



Property Portfolio Valuation

Clare College
Cambridge

as at 30 June 2020

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INSTRUCTIONS

We are instructed by Clare College, Cambridge to provide, each June, an annual report on the College's investment and agricultural properties. This report is to include market valuations for the properties detailed in this report.

The valuations are provided subject to our standard caveats and assumptions in accordance with the RICS Valuation Global Standards (November 2019), together with those provisos detailed in our letter to the College dated 14 May 2020 (Appendix D).

It has been specifically requested by the College that the report does not list individual assumptions made for each property valuation. However, these assumptions are recorded in electronic format on Bidwells' Valuation software and are available upon request.

EXECUTIVE SUMMARY

- 1 The Property Portfolio (including the Agricultural Properties) is valued at 30 June 2020 to the sum of £8,939,200 (Eight million nine hundred and thirty nine thousand and two hundred pounds).
- 2 Gross income receivable from the Property Portfolio as at 30 June 2020 is £405,227 per annum (Four hundred and five thousand two hundred and twenty seven pounds).
- 3 The portfolio produced a net total return (including transactions) for the twelve months to 30 June 2020 of 4.2%.

Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of some of the properties within the subject portfolio, there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this portfolio is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. However, some properties do fall outside of this material uncertainty clause which are listed below:

6 Blackstone Road, Huntingdon
2 & 6 Cambridge Green, New Eltham
All Agricultural Properties

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation[s] contained within this report under frequent review.

Section 1: Portfolio Valuation and Analysis	

SUMMARY OF VALUATIONS

	College Associated Properties	Commercial Investment Properties	Agricultural	Total
Portfolio Value 30.06.2019	£3,845,000	£1,391,200	£3,653,350	£8,889,550
% Portfolio Split as at 30.06.2019	43.3%	15.6%	41.1%	100.0%
Less Sales (30.06.2019 Values)	£0	£0	£0	£0
Plus Purchases (At cost to include purchase costs)	£0	£0	£0	£0
Add Capital Expenditure	£0	£0	£0	£0
Adjusted Portfolio Value 30.06.2019	£3,845,000	£1,391,200	£3,653,350	£8,889,550
Portfolio Value 30.06.2020	£3,784,500	£1,400,200	£3,754,500	£8,939,200
% Portfolio Split as at 30.06.2020	42.3%	15.7%	42.0%	100.0%
Change in Value (£)	-£60,500	£9,000	£101,150	£49,650
Change in Value (%)	-1.6%	0.6%	2.8%	0.6%
Gross Rental Income 01.07.2019 - 30.06.2020	£227,484	£109,208	£44,344	£381,036
Less non-recoverable expenditure	£44,476	£6,392	£10,696	£61,564
Net Rental Income 01.07.2019 - 30.06.2020	£183,008	£102,816	£33,648	£319,473
Net Sales Surplus over Valuation	£0	£0	£0	£0
Total Return (£)	£122,508	£111,816	£134,798	£369,123
GROSS RENTAL INCOME RECEIVABLE				
01.07.2019	£243,000	£111,708	£43,057	£397,765
01.07.2020	£248,557	£111,708	£44,962	£405,227
Gross Income Yield 2020	6.6%	8.0%	1.2%	4.5%
REVERSIONARY RENTAL POTENTIAL	18.0%	16.1%	3.5%	15.9%

ANALYSIS OF PORTFOLIO RETURN

	College Associated Properties	Commercial Investment Properties	Agricultural	Total
Change in Value (£)	-£60,500	£9,000	£101,150	£49,650
Net Rental Income 01.07.2019 - 30.06.2020	£183,008	£102,816	£33,648	£319,473
Net Sales Surplus over Valuation	£0	£0	£0	£0
Less Capital Expenditure	£0	£0	£0	£0
	£122,508	£111,816	£134,798	£369,123
STANDING INVESTMENTS ^[1]				
Capital Return (%)	-1.6%	0.6%	2.8%	0.6%
Income Return (%)	4.8%	7.4%	0.9%	3.6%
Total Return (%)	3.2%	8.0%	3.7%	4.2%
INCLUDING TRANSACTIONS ^[2]				
Capital Return (%)	-1.6%	0.6%	2.8%	0.6%
Income Return (%)	4.8%	7.4%	0.9%	3.6%
Total Return (%)	3.2%	8.0%	3.7%	4.2%

^[1] Standing Investment are those properties that are held in the portfolio throughout the year

^[2] Sales and purchases are time weighted to the month in which they occurred

Property	Rent pa 30/06/2019 (£)	Rent pa 30/06/2020 (£)	Change	Market Rent 30/06/2019 (£)	Market Rent 30/06/2020 (£)	Valuation 30/06/2019 (£)	Valuation 30/06/2020 (£)	Change	Date of Purchase	Purchase Price (£)
12 Castle Street (excluding residential)	8,000	8,750	9.4%	8,750	7,050	125,000	94,500	-24.4%	pre 1978	18,600
St Giles Court, 24 Castle Street	211,558	239,807	13.4%	287,807	286,250	3,720,000	3,690,000	-0.8%	2001	3,250,000
TOTALS	219,558	248,557	13.2%	296,557	293,300	3,845,000	3,784,500	-1.6%		3,268,600

Reversionary Rental Potential

18.0%

Property	Rent pa 30/06/2019 (£)	Rent pa 30/06/2020 (£)	Change	Market Rent 30/06/2019 (£)	Market Rent 30/06/2020 (£)	Valuation 30/06/2019 (£)	Valuation 30/06/2020 (£)	Change	Date of Purchase	Purchase Price	Internal Rate of Return ⁽¹⁾	Annual Change in Value since Purchase
HUNTINGDON 6 Blackstone Road	95,500	95,500	0.0%	115,000	115,000	1,385,000	1,400,000	1.1%	2004	1,275,000	6.4%	0.9%
NEW ELTHAM 2 & 6 Cambridge Green	8	8	0.0%	8	8	200	200	0.0%	pre 1978	150	-	
Carried Forward	95,508	95,508	0.0%	115,008	115,008	1,385,200	1,400,200	1.1%		1,275,150		

Reversionary Rental Potential 20.4%

Notes:

⁽¹⁾ All IRR calculations are taken from June 1983 or date of purchase where later. It is assumed that non-recoverable management, legal and other costs comprise 5% of the rent per annum.

Property	Rent pa 30/06/2019 (£)	Rent pa 30/06/2020 (£)	Change	Market Rent 30/06/2019 (£)	Market Rent 30/06/2020 (£)	Valuation 30/06/2019 (£)	Valuation 30/06/2020 (£)	Change	Date of Purchase	Purchase Price (£)
Brought Forward	95,508	95,508	0.0%	115,008	115,008	1,385,200	1,400,200	1.1%		1,275,150
LETCHWORTH 9 Howard Park Corner (including residential)	16,200	16,200	0.0%	16,200	14,700	6,000	0	-	pre 1978	27,500
SUB-TOTAL	16,200	16,200	0.0%	16,200	14,700	6,000	0	-		27,500
TOTALS	111,708	111,708	0.0%	131,208	129,708	1,391,200	1,400,200	0.6%		1,302,650

Reversionary Rental Potential

16.1%

Property	Rent pa 30/06/2019 (£)	Rent pa 30/06/2020 (£)	Change	Market Rent 30/06/2019 (£)	Market Rent 30/06/2020 (£)	Valuation 30/06/2019 (£)	Valuation 30/06/2020 (£)	Change	Date of Purchase	Purchase Price (£)
Mowbrays Farm, Ickleton Pt, Duxford Airfield ^[1]	29,700	29,700	0.0%	29,700	29,700	3,200,000	3,300,000	3.1%	pre 1978	123,260
Fishing rent - River Cam	300	320	6.7%	300	350	4,500	4,500	0.0%	pre 1978	
No 4 Church Street, Ickleton	13,800	14,400	4.3%	13,800	14,600	335,000	335,000	0.0%	pre 1978	
Land at Harston	42	42	0.0%	50	50	1,850	2,000	8.1%		
Land at Wrawby ^[2]	500	500	0.0%	550	550	42,000	43,000	2.4%	pre 1978	16,500
Land at Bentley Road, Cambridge ^[3]	0	0	0.0%	1,300	1,275	70,000	70,000	0.0%	04/01/1931	9,500
TOTALS	44,342	44,962	1.4%	45,700	46,525	3,653,350	3,754,500	2.8%		175,260

Notes:

^[1] Mowbrays Farm - The market value of this property with vacant possession is in the order of £3.6 - £3.7 million, but this is not realisable until the end of the tenancy.

^[2] Capital value does not include hope value for development - which is long term.

^[3] Both paddocks currently vacant.

Reversionary Rental Potential

3.5%

Section 2: Tenancy Schedule

COLLEGE ASSOCIATED PROPERTIES

Property	Tenant	Lease Start Date	Lease Expiry Date	Next Review Date	Next Break Date	Break Type	Passing Rent pa (£)	2020 Market Rent (£)	Estimated Income to June 2021 (£)
12 Castle Street	Mr Zana Mirza Pasha	04/11/2014	03/11/2024	04/11/2019			8,750	7,050	8,750
St Giles Court, 24 Castle Street: GF Left	Niras Consulting Limited	03/04/2019	02/04/2024	n/a	n/a		28,249	28,250	28,249
St Giles Court, 24 Castle Street: GF Right	Vacant						0	48,000	0
St Giles Court, 24 Castle Street: FF	Analysys Mason Ltd	22/10/2018	21/10/2028	22/10/2023	21/10/2023	Tenant's	111,406	110,000	111,406
St Giles Court, 24 Castle Street: SF	Camfed International	22/10/2018	21/10/2028	22/10/2023	21/10/2023	Tenant's	100,152	100,000	100,152
TOTAL							248,557	293,300	248,557

COMMERCIAL INVESTMENT PROPERTIES

Property	Tenant	Lease Start Date	Lease Expiry Date	Next Review Date	Next Break Date	Break Type	Passing Rent pa (£)	2020 Market Rent (£)	Estimated Income to June 2021 (£)
HUNTINGDON 6 Blackstone Road	Landmann Ltd	10/06/2015	09/06/2025	10/06/2020			95,500	115,000	115,000
LETCHWORTH 9 Howard Park Corner	Jason Carter	23/09/2016	22/09/2020				7,500	6,000	1,875
LETCHWORTH 9a Howard Park Corner (Residential upper floors)	Mrs I Virciu & Mr O Virciu	02/06/2016		02/06/2019			8,700	8,700	2,175
NEW ELTHAM 2 & 6 Cambridge Green	New Eltham Tenants	25/03/1914	24/03/2913				8	8	8
TOTAL							111,708	129,708	119,058

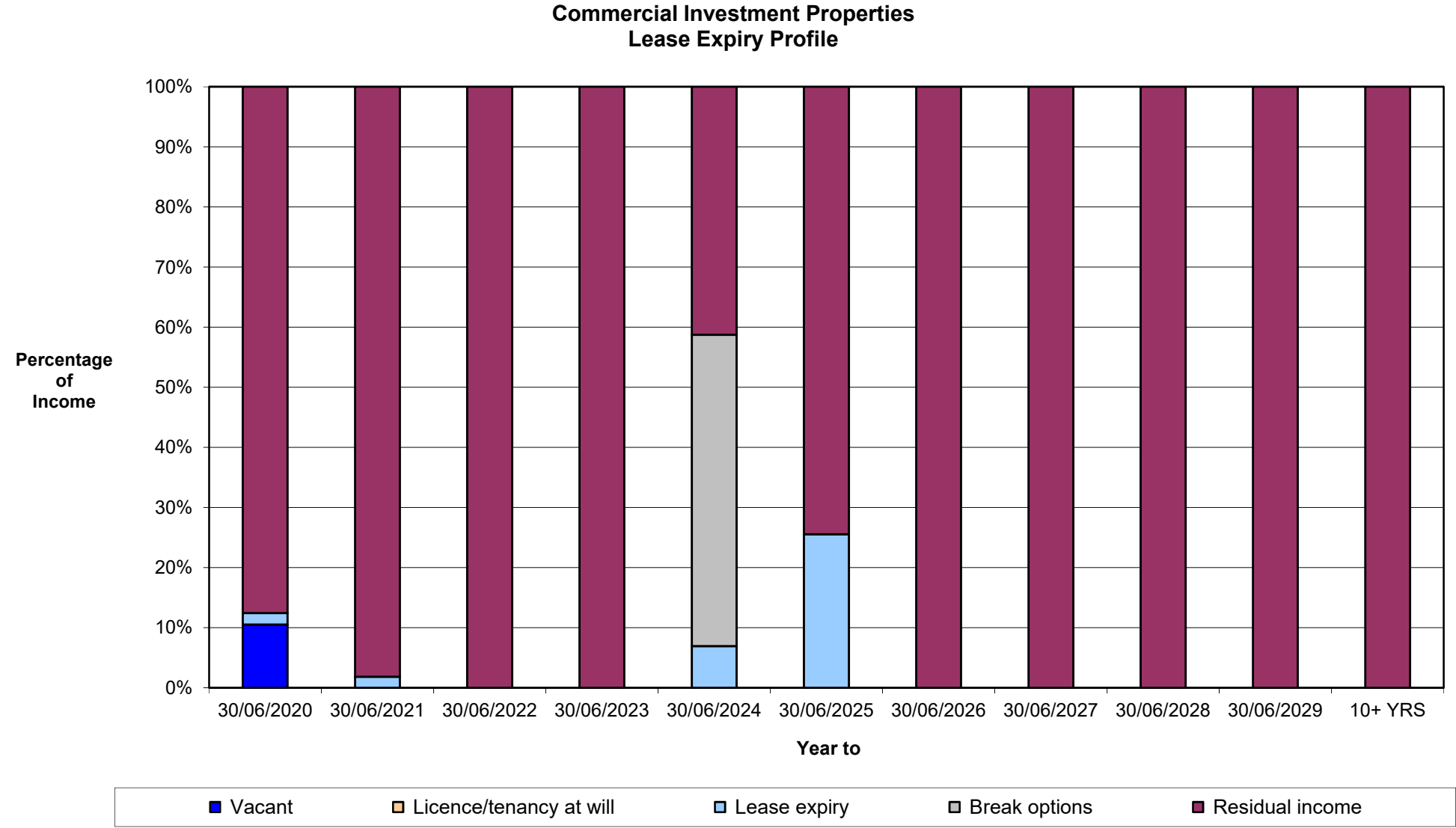
Property	Landlord	Tenant	Lease Start Date	Lease Expiry Date	Next Review Date	Next Break Date	Break Type	Passing Rent pa (£)	Residue Unexpired Term (Years)
LETCHWORTH 9 Howard Park Corner	Letchworth Garden City Foundation	Clare College	29/09/1921	28/09/2020				15	1.25

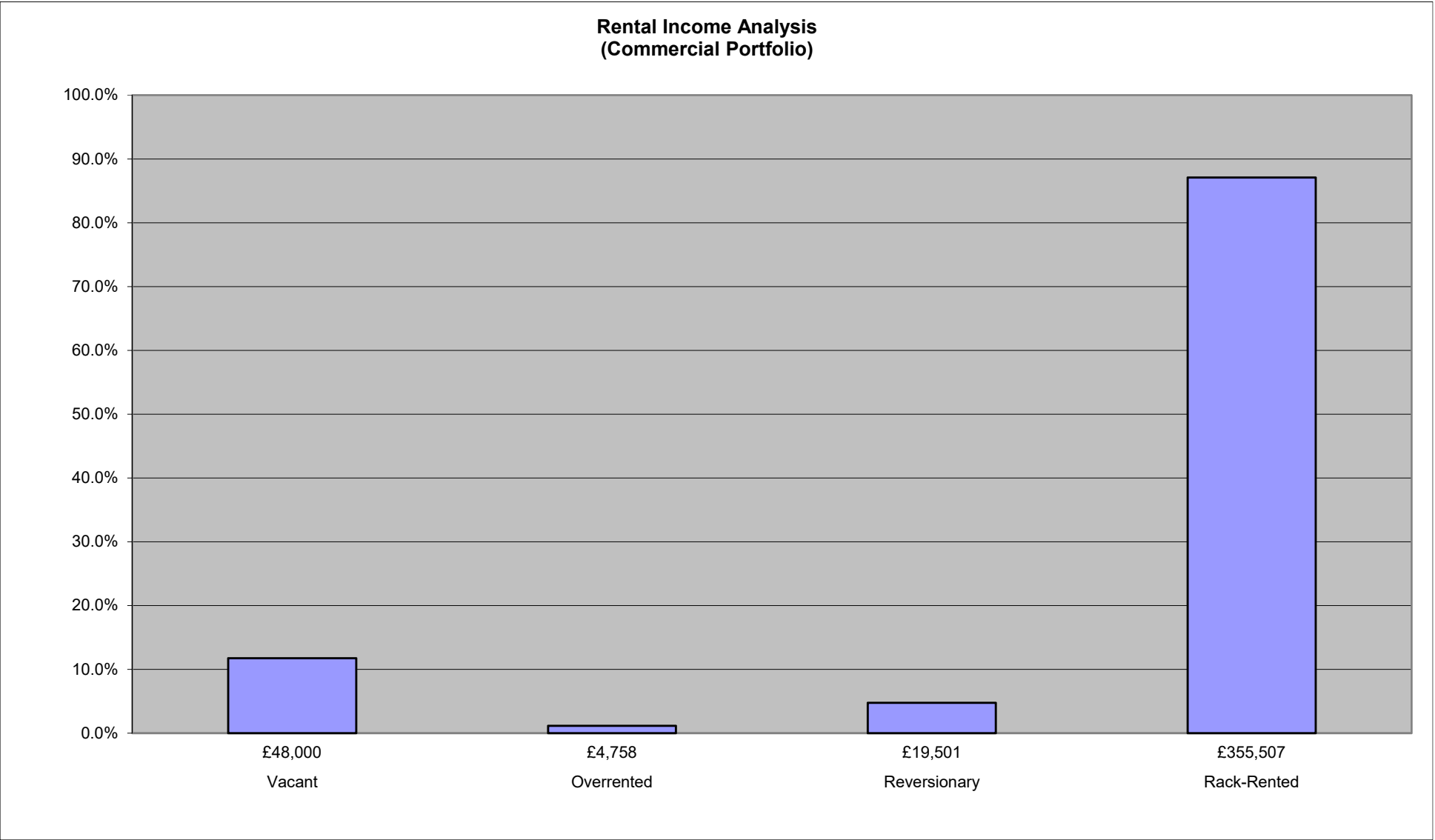
AGRICULTURAL PROPERTIES

Property	Tenant	Acres	Hectares	Lease Start Date	Lease Expiry Date	Next Review Date	Passing Rent pa (£)	2020 Market Rent (£)	Estimated Income to July 2021 (£)
Mowbrays Farm	R Driver	243.21	98.43	11/10/1968		11/10/2021	25,000	25,000	25,000
Part Duxford Airfield	R Driver	66.86	27.06	11/10/1977		12/10/2021	4,700	4,700	4,700
4 Church Street	Ms Z Bradford	0.11	0.04	19/07/2019	18/07/2020	19/07/2020	14,400	14,600	14,400
Fishing Rights (River Cam)	Cambridge Trout Club	-	-	01/11/2019	31/10/2021	-	320	350	320
Bentley Road (South) Paddock	Vacant	2.72	1.10				0	775	380
Bentley Road (North) Paddock	Vacant	1.77	0.72				0	500	250
Woodland, Bentley Road	Vacant	2.47	1.00				0		
Land at Harston	H Hurrell	0.70	0.28	29/09/1978	28/09/1979	29/09/2021	42	50	42
Land at Wrawby	D & R Herring	6.25	2.53	31/10/1985	30/10/1986	11/10/2021	500	550	500
Land at Wrawby (Wayleave)	EPN Distribution Ltd	-	-						
Bentley Road Paddocks Wayleave	EPN Distribution Ltd	-	-	07/10/1996					0
Permissive Footpath (Mowbrays Farm)	Hinxton Parish Council	-	-	14/03/2017	13/03/2027		0	0	0
		324.09	131.16				44,962	46,525	45,592



Section 3: Graphical Analysis





Appendices

Appendix A: General Assumptions and Conditions

GENERAL ASSUMPTIONS AND CONDITIONS

1 GENERAL**1.1 Valuation Definitions****1.1.1 Market Value (MV)**

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

This estimate excludes an estimated amount inflated or deflated by special consideration such as Special Value or Synergistic Value.

Special Value can arise where an asset has attributes that make it more attractive to a particular buyer than to any other buyers in a market. These attributes can include the physical, geographic, economic or legal characteristics of an asset. Market Value requires the disregard of any element of Special Value because at any given date it is only assumed that there is a willing buyer, not a particular willing buyer.

Synergistic Value is an additional element of value created by the combination of two or more assets or interests where the combined value is more than the sum of the separate values. If the synergies are only available to one specific buyer then it is Special Value.

Notwithstanding the disregard of Special Value where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the property in the future, this element of 'hope value' is reflected in Market Value.

1.1.2 Depreciated Replacement Cost (DRC)

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

1.1.3 Market Rent (MR)

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

1.1.4 Worth and Investment Value

The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

1.1.5 Fair Value

The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (IFRS 13).

The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged between knowledgeable willing parties in an arm's length transaction (FRS102).

GENERAL ASSUMPTIONS AND CONDITIONS

1.1.6 Existing Use Value (EUV)

The estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion - assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

1.2 Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of some of the properties within the subject portfolio, there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this portfolio is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. However, some properties do fall outside of this material uncertainty clause which are listed below:

6 Blackstone Road, Huntingdon
2 & 6 Cambridge Green, New Eltham
All Agricultural Properties

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation[s] contained within this report under frequent review.

1.3 Allowances

1.3.1 Taxation

No allowances have been made in the valuation for the liability or effect of taxation.

1.3.2 Goodwill

The valuation excludes the value of any goodwill of the present business conducted on the property.

1.3.3 Plant and Machinery

The valuation excludes the value of any removable plant and machinery, fixtures and fittings on the property unless otherwise stated.

1.3.4 Costs

No allowance has been made for any costs of disposal of the property.

GENERAL ASSUMPTIONS AND CONDITIONS

1.3.5 Encumbrances

No account has been taken of any borrowings or other encumbrances which may affect the property.

2 GENERAL CONDITIONS OF THE VALUATION

2.1 The valuation is subject to the following conditions.

- 2.1.1 Unless otherwise stated we have not made any enquiries nor taken any legal advice concerning the title and the valuation is on the basis that good title can be shown and that there are no unusual onerous or restrictive covenants, easements, or other rights which affect the value of the property.
- 2.1.2 The valuation is on the basis that the information supplied to us in respect of the property is accurate and complete.
- 2.1.3 Unless otherwise stated we have made no enquiries nor taken any legal advice concerning the possibility of adverse rights or claims, statutory notices, adverse proposals by central or local Government/authorities, statutory authorities or the like affecting the property or contravention of any statutory requirements relating to the property or its use and the valuation is on the basis that there are none.
- 2.1.4 Unless otherwise stated the valuation is on the basis that planning permission for the particular use of the property exists and that there are no outstanding planning conditions which might have a materially adverse effect on the value of the property. The valuation is on the basis that any information verbal or otherwise regarding the planning permission obtained from the local authority or other sources is accurate and complete.
- 2.1.5 No structural survey has been carried out. Neither those parts of the property which are covered, unexposed or inaccessible have been inspected nor have the services installations been inspected or tested and this report should not be regarded as making any implied representations or statements about the condition of such parts. Accordingly the valuation is on the basis that:
 - a) there are no structural or latent and/or inherent defects which would affect the value;
 - b) the property includes those items which provide the services to the land and buildings and which are generally regarded as an integral part thereof;
 - c) the services are of sufficient size and capacity for the purposes for which the property is used; and
 - d) the ground on which the property is sited is of sufficient load bearing capacity to support the building erected thereon.
- 2.1.6 Where reports from other professional advisers on these subjects have been made, and provided to the Valuer, a statement to this effect and reference to any significant matters will be made.
- 2.1.7 No investigations have been undertaken to determine whether the property or the ground on which the property is sited is, or has been in the past, contaminated or polluted by any naturally occurring or man-made substances, forces or organisms or any combination of these, whether permanent or transitory and however occurring. Our valuation is therefore on the basis that the property and its environs are entirely free from such contamination or pollution.
- 2.1.8 However, where we have been supplied with a specialist's report which identifies contamination on the site and estimates the remedial cost, our valuation will have regard to the findings in the report.

GENERAL ASSUMPTIONS AND CONDITIONS

- 2.1.9 No investigations have been carried out to determine whether or not any deleterious, hazardous, contaminating or polluting materials have been used in the construction of the property or have since been incorporated and, accordingly, it is not possible to report that the property is free from risk in this respect. The valuation is therefore on the basis that such investigations would not disclose the presence of such materials in any adverse conditions.
- 2.1.10 No allowance has been made for any rights obligations and liabilities that may arise under the Defective Premises Act 1972, Health and Safety at Work Act 1974, Equality Act 2010, Regulatory Reform (Fire Safety) Order 2005, Control of Asbestos Regulations 2012 or any other relevant legislation.
- 2.1.11 We have not carried out searches or taken references on the financial or other status of the occupational tenants to comment thereon.
- 2.1.12 The valuation assumes that the portfolio will continue to remain in its existing ownership and therefore no allowance or reduction has been made to reflect the possible effect of flooding the market.

3 CONFIDENTIALITY

- 3.1 Neither the whole nor any part of this report nor reference thereto may be included in any published document, circular or statement nor published in any way without prior written approval of the form and context in which it may appear.
- 3.2 Such publication of, or reference to, this Valuation will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the RICS Valuation Global Standards (November 2019) or the incorporation of the special assumptions referred to herein.
- 3.3 The report has been prepared solely for the purpose stated and is to be regarded as confidential to the persons to whom it is addressed and it is intended for use by them only. Consequently, in accordance with our normal practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents.

WITNESS OUR HAND THIS 4TH DAY OF AUGUST 2020

Commercial Valuer



Duncan Wisbey BSc (Hons) MRICS (RICS Registered Valuer 1122250)

Checked by



Luke Wordsworth BA (Hons) MSc MRICS (RICS Registered Valuer 1242645)

Agricultural Valuer



Jeremy Procter MA MSc MRICS ACI Arb (RICS Registered Valuer 0071666)

Checked by



Elizabeth Craig BSc (Hons) MRICS MCI Arb

Appendix B: Disclosures

DISCLOSURES

We confirm that this Valuation is defined as a Regulated Purpose Valuation under the RICS Valuation Global Standards (November 2019) and we confirm the following:

- a) The valuation of the commercial properties has been undertaken by Duncan Wisbey BSc (Hons) MRICS and this is the first year that he has been a signatory to this Valuation.
- b) The Agricultural Valuation has been undertaken by Jeremy Procter MA MSc MRICS ACI Arb and he was last a signatory to this Valuation in 2018.
- b) Bidwells have been advising the College in various capacities for at least 50 years.
- c) We confirm that in relation to Bidwells' last financial year the proportion of total fees payable by the College to the total fee income of Bidwells is less than 5% and we do not expect this to materially change for the current financial year.

Appendix C: Property Schedule

COMMERCIAL INVESTMENT PROPERTIES

Town	Address	Tenure
HUNTINGDON	6 Blackstone Road	Leasehold - 999 years from 15 February 1994
NEW ELTHAM	2 & 6 Cambridge Green	Freehold

COLLEGE ASSOCIATED PROPERTIES

Town	Address	Tenure
CAMBRIDGE	12 Castle Street	Freehold
CAMBRIDGE	St Giles Court, 24 Castle Street	Freehold

LONG LEASEHOLD PROPERTIES

Town	Address	Tenure
LETCHWORTH	9 Howard Park Corner	Leasehold - 99 years from 29 September 1921

AGRICULTURAL PROPERTIES

Address	Tenure
Mowbrays Farm, Ickleton Pt, Duxford Airfield	Freehold
No 4 Church Street, Ickleton	Freehold
Land at Harston	Freehold
Land at Wrawby	Freehold
Land at Bentley Road, Cambridge	Freehold

Appendix D: Engagement Letter

Your ref:
Our ref: LW/SJH/200514
DD: 01223 559373
E: luke.wordsworth@bidwells.co.uk
Date: 14 May 2020

P Warren Esq
Bursar
Clare College
Trinity Lane
Cambridge
CB2 1TL

Dear Paul

PORTFOLIO VALUATION 30 JUNE 2020

In accordance with the RICS Valuation Global Standards (November 2019) we are writing to clarify our instruction with regard to the valuation of your property portfolio.

The following assumptions have been made with regard to the valuation, and if you are in agreement with these assumptions, we would be grateful if you could kindly sign and return a copy of this letter:

1. We understand this valuation is for the purpose of incorporation in the College's financial year end accounts.
2. We understand that your financial reports are prepared in accordance with UK Generally Accepted Accounting Principles (new UK GAAP) FRS102.
3. Bidwells will assess the Fair Value of the College's portfolio as at 30 June 2020, in accordance with UK VPGA 1.2 of the RICS Valuation Global Standards and UK National Supplement. It will be undertaken in accordance with the requirements of FRS102. From our knowledge of the properties and your requirements we can confirm that we consider this to be the most appropriate basis of valuation.
4. For the purposes of UK GAAP FRS102, the definition of Fair Value to be adopted is "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".
5. It is acknowledged that the terminology used in respect of Fair Value as defined in the Financial Reporting Standards (FRS 102) is closer to the Market Value definition set out in the International Valuation Standards (July 2019). For most practical purposes, the figure to be reported as the Fair Value of an asset is likely to be conceptually the same as that which would be reported as its Market Value. We will therefore refer to Fair Value as Market Value throughout the remainder of this letter of engagement as well as in the valuation report.
6. The currency to be adopted for the valuation is pounds sterling.

Bidwell House, Trumpington Road, Cambridge CB2 9LD
T: 01223 841841 E: info@bidwells.co.uk W: bidwells.co.uk

7. We confirm the properties to be valued this year are those detailed in the attached schedule. Where any of the properties include premises, which are integral to the fabric of the College or to the operation of the College, we understand that the valuation provided is on the assumption the link is not in place. All the properties are valued freehold unless otherwise indicated.
8. The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this portfolio under frequent review.

9. Scope of work

Bidwells do not inspect each property specifically for the purpose of valuation, however under the terms of Bidwells' Management instruction, the properties are inspected at least once a year. Additional inspections are carried out if Bidwells is aware that there has been any specific activity on the portfolio. It has been agreed that we are to rely on information supplied by the College and our own investigations. It is agreed that Bidwells will not investigate:

- (i) Planning consents or planning policy relating to the properties.
- (ii) Title and adverse rights.
- (iii) Contamination, deleterious and hazardous materials / environmental impact.
- (iv) Ground conditions and flood risk.
- (v) Statutory compliance.
- (vi) Structural condition or inherent defects.
- (vii) Services.
- (viii) Highway investigations.
- (ix) The effects of an Energy Performance Certificate where the rating is F or G nor the works required to achieve a rating of E or less.
- (x) Market rental evidence beyond that undertaken as part of our Management Agreement.

10. Reporting

It is agreed that the valuation report will comprise a schedule of properties and will provide details of the Market Rent and Market Value. No detailed description of each property and its location will be provided and no reference to the approach adopted or key inputs used or the principal reason for the conclusions will be included within the report.

11. The properties will be valued by Duncan Wisbey BSc (Hons) MRICS (RICS Registered Valuer 1122250) (Commercial) and Jeremy Procter MA MSc MRICS ACI Arb (RICS Registered Valuer 0071666) (Agricultural) who are qualified, competent and experienced to undertake valuations of this type and in these locations. The Valuers are able to provide an objective and unbiased opinion of value. The Valuers stated above will act in accordance with Professional Standard 2 of the RICS Valuation Global Standards (November 2019).
12. Special Assumptions agreed with you for the purposes of a specific valuation are not explicitly listed in this Letter of Engagement. However, we will note where a Special Assumption has been made in the valuation report.
13. To our knowledge, this company and any of its Partners, Directors or Employees do not have any conflict of interest in carrying out this valuation. By signing this letter, the College is satisfied that we are undertaking the valuation when we also manage the properties. We consider that we do not have any conflict of interest in this respect as the management fee is not based on valuation performance. We confirm that Bidwells' fees received from the College is less than 5% of the whole firm's turnover.

There are no properties within the portfolio that have been purchased by the College in the last 12 months where Bidwells received either an introductory fee or negotiated the purchase on your behalf.

14. Unless otherwise agreed between us in writing, our total liability in respect of any breach of contract or breach of duty, fault, negligence or otherwise, shall be limited to £5 million to cover claims of any sort whatsoever made by you (including interest and costs) arising out of or in connection with, any engagement. This provision shall have no application for any liability for death personal injury or any other liability that we are prohibited by law from excluding or restricting.
15. Bidwells will not charge a separate fee for the valuation as the work is carried out as part of the annual management retainer.
16. Neither the whole nor any part of the report nor reference thereto may be included in any published document, circular or statement in any way without prior written approval of the form and context in which it may appear.
17. The report will be prepared solely for the purpose stated and is to be regarded as confidential to the persons to whom it is addressed, and it is intended for use by them only. Consequently, in accordance with our normal practice, no responsibility will be accepted to any third party in respect of the whole or any part of its contents.
18. The report will be prepared in accordance with the RICS Valuation Global Standards (November 2019) incorporating the International Valuation Standards (IVS) (July 2019), the UK National Supplement and Charities SORP (FRS102).
19. The valuation may be subject to monitoring by the RICS Conduct and Disciplinary Regulations.
20. Should you have any problems with our service, which you are unable to resolve with the Partner, agent or professional responsible, you should contact the Partner specified in our Terms of Engagement. He or she will make every effort to deal with the problem quickly and efficiently. We operate a formal procedure for complaints handling which complies with the minimum standard laid down by the RICS (Royal Institution of Chartered Surveyors). A copy of the Procedure is available on request.

21. Where, for a particular area of our business other procedures are appropriate methods of resolving the problem, we shall clarify this in our Terms of Engagement. The complaints procedure does not affect the contractual rights of either party to this agreement, and all fees remain payable in accordance with our fee agreement.

22. Regulated Purpose Valuations

We confirm that this valuation is defined as a Regulated Purpose Valuation under the RICS Valuation Global Standards (November 2019). In accordance with this Standard we confirm the following:

23. Rotation of Personnel

We confirm that Bidwells have a policy of rotating personnel undertaking this valuation, so no single valuer values the Portfolio for more than seven consecutive years. This rotation is undertaken in accordance with our Management System under ISO 9001:2000.

This is the first year that Duncan Wisbey (Commercial Valuer) has been a signatory to this valuation and Jeremy Procter was last a signatory to this valuation in 2018 (Agricultural Valuer).

Should you have any concerns regarding these assumptions, please do not hesitate to contact me. Otherwise I look forward to receiving a signed copy of this letter in due course.

Yours sincerely



Luke Wordsworth BA (Hons) MSc MRICS

Partner, Fund Management

I can confirm that I am in agreement with the above specific assumptions.

Signed  Dated 18 May 2020

On behalf of Clare College, Cambridge

**Clare College
Schedule of Properties 2020**

Commercial Properties	Residential Properties
Cambridge, 12 Castle Street Cambridge, St Giles Court, 24 Castle Street Huntingdon, 6 Blackstone Road Letchworth, 9 Howard Park Corner (Leasehold)	London, 2 Cambridge Green London, 6 Cambridge Green
Agricultural Properties	
Mowbrays Farm, Ickleton Pt, Duxford Airfield Fishing rent – River Cam No 4 Church Street, Ickleton Land at Harston Land at Wrawby Land at Bentley Road, Cambridge	