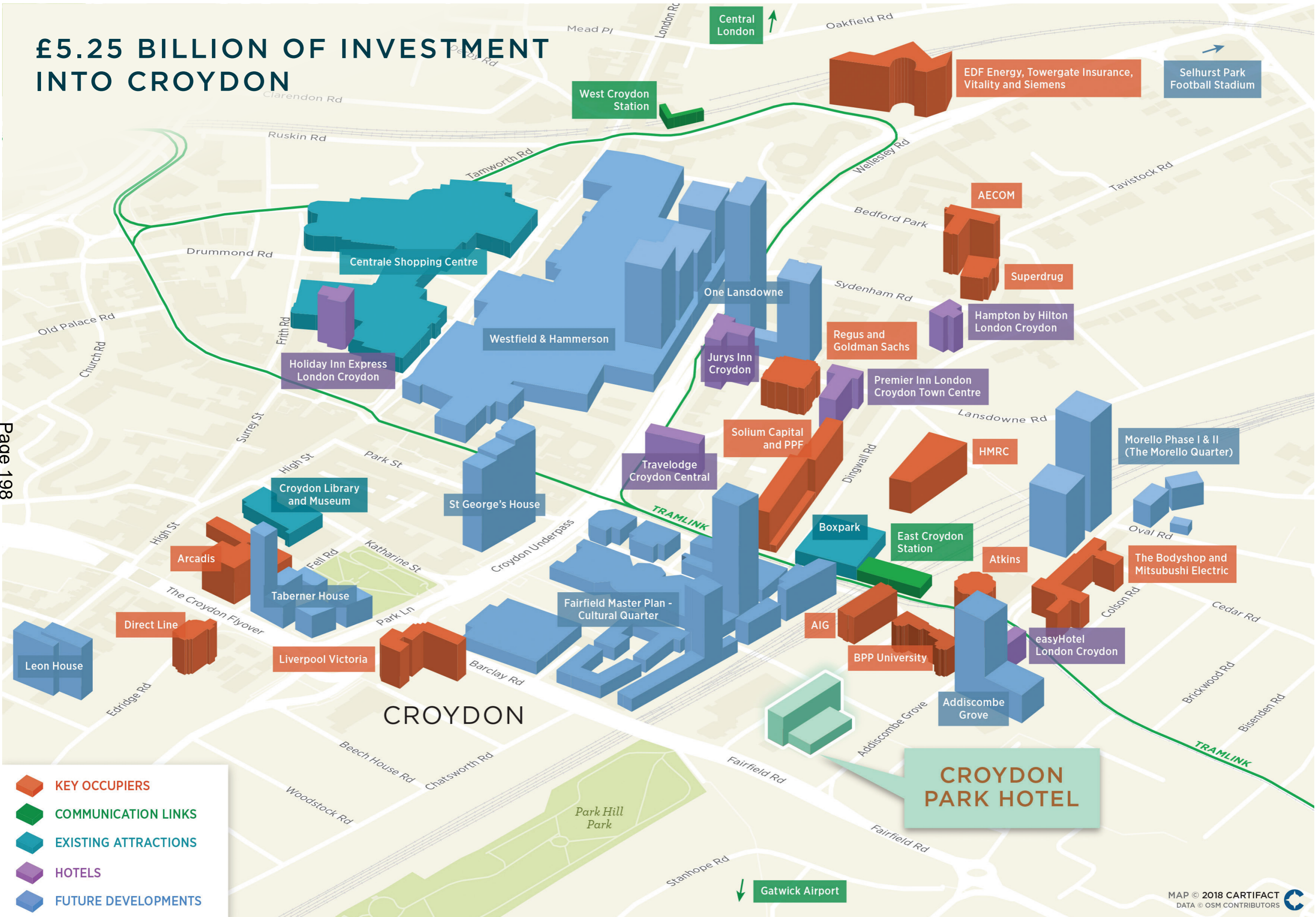


The new cultural quarter in the centre of Croydon is one of the largest regeneration projects ever approved in the borough. The ambitious development will see College Green and Fairfield Halls transformed into a vibrant destination for arts, education and culture. At the centre of the project is the £30m refurbishment of Fairfield Halls to a state of the art performance venue along with over 2,000 new homes, high-quality public spaces, a brand-new college and new shops and office space.



£5.25 BILLION OF INVESTMENT INTO CROYDON

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- KEY OCCUPIERS
- COMMUNICATION LINKS
- EXISTING ATTRACTIONS
- HOTELS
- FUTURE DEVELOPMENTS

CROYDON KEY REGENERATION SCHEMES: TIMELINE

RUSKIN SQUARE

Completion: Dec-2016
Croydon Gateway - 2m sq ft complex of offices, homes and shops adjacent to East Croydon Station



LEON HOUSE

Completion: 2018
Conversion of former office block into 263 high-end apartments



ONE LANSDOWNE

Completion: 2022
Will be the iconic 288m tall tower for Croydon comprising retail & office space along with 800 apartments



MORELLO PHASE II

Completion: TBC
Permission for 445 homes & pedestrian bridge to station received in 2018, based off the success of Morello Phase 1



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BOXPARK CROYDON

Completion: Oct-2016
One of the trendiest food & drink malls in London, built from 96 shipping containers - 24,000 sq ft



MORELLO PHASE 1

Completion: Dec-2017
297 Apartments & 118 parking spaces located on Cherry Orchard Road



FAIRFIELD HALLS

Completion: Mar-2019
£30m refurbishment to a state of the art performance venue as part of a wider Cultural Quarter scheme which includes 2,000 new homes



SELHURST PARK

Scheduled: 2021
£100m redevelopment of Premier League team Crystal Palace Football Club's stadium. Proposal to increase capacity from 26,000 to 34,000 - an additional 260,000 sq ft



WESTFIELD & HAMMONS

Scheduled: 2022
Transformation of Croydon's two shopping centres into a world class retail destination. Comprises over 1.5million sq ft and up to 1,000 new homes

Sources: Develop Croydon, The Independent & Croydon Advertiser

PROPERTY INFORMATION

Opened in 1984, Croydon Park Hotel is a large purpose built full-service hotel on a site covering c.1.54 acres. The property was previously operated under an international hotel brand, and is now operated as an independent full-service hotel.

HOTEL OVERVIEW

Address	7 Altyre Rd, Croydon CR9 5AA
Guestrooms	211
Food and Beverage	1 restaurant & 1 bar
Meeting Space	6 meeting rooms - maximum capacity 345 delegates
Other Facilities	Leisure Club with external membership (Fitness Centre, Swimming Pool and Squash Court)
Tenure	Freehold
Operating Structure	Lease to Kasterlee UK Limited
Site	c.1.54 acres
No. of Floors	Comprises two sections: the primary accommodation block constructed over ground and five upper floors and a further block built over two floors comprising both front and back of house facilities
Parking Spaces	110 (majority undercover)
Year Open	1984 (purpose-built)



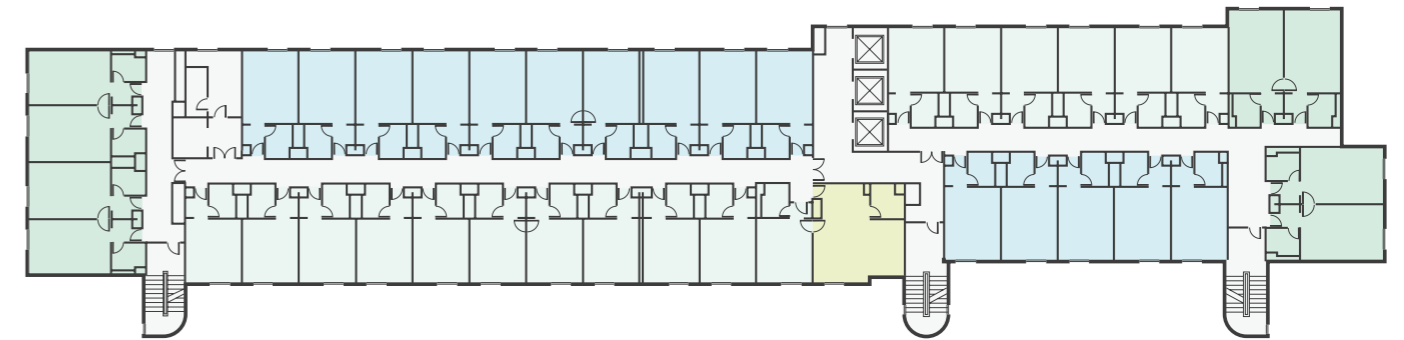


The property has been measured by Plowman and Craven Associates in accordance with the RICS measurement guidelines, and comprises the following areas:

FLOOR	USE	GIA (SQ M)	GIA (SQ FT)
ROOF	Plant	1,446.9	15,574
FIFTH	Accommodation	1,443.7	15,540
FOURTH	Accommodation	1443.7	15,540
THIRD	Accommodation	1,443.7	15,540
SECOND	Accommodation	1443.7	15,540
FIRST	Accommodation	1,443.7	15,540
GROUND	Food & Beverage, Conference Facilities, Leisure and Accommodation	3,360.9	36,176
BASEMENT	Car Park Area/Plant*	731.8	7,877
TOTAL		12,758.1	137,327

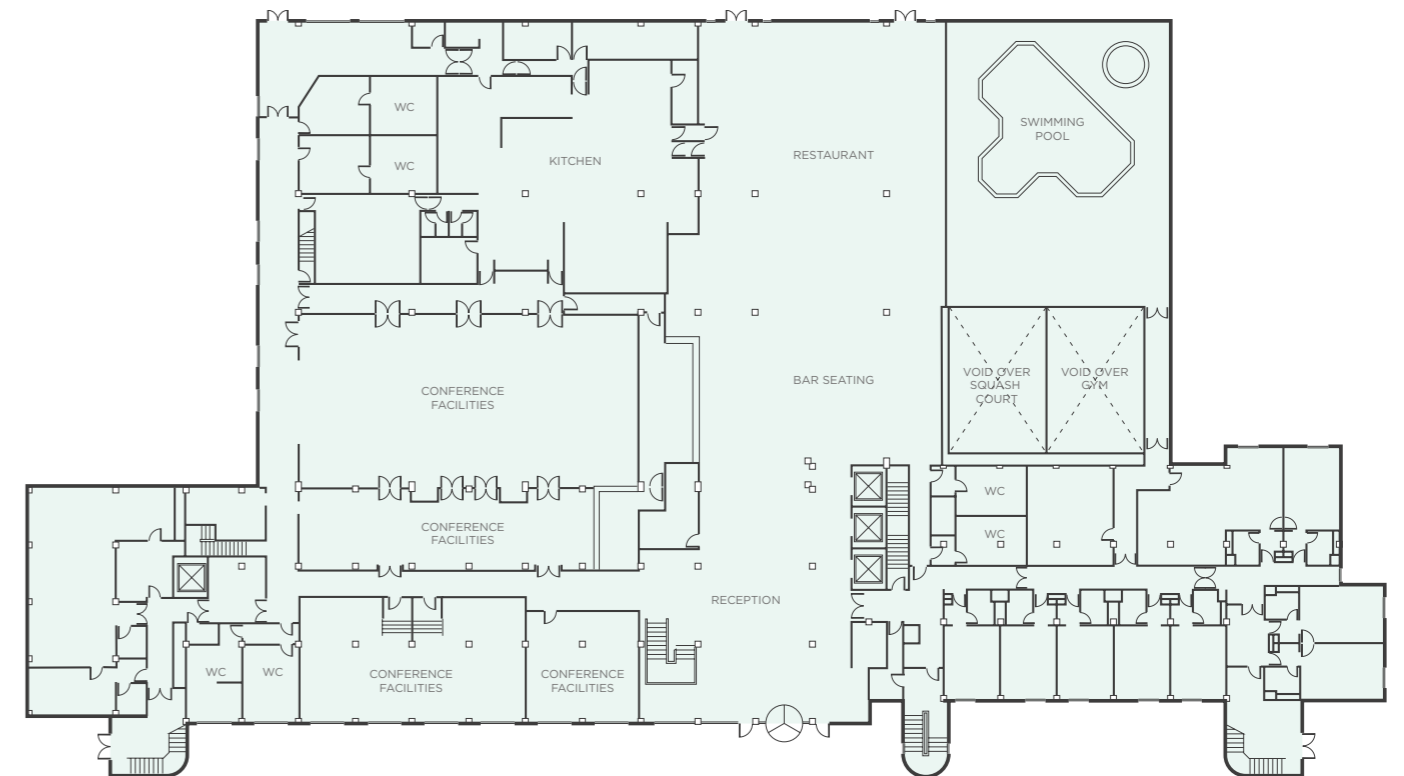
*Excludes Covered Car Park with GIA of 1,505.7 sq m (16,207 sq ft).

FIRST FLOOR PLAN



■ SINGLE ROOM ■ TWIN ROOM ■ DOUBLE ROOM ■ SUITE

GROUND FLOOR PLAN



←
Not to scale.
Indicative only.

HOTEL PROPERTY INFORMATION

Offering 211 bedrooms, Croydon Park Hotel is a large scale full-service hotel offering and is well positioned to attract corporate, leisure and meetings and events business.

GUESTROOMS

ROOM TYPE	NUMBER
Standard Double Rooms	100
Executive Double Rooms	64
Club Rooms	6
Family Double-Double Rooms	40
Disabled Rooms	1
TOTAL	211

Source: Hotel

FOOD AND BEVERAGE

FACILITY	APPROXIMATE COVERS
Oscar's Brasserie	160
Whistler's Bar	35

EVENT FACILITIES

FACILITY	SIZE (SQ M)	CAPACITY
William	90	80 - theatre style
Wolsey	90	80 - theatre style
Winston	90	80 - theatre style
Centennial	270	220 - theatre style or 200 - banquet style
Johnson	60	40 - theatre style
Lindbergh	60	40 - theatre style
Derby	48	20 - u-shape style
Barclay	34	15 - boardroom style
Marino	20	10 - boardroom style

LEISURE FACILITIES

FACILITY
Fully Equipped Gymnasium
Free Weights Area
Squash Court
Heated Indoor Swimming Pool
Separate Children's Pool
Separate Male & Female Sauna
Jacuzzi
Wellbeing Therapy Rooms



HOTEL INVESTMENT

TENURE

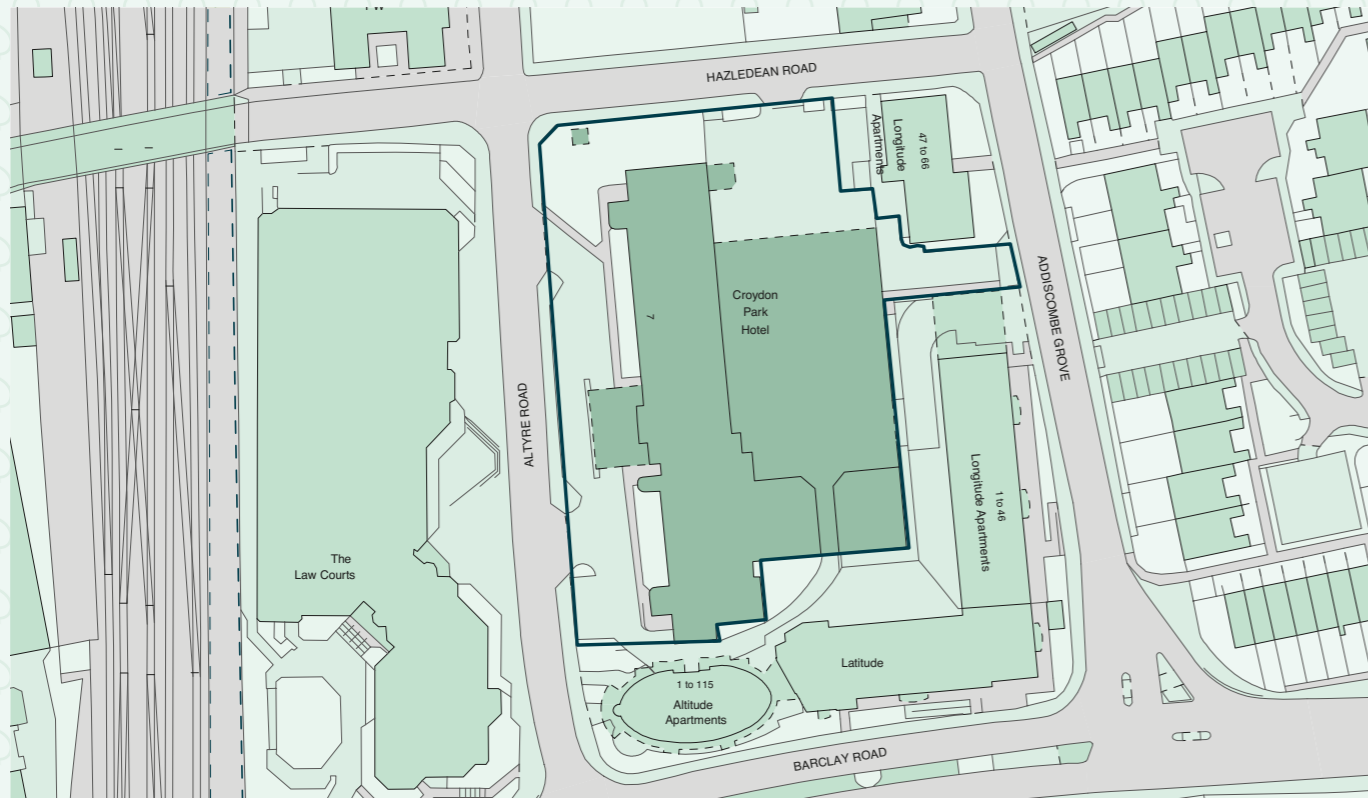
The property is held Freehold and is registered at HM Land Registry under title number SGL573066 with Title Absolute.

OWNERSHIP STRUCTURE

The property is currently held by a UK & Jersey holding structure. Details can be made available to purchasers on request.

SITE

Prime Croydon site extending to approximately 1.54 acres (0.62 Ha).



Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved

TENANCY

CROYDON PARK HOTEL LEASE SUMMARY	
Landlord	The Croydon Hotel & Leisure Co. Ltd
Tenant	Kasterlee UK Limited
Term	25 years commencing 7 April 2006 (expiring 6 April 2031)
Years Unexpired	c.13 years remaining
Initial Rent	£1,725,000 per annum
Rent Reviews	7 April 2021 and every fifth anniversary thereof. Rent reviews are upwards only to Open Market Rental value.
Insurance	Landlord insures; tenant pays to the landlord a yearly sum equal to the cost to the Landlord.

THE CROYDON PARK HOTEL - FUTURE OPPORTUNITIES

The site and current configuration of the property enables many development and investment opportunities supported by significant growth factors in the immediate area.

- ◆ Potential future re-gear of the lease to provide higher and/or longer term income. The next rent review will coincide with the delivery of significant schemes and the imminent opening of Westfield and One Lansdowne.
- ◆ A full refurbishment of the property to enhance the condition of the lettable accommodation, encouraging growth in revenue and profit performance.
- ◆ Interest from major international hotel groups to potentially brand the property to generate incremental growth
- ◆ Opportunity (subject to the appropriate consents) to significantly increase the massing on site and increasing the footprint of the hotel. This could be achieved by adding additional floors and/or building on the open car park at the rear.
- ◆ Potential change of use to residential to fully utilise the 1.54 acre site (subject to planning). Surrounding schemes have secured consent of upwards to 21 storeys in height.

The Croydon Park Hotel offers potential for a future tower development as highlighted in the image below:



FURTHER INFORMATION

VALUE ADDED TAX (VAT)

The property is elected for VAT.

EPC

The Croydon Park Hotel has an EPC rating of E. The full EPC documentation is set out in the data room.

DATA ROOM

Please contact the vendor's sole agent CBRE for a username and password to access the online data room.

PLANNING

The local planning authority is Croydon.

Croydon Park Hotel is situated in the Croydon Metropolitan Area and Croydon Opportunity Area which is earmarked for significant development.

The site is not listed nor located within a conservation area creating favourable conditions for planning approvals being in a key strategic development area of Croydon. This could allow an incoming investor to explore additional development options such as increasing the existing footprint of the property to create a larger hotel, or alternative residential/commercial uses.

INVESTMENT PROPOSAL

Offers in excess of **£25,000,000 (TWENTY-FIVE MILLION POUNDS)**, subject to contract and exclusive of VAT, are sought for our client's Freehold interest in the Croydon Park Hotel. This reflects an **attractive NIY of 6.5%** and price per key of £118,500 per room, assuming full costs of 6.80%.

CONTACTS

For further information or to arrange an inspection of the property, which must be undertaken strictly by appointment only, please contact the vendors sole agents;



INVESTMENT PROPERTIES

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APPENDIX 1

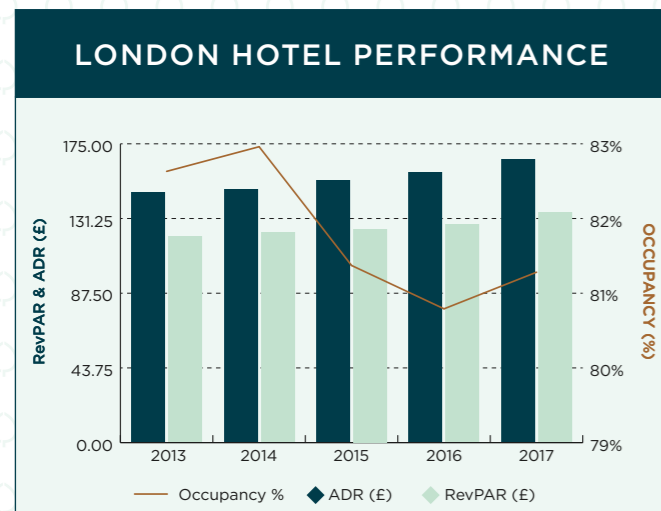
LONDON HOTEL MARKET

Strong Performance in London Supported by Strong Visitor Levels

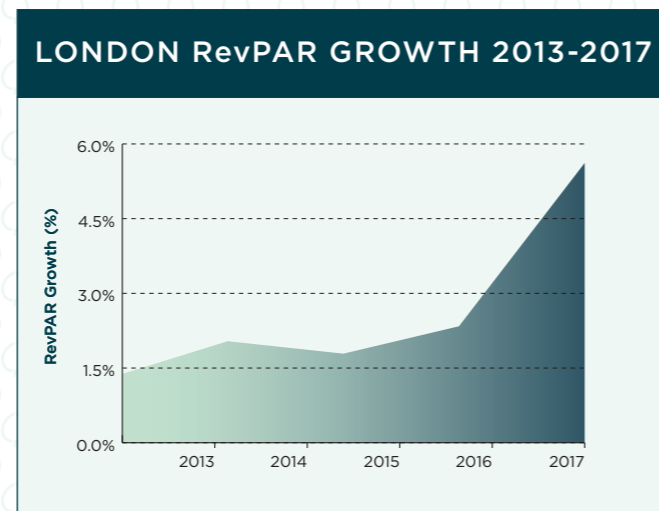
In their recent annual review, Visit Britain/Visit England project that a record 41.7 million people will visit the UK in 2018, a 4.4% increase on 2017. This is expected to fuel a 6.8% year-on-year increase in visitor spend, to £26.9 billion.

London is in high demand from international investors as it continues to be considered a safe haven for investment with familiarity amongst investors and transaction transparency.

STR project that London will achieve 2.4% growth in average room rate which will drive a 2.1% increase in RevPAR in 2018.



Source: HotStats



Source: HotStats

London consistently achieves some of the highest global occupancy levels. According to HotStats London has achieved annual occupancy in excess of 80% and an ADR of over £145 since 2013. Average room supply growth was around +2.5% per annum from 2008 to 2017 and projected to be +2.1% per annum in the period from 2018-2021, led by a +4.8% increase in 2018. Latest data shows that London continues to absorb new supply with market average RevPAR growth exceeding 5% in 2017.



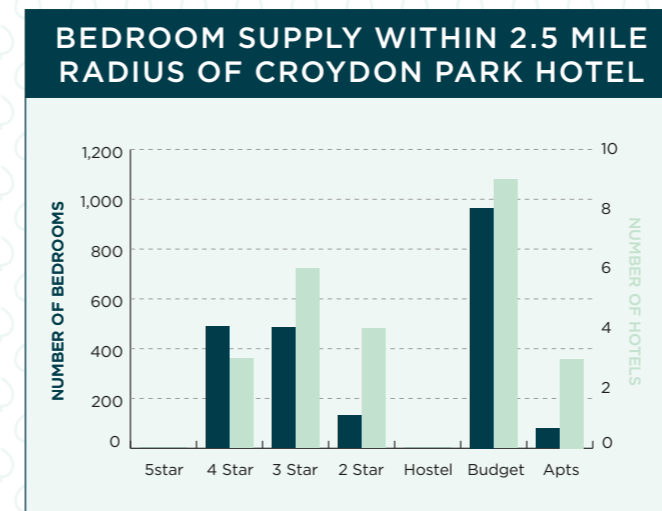
Source: CBRE Research

LOCAL CROYDON MARKET SIZE

Limited Full-Service Supply and Supply Threat Creating a Favourable Market Environment

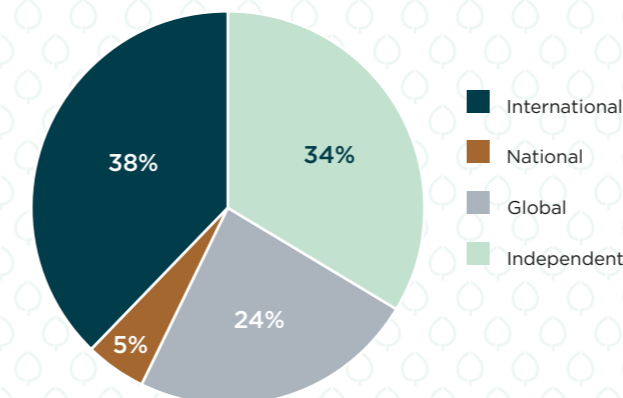
There are currently 25 hotels trading within 2.5 miles of Croydon Park Hotel with a total of 2,143 bedrooms of which 488 are 4-star totalling 22.8% of total supply. The Croydon Park Hotel is positioned as the second largest hotel in the market and the largest 4-star hotel, closely followed by the 168-bedroom Hilton Croydon Hotel which is located approximately 2.5 miles from Central Croydon.

Recent additions to supply within Croydon include the opening of Best Western Plus London Croydon Aparthotel in 2016, a 107-key, 4-star property located approximately 2 miles from East Croydon Station.

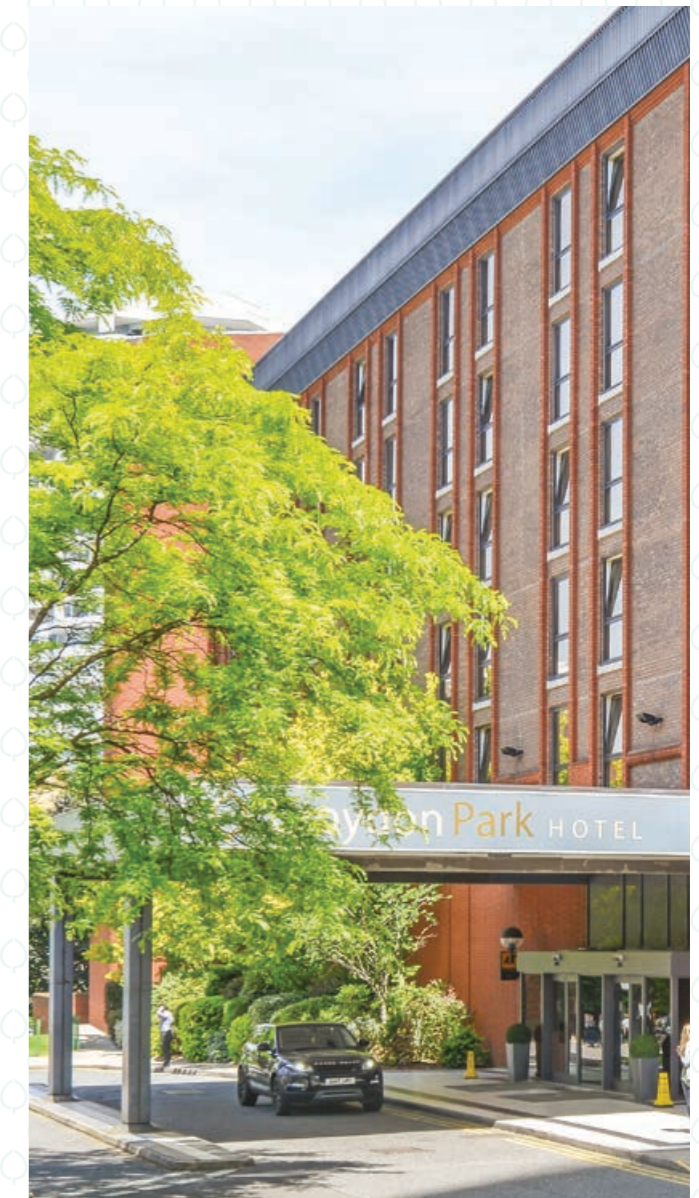


Source: AM:PM Hotels

BRAND PRESENCE BY NUMBER OF ROOMS (%) WITHIN 2.5 MILE RADIUS OF CROYDON PARK HOTEL



Source: AM:PM Hotels





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